

REPORT TO SPECIAL STRATEGIC SCRUTINY COMMITTEE

3rd November 2025

Report of: Chief Executive

Title: Local Government Reorganisation in Devon: Update on development of our final proposal

Is this a Key Decision?

No

Is this an Executive or Council Function?

Council

1. What is the report about?

- 1.1 The purpose of this report is to provide an update on the work being undertaken to develop a final proposal for Local Government Reorganisation (LGR) in Devon. The report provides details on the emerging draft final proposal for LGR in Devon, how Members and other stakeholders have been engaged on the development of this work and how their comments are being incorporated. It should be noted that any further updates during the period between publication of this report and the Special Strategic Scrutiny Committee will be shared during the meeting.

2. Recommendations

That the Special Scrutiny Committee:

- 2.1 Notes the work being done by officers to develop a final proposal for LGR in Devon and how Member feedback is helping to shape that submission.

3. Reasons for the recommendation:

- 3.1 In his letter of 5th February 2025, Jim McMahon, Minister of State for Local Government and English Devolution invited Leaders of two-tier councils and unitary councils in Devon to submit proposals for a single tier of local government. The Government has asked for a final proposal to be submitted by 28th November 2025.
- 3.2 Members were recently invited to attend a series of briefings to learn more about the work undertaken, to date, to develop the council's draft final proposal for LGR in Devon and to hear details of the emerging content. Members were given the opportunity to comment and provide feedback during these briefings.
- 3.3 Officers are keen to ensure that Members are kept updated on progress with the development of the emerging draft final proposal for LGR in Devon and given assurance that their comments and feedback are being considered.

4. What are the resource implications including non-financial resources

- 4.1 The Chief Executive supported by the Strategic Directors has led the development of the draft final proposal to be submitted to Government by 28th November 2025.
- 4.2 Due to the tight timescale set out in the invitation from Government, external support was commissioned, predominantly, to help with the work around financial viability and to act as a critical friend to develop proposals for the creation of high-quality, innovative, and sustainable public services tailored to local needs. A budget of £100,000 was agreed to support this work.
- 4.3 Alongside this, the Government allocated £383,326 to the Devon area to help with the development of LGR proposals. This was equally divided across the councils in Devon and resulted in this council receiving £34,848.
- 4.4 The costs of external support in relation to the development of the draft final proposal is being kept under review. It is unlikely that any additional budget will be required but, if this is necessary, a request will be brought before Members in the usual way.

5. Section 151 Officer comments:

- 5.1 S151 comments are not required as this is a Strategic Scrutiny Report.

6. What are the legal aspects?

- 6.1 The statutory provisions for the creation of unitary authorities are set out in the Local Government and Public Involvement in Health Act 2000 which provides for the Secretary of State to invite or allow county or district authorities to submit proposals for restructuring into unitary authorities. This can involve the reorganisation of a county and district councils into one or more unitary authorities. The process involves consultation with affected parties and may also include taking advice from the Local Government Boundary Commission for England in appropriate cases. Any restructuring order must be approved by both Houses of Parliament.
- 6.2 The Government introduced the English Devolution and Community Empowerment Bill to Parliament on 10 July 2025. The intention is that this will overhaul the existing system of local government under the 2007 Act and, in addition to other measures, aims to establish a standardised model of devolution to support the move to more unitary authorities and to streamline how devolution powers are granted. Until the Bill becomes law, the 2007 Act continues to apply.

7. Monitoring Officer's comments:

- 7.1 Monitoring Officer's comments are not required as this is a Strategic Scrutiny report.

8. Details of draft final proposal for LGR in Devon

- 8.1 In February 2025, councils in two tier areas were formally asked by the Ministry of Housing Communities and Local Government (MHCLG) to submit final proposals for LGR in Devon by 28 November 2025. This letter also requested that councils prepare an interim submission by 21 March 2025.

- 8.2 As part of the interim submission, Council agreed to support the proposal for a unitary council for Exeter and the surrounding area.
- 8.3 Since the interim submission in March 2025, significant work has been undertaken by officers to develop a draft final proposal for LGR in Devon.
- 8.4 The draft final proposal for LGR in Devon has been built around the six criteria set out in the Government's invitation letter and the six principles that the council believes are the most important considerations for reorganisation. These are set out below.

