

REPORT TO COUNCIL

Date of Meeting: 25 November 2025

Report of: Chief Executive

Title: Local Government Reorganisation: Draft Submission-Putting People First in Exeter and Devon

Is this a Key Decision?

No

Is this an Executive or Council Function?

Council

1. What is the report about?

1.1 This report sets out Exeter City Council's draft final submission to the Ministry of Housing, Communities and Local Government (MHCLG) for Local Government Reorganisation (LGR) in Devon.

1.2 The proposal responds to the Government's invitation for submissions by 28 November 2025 and demonstrates compliance with Government's criteria and the council's own principles. This report outlines resource implications, legal requirements, proposed geography, stakeholder engagement, and a timetable for implementation, with new councils expected to operate from 1 April 2028.

1.3 The council's draft final submission to MHCLG for Local Government Reorganisation for Devon can be found in Appendix A.

2. Recommendations:

2.1 That Council endorses the Draft Final Proposal for Local Government Reorganisation (Appendix A) in Devon prior to consideration by Executive on 26 November 2025.

3. Reasons for the recommendation:

3.1 In his letter of 5th February 2025, the then 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 asked for full proposals to be submitted by 28th November 2025.

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

4.1 Following the submission of the final proposal, work will need to continue to prepare the groundwork for the final model that is agreed by the Government. Guidance from the District Councils Network and learning from other unitary councils recommends that preparatory work starts in a timely way in relation to the following:

- **Democracy and governance:** Developing the constitutions, establishing the leadership to steward the new organisations and running the elections for new

For enquiries please contact: democratic.services@exeter.gov.uk

councillors who will govern the new unitary councils. This also includes setting up shadow council arrangements as part of the transition.

- **Service design:** Developing the detailed future operating models that lay out how each service within each new authority will work.
- **Budgets and finance:** Apportioning the existing budgets to each new unitary in a fair and transparent way, as well as dealing with other key financial policies such as council tax harmonisation.
- **Workforce and organisational change:** Supporting the existing officer workforce with the changes and staff transfer to the new organisations. This will also entail other workforce considerations such as union engagement, staff consultation, redeployment issues, and culture and practice changes.
- **Data and technology:** Ensuring that all data we hold is accurate and complete, before it is safely transferred to the correct unitary. Managing the systems which hold this data and support service delivery falls within this element.
- **Procurement and contracts:** Identifying which contracts are novated to each unitary. This may involve contract variations and negotiations with suppliers, as well as preparation for decommissioning and re-procurement.
- **Partnerships:** Ensuring that the strong working relationships with partner organisations are maintained, as well as setting up new arrangements that align with both unitary aspirations and regional goals.
- **External delivery bodies:** Councils have set up a variety of delivery vehicles (arm's length companies and joint ventures) to support strategic objectives. We will need to work through decisions around the future of these vehicles and ownership of them.

4.2 A clearer picture of the resources required to deliver the work will emerge when the detailed Transition and Implementation Plans are developed.

4.3 As work progresses to transition to a new council, it will be important that business as usual is maintained. Members are asked to note that where there is an impact on existing work and priorities, these will be identified by the Strategic Management Board, with proposed mitigation.

5. Section 151 Officer comments:

5.1 The modified proposal provides for four Councils which, with independent review, have sufficient scale to be financially resilient. Modelling undertaken in conjunction with Plymouth and Torbay demonstrate that all Councils are also financially viable based on existing funding projections. This allows the Councils to have a strong platform for managing Transition Costs and to deliver service transformation going forward.

5.2 Having agreed the assumptions and methodology in the financial model, with the two Unitary Councils in Devon, I am satisfied that the assumptions are reasonable and logical, and the financial model is sound. The detailed assumptions have been set out in an appendix to the proposal to ensure transparency and clarity on how the figures have been derived.

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 2007 which provides for the Secretary

For enquiries please contact: democratic.services@exeter.gov.uk

of State to invite or allow county or district authorities to submit proposals for restructuring into unitary authorities. Reorganisation can involve the reorganisation of a county council, a district council or a group of 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 Local Government & Public Involvement in Health Act 2007 provides the statutory framework for developing proposals for the reorganisation of local government. In accordance with section 2 of the Act, the Secretary of State for the Ministry of Housing, Communities and Local Government (MHCLG) invited local authorities in Devon to submit proposals for unitary authorities within Devon.

