

REPORT TO COUNCIL

Date of Meeting: 20th March 2025

Report of: Chief Executive

Title: Local Government Reorganisation – Interim Submission

Is this a Key Decision?

No

Is this an Executive or Council Function?

Council

1. What is the report about?

- 1.1 This report presents Members with the council's interim submission for local government reorganisation (Appendix A).
- 1.2 The report also sets out the criteria for the submission, the principles and process for developing the proposed options for reorganisation, the council's strong intention to work collaboratively with councils across Devon and the work planned to consult and engage with all stakeholders as part of the business planning process.

2. Recommendations:

- 1) That Council approves the interim submission for local government reorganisation at Appendix A.
- 2) That Council supports the proposal to engage with a range of stakeholders, including Exeter's residents, residents in surrounding areas, businesses, key partners, other councils in Devon, in the development of a final business case for local government reorganisation due to be submitted in November 2025.

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 interim proposals to be submitted on or before 21st March 2025, and for a full business case to be submitted by 28th November 2025. The reason for the recommendation is to seek Council's approval of the submission of the council's interim submission ahead of the 21 March 2025 deadline.

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

- 4.1 The Chief Executive supported by the Strategic Directors will lead the development of the final business case to be submitted to Government by 28th November 2025, supported by officers from across the council. External support will be required for specialist areas.

- 4.2 Due to the tight timescale set out in the invitation, the council has commissioned external support to help with the development of the final business case. A budget of £100, 000 has been agreed. A request for an additional budget is likely as the work progresses on the final business case and this will be brought before Members in the usual way.
- 4.3 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 any possible mitigation, for discussion with the relevant portfolio holders and Members more widely.

5. Section 151 Officer comments:

- 5.1 Funds have been allocated in an earmarked reserve to support the delivery of the business case and an initial budget has been requested. Any request for further funding from the earmarked reserve will have to be approved by Council. The Council continues to engage positively on financial modelling with both the County Council and the other District Councils. A sharing of data proposal is being drawn up to ensure that all options presented are based on the best available financial data

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 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.

7. Monitoring Officer's comments:

- 7.1 This report seeks the authority of Members to submit interim proposals for local government reorganisation. The urgency of this report is because the Minister of State wrote to Leaders of two-tier and unitary councils in Devon on 5th February 2025 inviting them to submit interim proposals for local government reorganisation on or before 21 March 2025. Accordingly, there has been a very short period in which to prepare the interim proposals. The Minister of State has confirmed that his officials '...will provide feedback on your plan to help support you to develop final proposals'. As Members will note from this report, the Minister of State requires that a full proposal for local government reorganisation to be submitted by 28th November 2025. The Minister of State confirmed in his letter dated 5th February that 'if I decide to implement any proposal, and the necessary legislation is agreed by Parliament, we will work with you to move to elections to new 'shadow' unitary councils as soon as possible...'. This report sets out the anticipated timeline for local government reorganisation.

8. Report Details:

- 8.1 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 its intention to submit plans for a new council that will include the city of

Exeter. 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.

- 8.2 On 5th February 2025, all Leaders of two-tier councils and unitary councils in Devon received a letter from Jim McMahon, Minister of State for Local Government and English Devolution. The letter formally invited Leaders to work with other council Leaders in the area to develop a proposal for local government reorganisation. The letter also set out further detail on the criteria, guidance for the development of proposals and the timeline for the process. The invitation can be found at Appendix B.
- 8.3 This report sets out the work that has taken place to develop the council's interim submission for local government reorganisation. It also provides initial proposals for engagement and consultation activities going forward.

Interim Plan Criteria

- 8.4 The invitation from Government sets out the following criteria in relation to unitary local government. The Government recognises that the level of detail provided in the interim submission will vary from place to place.
- 8.5 Government have stated that the interim proposal should:
- a. Identify any barriers or challenges where further clarity or support would be helpful
 - b. Identify the likely options for the size and boundaries of new councils that will offer the best structures for delivery of high-quality and sustainable public services across the area, along with indicative efficiency saving opportunities
 - c. Include indicative costs and arrangements in relation to any options including planning for future service transformation opportunities
 - d. Include early views as to the councillor numbers that will ensure both effective democratic representation for all parts of the area, and also effective governance and decision-making arrangements which will balance the unique needs of your cities, towns, rural and coastal areas, in line with Local Government Boundary Commission for England (LGBCE) guidance
 - e. Include early views on how new structures will support devolution ambitions
 - f. Include a summary of local engagement that has been undertaken and any views expressed, along with your further plans for wide local engagement to help shape your developing proposals
 - g. Set out indicative costs of preparing and standing up an implementation team as well as any arrangements proposed to coordinate potential capacity funding across the area

