

Report to: Cabinet

Date of Meeting 7th January 2026

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Exemption applied: None

Review date for release N/A



Devolution and Local Government Reorganisation Update

Report summary:

This report follows the submission of the full proposal for the 4-5-1 model of local government reorganisation in Devon to the Secretary of State in November 2025. An update is provided on the other proposals that were submitted alongside this model. The report then goes on to consider the next stages in terms of the consultation and decision-making process and the transition to implementation planning. Finally, the report provides an update in relation to devolution proposals and the strategic importance of moving to a Mayoral model.

Is the proposed decision in accordance with:

Budget Yes No

Policy Framework Yes No

Recommendation:

That Cabinet;

- Notes the next steps in relation to proposals for local government reorganisation and the potential establishment of a mayoral strategic authority
- Further to the letter of 25 July 2025 signed by this and the other ten Devon councils jointly expressing an interest in future Devon devolution opportunities, agrees to liaise with the other Devon Districts, the County Council and Plymouth City and Torbay Councils with the intention of reinvigorating the Team Devon partnership
- Receives further reports as the proposals evolve and key stages are reached

Reason for recommendation:

To ensure that Cabinet is fully informed of the progression of proposals relating to both local government reorganisation and devolution.

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Portfolio(s) (check which apply):

Assets and Economy
 Communications and Democracy
 Council, Corporate and External Engagement
 Culture, Leisure, Sport and Tourism
 Environment - Nature and Climate
 Environment - Operational
 Finance

- Place, Infrastructure and Strategic Planning
- Sustainable Homes and Communities

Equalities impact Low Impact

Climate change Low Impact

Risk: Low Risk;

Links to background information <https://www.gov.uk/government/publications/recommended-code-of-practice-for-local-authority-publicity>.

Link to Council Plan

Priorities (check which apply)

- A supported and engaged community
- Carbon neutrality and ecological recovery
- Resilient economy that supports local business
- Financially secure and improving quality of services

1. Background & Context

1.1 Cabinet and Council have, over the course of 2025, received a series of reports in relation to devolution and local government reorganisation. This culminated in the consideration of the full proposal for the 4-5-1 model of local government reorganisation in November 2025 which was then duly submitted to the Secretary of State by the deadline of the 28th November. This report provides an update on the different options that have been submitted alongside the 4-5-1 model, sets out the next steps in terms of consultation and considers the wider shift to implementation including in terms of governance and resourcing. More widely the report also provides an update in relation to proposed devolution arrangements and the potential establishment of a Mayoral Strategic Authority.

2. Options for Local Government Reorganisation

2.1. The Ministry of Housing, Communities and Local Government has confirmed that the following options have been submitted for consideration;

- 3 unitary authorities – South Hams, Teignbridge, West Devon – Reimagining Devon (also known as the 4-5-1 model).
- 3 unitary authorities – Mid Devon, East Devon, North Devon, Torridge – Reimagining Devon (with a request to modify boundaries) (also known as the 4-5-1+ model)
- 3 unitary authorities – Devon County Council – The Case for Devon (also known as the 9-1-1 model).
- 4 unitary authorities – Plymouth & Exeter – Proposal for Local Government Reorganisation in Devon.
- 4 unitary authorities – Torbay – Proposal for Local Government Reorganisation in Devon.