6.3 In addition to the statutory provisions set out in the 2007 Act, the guidance issued by MHCLG states:

- Existing district areas should be considered the building blocks for your proposals, but where there is strong justification more complex boundary changes will be considered;
- There will need to be a strong public services and financial sustainability related justification for any proposals that involve boundary changes, or that affect wider public services, such as fire and rescue authorities, due to the likely additional costs and complexities of implementation.

MHCLG has confirmed that:

Submissions must be a single, clear proposal with base case based on existing boundaries and modifications justified. Examples on when councils may wish to consider a proposal with modified boundaries include where existing boundaries would not meet the criteria or changes to boundaries would better meet the criteria.

6.4 The council also obtained independent legal advice.

6.5 Members will note that Exeter City Council is proposing a base case with modifications to the existing boundaries for Plymouth, Torbay and Exeter as well as proposing the creation of an additional unitary Coast and Countryside authority.

6.6 The Council's proposal for local government reorganisation in Devon complies with the statutory provisions and guidance in setting out a base case in accordance with section 2 of the Act with a proposal for modified boundaries which would deliver long-term benefits and would better meet the requirements for strong public services and financial sustainability.

6.7 In accordance with the provisions of section 7 of the Act, the Secretary of State may implement the proposals or implement alternative proposals put forward by the Local Government Boundary Commission '...with or without modification' or 'decide to take no action'.

For enquiries please contact: democratic.services@exeter.gov.uk

6.8 Section 11 of the Act provides for the implementation of changes within an implementation order which can include, amongst other provisions, changes in boundaries of local government areas.

7. Monitoring Officer's comments:

7.1 In his letter dated 5 February 2025, the Minister of State for Local Government and English Devolution formally invited proposals for LGR based on the single tier unitary model to replace the existing County and District model.

7.2 Members unanimously approved the submission of interim proposals for LGR at the meeting of Extraordinary Council on 20 March 2025. The government responded to the interim proposals of Exeter City Council and other Devon authorities on 15 May 2025.

7.3 Authority is now sought from Members to proceed in accordance with the recommendations at paragraph 2 of this report. If approved, Members will note that the draft final proposal will be submitted for approval by Executive prior to submission to Government by the deadline of 28th November 2025.

8. Equality Act 2010 (The Act)

8.1 In recommending this proposal potential impact has been identified on people with protected characteristics as determined by the Act and an Equality Impact Assessment has been included in the background papers for Member's attention.

An EQIA has been completed and can be found at Appendix B.

9. Carbon Footprint (Environmental) Implications:

9.1 The proposed unitary authorities would facilitate additional integrated and impactful decarbonisation, climate, adaptation and nature strategies and plans. The establishment of an integrated climate and nature approach would result in enhanced coordinated and efficient decarbonisation, climate and nature action across the new geographies with greater efficiencies and impacts including across:

- travel, highways (greater connection between where people live, study, work and visit, ensuring active and sustainable travel options) and land-use (with increased opportunities around Biodiversity Net Gain, Habitat Banks, nature and biodiversity programmes such as tree planting, habitat restoration and nature-based solutions);
- community engagement and resilience;
- high quality and sustainable public services (for example, through the development of district heat networks and renewable energy solutions);
- and environmentally sustainable growth plans (including green skills and retrofit programmes for young people, military leavers and ex-offenders).

10. Report details:

Background:

10.1 Following the publication of the Devolution White Paper in December 2024, the Council agreed on 9th January 2025 to send a letter of intent to Government expressing

For enquiries please contact: democratic.services@exeter.gov.uk

its intention to submit plans for a new council that will include the city of Exeter within the context of a Strategic Mayoral Authority.

10.2 The letter set out why the council considered that a unitary Devon council would not be in the best interests of the residents of Exeter nor the wider area. It went on to explain that the needs and priorities of an urban area like Exeter are likely to be lost amongst the range of issues facing the largely rural county of Devon which could potentially lead to a reduction in Exeter's ability to continue to drive growth for Exeter and Devon.

10.3 In response to an invitation from Government, the council submitted an interim submission for Local Government Reorganisation at the end of March 2025. The interim submission set out the council's intention to develop a full business case for a unitary authority that would include the city of Exeter and the surrounding area, engaging proactively with stakeholders and communities to ensure their voices were heard and their priorities understood.