- h. Set out any voluntary arrangements that have been agreed to keep all councils involved in discussions as this work moves forwards and to help balance the decisions needed now to maintain service delivery and ensure value for money for council taxpayers, with those key decisions that will affect the future success of any new councils in the area

Working with other councils in Devon

- 8.6 The Government recognises that the level of detail provided will vary from place to place and has asked councils to make every effort to work together to develop and jointly submit one proposal for unitary local government across the whole of an area. However, the Government also recognises that there will be some cases when it is not possible for all councils in an area to jointly develop and submit a proposal, despite their best efforts.
- 8.7 The council has been keen and willing to engage with the other seven district councils, two unitary councils and the County Council and has attended the meetings to which it has been invited. However, the four- week timeframe to develop the interim submission has not allowed sufficient opportunity to engage sufficiently and there has been no meaningful discussion or consultation with Exeter on the remaining Districts' 1-5-4 model, which has been developed without the council's input.
- 8.8 During the development of the business case the council will seek to work closely with all local councils to help shape a comprehensive and collaborative proposal for the future governance of the county.

Our Principles for Local Government Reorganisation

- 8.9 The council has developed six principles which reflect what the council believes are the most important considerations for reorganisation:
- Growth, Transport and Connectivity
 - Urban and rural issues – addressing inequality and local needs
 - Accessibility to public services
 - Sense of place and community
 - Balanced population size and demographics
 - Financial viability and value for taxpayers
- 8.10 The principles have been developed through an evidence-led approach and have been used to assess initial options for local government reorganisation. The next stage in the development of these options will be to collate and analyse more data and evidence, collaborate with councils in the area and engage stakeholders to develop a rational and cohesive solution that works for Exeter and Devon.
- 8.11 What the council is already clear about is the need for an up to four unitary model for Devon to reflect the urban and rural nature of the county.

Consultation and Engagement

- 8.12 The council intends to be open and transparent throughout the development of the final business case, sharing and seeking input on plans at every stage. Work has already started through regular discussions with councils across Devon and meetings with the Ministry of Housing, Communities and Local Government (MHCLG), the District Councils Network (DCN) and the local MP. Meetings have also been held with the council's Executive Members and Group Leaders.
- 8.13 A consultation event was held earlier this month with the Exeter Partnership - a group made up of key stakeholders from all sectors across the city. The Partnership were asked for their views on the issues to be addressed in the final business case.
- 8.14 As work progresses to develop the full business case, an engagement programme will be implemented. Starting in Spring 2025, the following engagement is planned:
- Share information about local government reorganisation and our intended approach with the public that explains: the context for change; outline the benefits for individuals, for the city and for the entire region; and provide an opportunity for questions to be answered.
 - Using the Local Government Association toolkit and resources, continue to convey key messages relating to devolution and reorganisation for all audiences including residents, elected members and members of staff. This is vital to help everyone understand the need for change.
 - Facilitate a series of thematic workshops with key stakeholders, organisations, town and parish councils and networks across the region to further develop ideas. These will take place throughout May and June and will likely expand on the starting principles.
 - Resident engagement will continue with surveys questions that will be shared in late spring to encourage local reflections on the opportunities presented through reorganisation. Using the principles, local people will be invited to explore priorities for service delivery which will help better understand how these might be framed under a future proposal.

Timetable

- 8.15 The Government has asked that full business cases for local government reorganisation are submitted by 28th November 2025.
- 8.16 New unitaries will go live in April 2027 or April 2028 and will be dependent on the capacity and timelines for delivery.

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

- 9.1 Approval of this recommendation will contribute to 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 local government reorganisation and the action to mitigate the risks. This is monitored on a weekly basis by members of the Strategic Management Board and Executive Office.

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 in coming to a decision.
- 11.4 In recommending this proposal no potential impact has been identified on people with protected characteristics as determined by the Act because the council is only making an interim submission, and no firm proposals are being put forward.

12. Carbon Footprint (Environmental) Implications:

- 12.1 No direct carbon/environment impacts arising from the recommendation because the council is only making an interim submission, and no firm proposals are being put forward.

13. Are there any other options?

- 13.1 The alternative option is that the council does not submit an interim submission by 21st March 2025. However, all other Devon Councils will be making submissions and so it is important that Exeter's views are considered alongside the other submissions for Devon.

Bindu Arjoon, Chief Executive

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

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