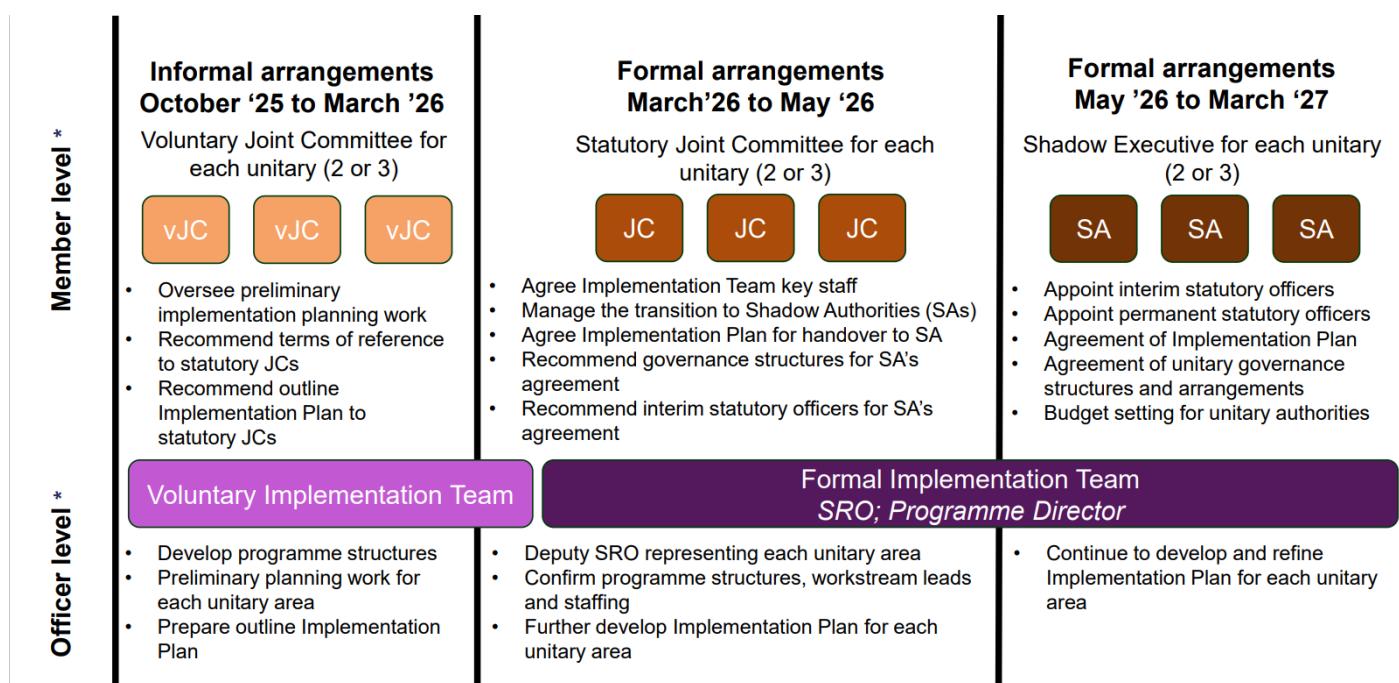
2.2 As anticipated, Devon is at the upper end of the spectrum nationally in terms of the number of potential options. In accordance with the Local Government and Public Involvement in Health Act 2007, the Secretary of State must now consult affected local authorities and other appropriate persons. Recent correspondence confirms that this will commence in early February and last for seven weeks. A final decision, in terms of the chosen option, is then expected to be made in July.

2.3 The Minister for Local Government and Homelessness has recently written to Council Leaders reminding them of the responsibility to uphold and adhere to the Recommended Code of Practice for Local Authority Publicity ('the Publicity Code'). The provisions on objectivity, even-handedness and the appropriate use of publicity are highlighted as the most relevant.

3. Implementation

3.1. There will need to be ongoing engagement with MHCLG to help define the 4-5-1 proposals and provide further explanation as to how they can be implemented successfully. As part of this process this council, in partnership the other District and Borough Councils, will need to engage with and support this process. Alongside this there is a programme of activity that can be progressed on an option agnostic basis. The document contained at Appendix A sets out the breadth of potential activity, as defined by MHCLG, and that will help to provide the foundation for successful implementation regardless of the option that is finally chosen. This activity will require resourcing across the authorities and also the establishment of shared governance arrangements which will then build over time towards the Shadow Authority.

3.2. The example below from Surrey, which is in the vanguard of the current wave of local government reorganisation, helps to demonstrate how arrangements will need to evolve across three phases including transitioning from voluntary to more formal arrangements.



3.3 The form these arrangements will take in Devon is currently uncertain. This includes whether there will be a single Programme Management Office and the terms of reference for any joint committee. MHCLG has appointed a sector advisor (John Metcalf) to help to broker a way forward. Implementation planning will need to be progressed in addition to ongoing service delivery. Agreement will also need to be reached on the thorny issue of how associated preparatory and implementation costs will be apportioned across the constituent authorities.

3.4 There is currently headroom within the budget agreed by Cabinet in June 2025 to support LGR related work. Given the uncertainty around the precise form and scope of this work, this position will need to be kept under careful review.