10.4 The interim submission did not include a proposed geography for reorganisation as the council did not have sufficient time to engage with other Devon councils and gather data on current service provision models and costs across Devon. It was also hoped that there could be an agreed position amongst the county to reduce the number of final submissions to government from Devon councils.

10.5 This report sets out the work that has been undertaken to develop the council's draft final proposal for local government reorganisation.

Final Proposal Criteria

10.6 The invitation from Government sets out the following criteria in relation to unitary local government:

1. Single tier of local government for the area.
2. Right size to achieve efficiencies, improve capacity & withstand financial shocks.
3. Prioritise the delivery of high quality & sustainable public services to citizens.
4. Councils in the area have sought to work together in coming to a view that meets local needs & is informed by local views.
5. Must support devolution.
6. Enable stronger community to engagement & deliver genuine opportunity for neighbourhood empowerment.

The Council's principles for Local Government Reorganisation

10.7 The council developed six principles which reflect what the council believes are the most important considerations for reorganisation:

- Supporting growth, housing, transport and connectivity.
- Addressing the different needs of urban and rural communities.
- Making public services easier to access and navigate.
- Strengthening local identity, place and community voice.
- Creating a balanced and coherent population and service footprint.
- Ensuring financial sustainability and value for taxpayers.

For enquiries please contact: democratic.services@exeter.gov.uk

10.8 The principles were developed with city-wide partners through an evidence-led approach. The principles reflect the criteria set by MHCLG but includes an additional criterion around growth, transport and connectivity. The draft final proposal explains how the city council has outgrown its boundary and needs to expand to deliver joined up growth, transport, housing and connectivity across Devon and to not be constrained by outdated boundaries.

10.9 The council's draft final proposal has been structured to demonstrate how the proposal complies with each of the criteria and our principles (in italics). A summary assessment is provided below.

Criterion	Evidence from Proposal
1. Single tier of local government	<ul style="list-style-type: none"> Replaces 11 councils with 4 unitary authorities Removes duplication and simplifies accountability. Aligns governance with functional economic and housing market areas.
2. Right size and financial resilience <i>(Population Size and financial viability)</i>	<ul style="list-style-type: none"> Better balance of populations: 233k-456k per authority Sustainable tax base and fair distribution of resources. All four proposed new councils demonstrate both financial viability with greater funding than cost and resilience underpinned by stronger tax bases. Financial viability model shows payback within three years.
3. High quality & sustainable public services <i>(Urban and rural issues, accessibility to services)</i>	<ul style="list-style-type: none"> Tailored service delivery for urban and rural needs. Better relationships with local people and communities - more influence on decision-making. Focus on prevention. Proposed new models for critical services such as Adults and Children's Services.
4. Collaboration and responsiveness	<ul style="list-style-type: none"> Joint letter of support for Mayoral Strategic Authority. Data sharing across all Devon councils. Common questions for survey. Agreement on the distribution of funding from MHCLG. Close working between Exeter, Plymouth and Torbay.
5. Supports devolution <i>(Growth, housing, transport and connectivity)</i>	<ul style="list-style-type: none"> Provides balanced constituent authorities for a future Mayoral Strategic Authority. Aligns with English Devolution White Paper and Combined County Authority model. Enables strategic coordination for growth, skills, housing and transport.
6. Community engagement & neighbourhood empowerment <i>(Identity and Place)</i>	<ul style="list-style-type: none"> Proposes Local Area Neighbourhood Committees - enhances democratic accountability and local voice. Strengthens relationships with parish and town council. Unlocks potential for greater powers and funding under devolution.

Determining Exeter City Council's Preferred Geography

10.10 Devon is a large geographical area with small, dispersed populations. Within it are two major urban areas - Exeter and Plymouth. The council has been clear from the outset that LGR must reflect the unique characteristics of urban areas that drive growth for the benefit of the whole county and their mutual dependency on the rural and coastal areas of the county.

10.11 Following stakeholder feedback, the interim submission proposed up to four unitary councils for Devon with a distinct focus on market towns and rural communities as well as Devon's two major cities of Exeter and Plymouth.

10.12 Based on further analysis and the steer given by Members, Council agreed the following proposed geography:

- 1) **An urban unitary council, based on the city of Exeter and surrounding area** expanding the current district council boundary into Parishes surrounding the city. Serving a population of around 256,401 rising to 294,079 by 2040.
- 2) **An urban unitary council, based on the city of Plymouth and adjacent Parishes.** Serving a population of around 301,000 rising to 318,612 by 2040.
- 3) **A Coast and Countryside unitary council Incorporating the remaining parts of Devon.** Serving a population of around 675,179 rising to 765,834 by 2040.