Government Criteria
Single Tier of local government
Show how councils have worked together to come to a view that meets local needs
Prioritises delivery of high quality and sustainable public services
Enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment
Structures must support devolution structures
Right size to achieve efficiencies and withstand financial shock
Council's principles
Balanced population size and demographics
Urban and rural issues
Accessibility to public services
Sense of place and community
Growth, transport and connectivity
Financial viability and value for taxpayers

- 8.5 Members have recently been invited to attend a series of briefings to receive an update on how the final draft proposal for LGR in Devon is shaping up in relation to the following areas of work. These areas of work align to the criteria and principles set out by Government and this council:
- Growth
 - Community Engagement
 - High Quality Services
 - Neighbourhood Empowerment and Governance
 - Financial sustainability
- 8.6 Members have had the opportunity to share their views and feedback in relation to this. In response to this feedback, work is underway to review the final draft proposal for LGR in Devon and the successive Implementation Plan to include the following:
- Member input on council size;
 - Use of national evidence to support the case for smaller, more effective unitary councils;
 - Recommending a Community Governance Review at the appropriate stage;
 - Ensuring that employees feel valued, developing a strong culture and learning from other authorities;

- Co-designing services with young people and families when developing detailed operating models;
- Providing commentary around the public engagement undertaken;
- Environmental stewardship and protection of natural assets and landscape to be built into implementation planning;
- Regular communications with stakeholders including employees and Members; and
- Maintaining business as usual.

8.7 The council's final draft proposal for LGR in Devon has also been informed by the following:

- Working with other councils in Devon to share common data sets;
- Liaising with MHCLG to obtain clarification on the criteria for the final submission and associated legislation, for example, requirements around boundary changes and population size;
- Developing proposals around the geography for LGR in Devon;
- Undertaking a series of engagement activities with key stakeholders including Town and Parish Councils, Members, other councils, the business community, the voluntary sector and other key public sector partners;
- Preparing a detailed assessment of the growth opportunities across Devon and the role of devolution in strengthening the position for government investment. This includes work to make a case for cities as economically dynamic centres of innovation, creativity and culture;
- Undertaking significant work to set out how the proposal will deliver high-quality, innovative, and sustainable public services tailored to local needs;
- Developing a financial model that demonstrates financial viability for Devon and includes details of transitional costs and predicted savings;
- Developing proposals for effective neighbourhood governance structures providing clear routes for people to raise the issues that matter most to them; and
- Undertaking an initial assessment of the councillor numbers that will ensure effective democratic representation for Devon. This will be further developed with Members.

8.8 The council's full and final proposal for LGR in Devon will be shared with Council on 25th November 2025 and Executive on 26th November 2025. However, the aim of this Special Strategic Scrutiny Committee is to provide Members with an update on the current position and how their feedback is helping to inform the proposal.

8.9 It should be noted that this report is a summary at this point in time. Any further updates during the period between publication of this report and the Special Strategic Scrutiny Committee will be shared during the meeting.

9. How does the decision contribute to the Council's Corporate Plan?

- 9.1 Approval of the recommendations contained in this report will contribute to the city council's priority of leading a well-run council.

10 What risks are there and how can they be reduced?

- 10.1 A detailed Risk Register has been developed identifying the key risks to the council in relation to LGR and the action to mitigate the risks. This can be found at **Appendix 1**.

11.Equality Act 2010 (The Act)

- 11.1 Under the Act's Public Sector Equalities Duty, decision makers are required to consider the need to:
- eliminate discrimination, harassment, victimisation and any other prohibited conduct;
 - advance equality by encouraging participation, removing disadvantage, taking account of disabilities and meeting people's needs; and
 - foster good relations between people by tackling prejudice and promoting understanding.
- 11.2 In order to comply with the general duty authorities must assess the impact on equality of decisions, policies and practices. These duties do not prevent the authority from reducing services where necessary, but they offer a way of developing proposals that consider the impacts on all members of the community.
- 11.3 In making decisions the authority must take into account the potential impact of that decision in relation to age, disability, race/ethnicity (includes Gypsies and Travellers), sex and gender, gender identity, religion and belief, sexual orientation, pregnant women and new and breastfeeding mothers, marriage and civil partnership status.
- 11.4 As the work progresses to develop the council's final proposal for LGR in Devon, an EQIA will be finalised.

12. Carbon Footprint (Environmental) Implications:

- 12.1 An assessment of the impact on delivering the city council's carbon reduction target will be undertaken when the council's final proposal for LGR in Devon is submitted to Council.

13. Are there any other options?

- 13.1 The alternative option is that the council supports one of the other proposals being submitted for Devon. However, this would result in Exeter and the surrounding area being subsumed into a wider unitary geography that would not deliver the essential economic and housing growth that will benefit the whole of Devon or provide the localised provision of services.

Local Government (Access to Information) Act 1972 (as amended)

Background papers used in compiling this report:

English Devolution White Paper

Letter from Minister of State for Local Government and English Devolution

The power of prevention and place in new unitary councils: Adult Social Care and Local Government Reorganisation. Impower and DCN June 2025.

Building the Best Places for Children and Families: Children's Services in New Unitary Councils Staff College and DCN July 2025