4. Devolution

4.1 Whilst the recent focus has been on local government reorganisation, it is important not to lose sight of the proposals for wider devolution. Indeed in the context of the Fairer Funding Review and the ending of UK Shared Prosperity Funding, without an enhanced devolution deal, Devon will be at a significant disadvantage relative to other areas in terms of the ability to access resources.

4.2 All the Councils in Devon supported a letter to the Minister of State for Local Government and English Devolution in July 2025 expressing a joint interest in pursuing future devolution opportunities. The letter proposed the creation of a South West Peninsula Mayoral Strategic Authority (MSA). The proposed MSA would encompass a population of in excess of 1.2 million people and an economy worth over £25 billion annually. The letter made it clear that the leaders believed that the time was right for a more comprehensive devolution agreement and committed to working at pace to develop this. This included scope to include Cornwall as part of a wider Mayoral Combined Authority.

4.3 The subsequent response to the letter was to give encouragement for Devon to move towards a Mayoral model but there was no specific commitment to a timeline for this. More recently in a letter to Cornwall Council's senior leadership, the Secretary of State recently confirmed that the Government is:

- Minded to grant a bespoke devolution deal for Cornwall.
- Likely to designate Cornwall Council as a Single Foundation Strategic Authority on an exceptional basis. This is subject to the passing of the English Devolution and Community Empowerment Bill and parliamentary approval.
- Recognising Cornwall's unique status and that the deal will not require amalgamation with neighbouring authorities (ruling out a "Devonwall" deal) and is unlikely to be led by a directly elected mayor. This is a deviation from the Government's usual preference for deals led by elected mayors.

4.4 More widely the government has announced a delay to the inaugural mayoral elections for four of the six areas included in the Devolution Priority Programme (DPP). The inaugural mayoral elections for the following four areas, which were originally scheduled for May 2026, have been postponed to May 2028:

- Greater Essex
- Hampshire and the Solent
- Norfolk and Suffolk
- Sussex and Brighton

4.5 The Secretary of State stated that the delay is necessary to allow these areas to complete the complex process of local government reorganisation before the mayors take office. The government's position is that devolution is strongest when it is built on strong foundations and that the mayors should come into office with effective and empowered unitary council structures already in place. This move has been met with criticism, both in terms of the financial impact, whereby the four affected areas will collectively receive less annual investment fund money over the next two years (2026/27 and 2027/28), and in terms of undermining the promised devolution revolution.

4.6 Despite these two developments, moving to a Mayoral Strategic Authority model remains a key strategic imperative. The current Devon & Torbay Combined County Authority (CCA) provides a platform from which to move forward. Whilst there is a potential legislative pathway to evolve the CCA to a model that includes a directly elected Mayor, this would be a decision for the Secretary of State.

4.7 Alongside this careful consideration needs to be given to the inclusion of Plymouth to avoid creating a devolution island. Again, any extension to the geographic scope of the CCA

would be a decision for the Secretary of State. Any proposal would need to set out how any such decision would improve the economic, social, and environmental well-being of some or all of the people that live or work in the area, as well as demonstrating that the proposals have broad public and political support.

4.8 Team Devon provides a forum for helping to secure this support. Following a discussion at a recent Devon Districts Forum meeting there is a potential opportunity to reinvigorate this partnership. It was originally anticipated that Team Devon would evolve to become a formal joint committee at the time that the CCA came into being. It is a recommendation of this report that the Council works with the other District Councils and the County Council to help shape the approach moving forward. This should include exploring whether the forum could cover the same expected footprint of an expanded CCA through the inclusion of both Plymouth City and Torbay Councils.

5.0 Conclusion

5.1 This report highlights that both local government reorganisation and devolution will continue to be key areas of focus during the course of 2026. The first stage in this will be to ensure that any queries arising from MHCLG in relation to the 4-5-1 submission are fully answered in collaboration with the other District and Borough Councils who supported this proposal. There will be an ongoing need for considered partnership working to progress initial implementation planning and to work towards a mayoral devolution model. The associated resource requirements are likely to step up over time and further reports will be forthcoming to Cabinet.

Financial implications:

There is no direct financial implication in the recommendations in this report. The overall consequences of Devolution and LGR are financial critical, but this report only giving an update of the current position in terms of process. Budget provision is currently in place to cover expected costs, but the report notes the resources required going forward will be kept under review.

Legal implications:

There are no substantive legal issues to be added to this report.