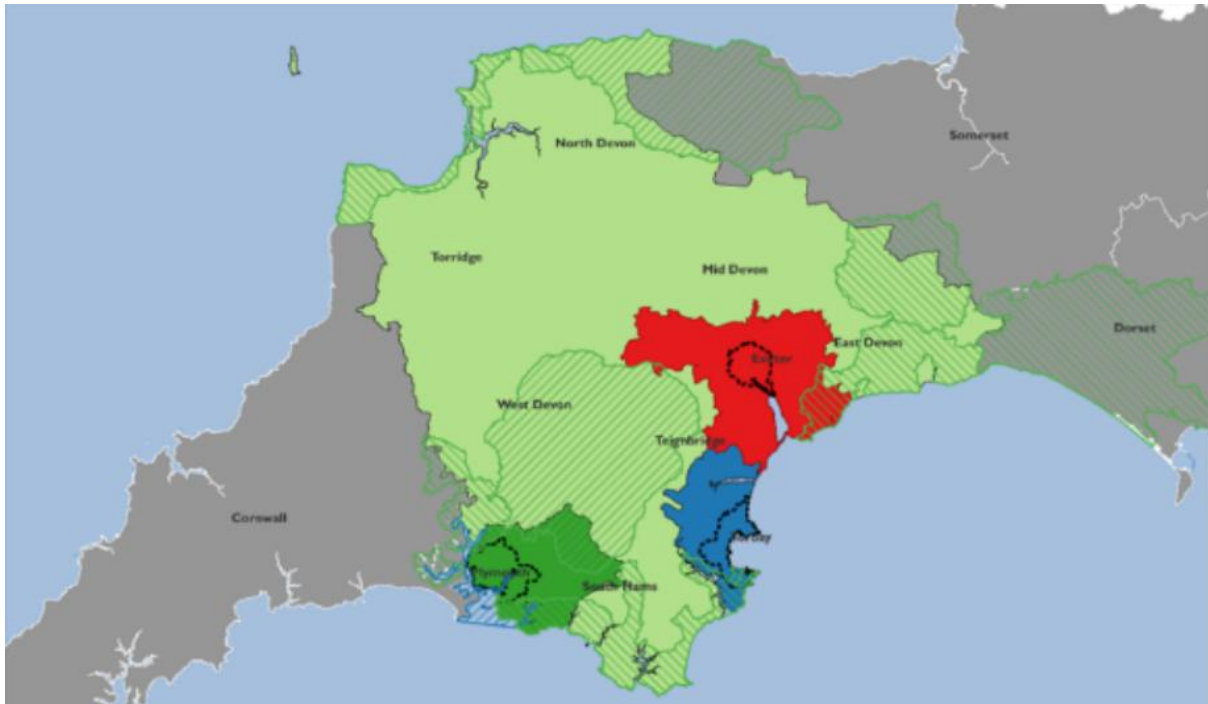
10.13 At the time when the proposed geography was agreed, officers were unclear about the intention of Torbay Council. Council was supportive of officers working with Torbay and other Devon Councils to understand their positions and to ensure a full understanding of the implications of a potential three unitary model for Devon.

10.14 Following the work by officers, it became clear that the ambitions of Exeter, Plymouth and Torbay were broadly aligned and that the needs and challenges facing predominantly urban areas were different the needs and challenges of coastal and rural parts of Devon. It was recognised that a three unitary model (without Torbay) would create an extreme size ratio between Exeter, Plymouth and the remainder of Devon. It would also undermine equality between councils, create an imbalanced foundation for partnership working and would be less financially balanced than a four unitary model.

10.15 It was therefore determined that the optimum and most financially balanced model for Devon would be a four-unitary model that reflects Devon's functional economic geographies and community identities:

1. **A Unitary council for Exeter and the surrounding parishes.** Serving a population of around 260,000.
2. **A Unitary council for Plymouth and adjacent parishes.** Serving a population of around 305,000.
3. **A Unitary council for Torbay and adjacent parishes.** Serving a population of around 230,000.
4. **A Unitary council for the Devon Coast and Countryside.** Serving a population of around 455,000.

For enquiries please contact: democratic.services@exeter.gov.uk



Key:

- New Unitary Council for Exeter (Red)
- Expanded Plymouth Unitary (Dark Green)
- Expanded Torbay Unitary (Blue)
- Devon Coast and Countryside Unitary (Light Green)
- National Park and Areas of Outstanding Natural Beauty (Green Hatch)

The case for four unitary councils

10.16 Our proposal for four new unitary councils centred in the urban centres of Plymouth, Exeter and Torbay, and one that brings the coast and countryside together. By creating councils that are clearly focused on the needs and challenges of their places and aligned with the functional economic geography of the county, the council will be putting in place firm foundations for the future. Councils can balance future growth, development, conservation, engagement, collaboration and service delivery across geographies that make sense for local people, businesses and communities and the way people lead their lives. The new councils would work alongside each other and the Devon & Torbay Combined County Authority, ensuring coherence between local delivery and strategic priorities for growth, skills, transport, and climate action.

Financial Resilience

10.17 The four unitary model based on modified boundaries will deliver four Councils more closely aligned in term of size, financial resources and Council Taxbase. All four demonstrate both financial viability with greater funding than cost and resilience underpinned by stronger taxbases.

10.18 Payback of transition costs is projected by year three of the new Councils, with additional savings generated over a ten-year period.

10.19 The financial analysis undertaken demonstrates that there are sufficient reserves to manage transition costs. This includes any transition costs that fall on the Housing Revenue Account. However, it is acknowledged that many of these reserves may be held

For enquiries please contact: democratic.services@exeter.gov.uk

for a specific purpose and therefore unusable in this context. Both Plymouth and Torbay have confirmed that they have sufficient reserves to manage the transition costs within their proposals and Exeter has a significant pipeline of capital receipts in progress to manage the transition costs that fall on the new Council. However, it is acknowledged that many of these reserves may be held for a specific purpose and therefore unusable in this context.

Working collaboratively

10.20 To better understand local needs and views, a broad programme of engagement was initiated to provide clear information about LGR, listen to what stakeholders and residents had to say and share the plans as they took shape. Alongside this formal engagement, the council has been actively involved in:

- MHCLG and Local Government Boundary Commission for England (LGBCE) meetings, briefings and webinars.
- District Council's Network and Local Government Association webinars and briefings.
- Regular meetings with local MPs.
- Regular meetings with other Leaders and Chief Executives in Devon as well as comparable cities.
- Regular meetings with key partners and stakeholders.
- Engaging with the Exeter Partnership.

10.21 In July 2025, all councils across Devon signed a joint letter to Government calling for the creation of a Strategic Mayoral Authority (SMA) uniting around a shared vision of what devolution might look for the county.

10.22 On a practical level, the council has collaborated across Devon with the County Council, the two Unitary Authorities and the other seven district councils to create a shared data resource and developed a common questionnaire used to survey residents across Devon. More directly, Exeter has been working closely with Plymouth and Torbay, identifying much common ground as urban centres with similar ambitions to drive growth for the entire region.

Stakeholder engagement

10.23 Comprehensive stakeholder engagement has taken place which has been guided by the council's Consultation Charter.

10.24 The engagement process ran for six weeks during August and September 2025 and included:

- Online survey for residents based on a common questionnaire developed in collaboration with other Devon councils.
- Enhanced representative survey for the residents in the rural and coast wards in our proposal, conducted by external market researchers both in person and by telephone.
- Key stakeholder conversations including with Steve Race MP, Devon & Somerset, Fire and Rescue Service and Devon & Cornwall Police.

For enquiries please contact: democratic.services@exeter.gov.uk

- Focus groups for VCSE groups representing seldom heard voices such as Care Experienced Young People and Young Devon.
- Series of webinars and some in person meetings with Town and Parish Councils included in the proposed new unitary for Exeter and the surrounding area.
- Business breakfast for local leaders.
- Webinars for NHS partners.
- Briefings, webinars and newsletter updates for Exeter City Council staff and members.
- A website offering information and resources.
- Communications to inform and encourage participation in events and surveys.
- Explanatory leaflet with information about LGR.
- Articles in the Citizen newspaper – delivered to over 65,000 homes and businesses.

10.25 The most important services identified by both the online and representative surveys were:

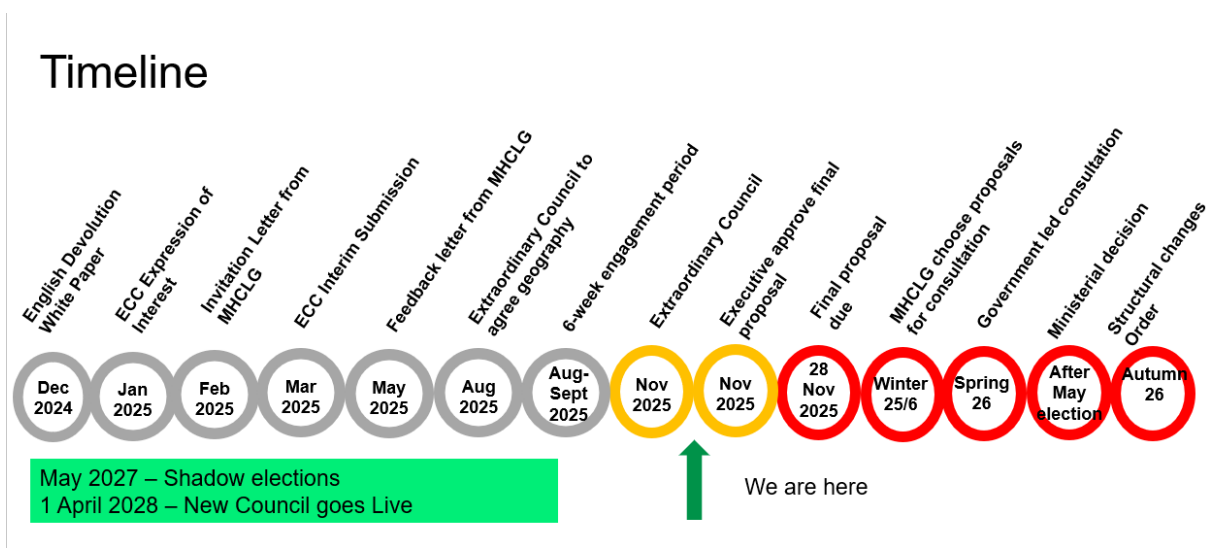
- Keeping children safe from harm.
- Care and support for older people and vulnerable adults.
- Education services and support for those with Special Educational Needs and Disabilities (SEND).

10.26 On the impacts of local government reorganisation, key themes included:

- Having a good understanding of the issues facing their local area.
- Clear, open and honest decision-making.
- Decisions that impact people being made locally.
- Efficient services that offer value for money.
- Easily access the council services that people need.
- Improved services and decisions being made locally.

10.27 Full details of the outcome of the engagement process can be found in the draft final proposal.

Timetable



For enquiries please contact: democratic.services@exeter.gov.uk

10.28 The Government has asked that full business cases for local government reorganisation are submitted by 28th November 2025.

10.29 Following the submission of the final proposal, the Government will undertake an assessment to determine whether the proposal submitted meets the six criteria for LGR. It is expected that the Government will consult on the proposals that it considers meets the criteria in Spring 2026.

10.30 It is expected that the Government will make a decision on the LGR model for Devon after the May 2026 elections but before summer recess.

10.31 Once this decision has been taken a Structural Changes Order will be put in place. This is the legislation that will establish the new single tier for local government for Devon and makes provision to abolish predecessor councils. It is currently anticipated that this will happen in Autumn 2026.

10.32 Shadow elections for the new authorities will be held in May 2027.

10.33 Vesting Day, when the new councils legally come into operation will be on 1 April 2028.

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

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

12. What risks are there and how can they be reduced?

12.1 A detailed risk register can be found at Appendix C.

13. Are there any other options?

13.1 The alternative option is that the city council does not submit a proposal for a new unitary council to cover Exeter and the surrounding area. However, this would result in Exeter 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.

Chief Executive, Bindu Arjoon

Author: Lorraine Betts, Executive Office Manager

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

Background papers used in compiling this report:-
None

List of Appendices:

- **Appendix A:** Shaping Our Future: Putting People First in Exeter and Devon.
Exeter City Council: Draft Final Proposal for Local Government Reorganisation in Devon
- **Appendix B:** LGR Equalities Impact Assessment
- **Appendix C:** Local Government Reorganisation Risk Register

For enquiries please contact: democratic.services@exeter.gov.uk