

Report for: Scrutiny Committee

Date of Meeting:	17/02/25
Subject:	How Devolution may affect Mid Devon District Council
Cabinet Member:	Cllr Luke Taylor, Leader
Responsible Officer:	Stephen Walford, Chief Executive
Exempt:	N/A
Wards Affected:	All
Enclosures:	Appendix A – Minister’s letter to Leaders 05/02/25

Section 1 – Summary and Recommendation(s)

At its recent meeting, the Scrutiny Committee requested a paper on how Devolution may affect Mid Devon District Council, in order that it might ‘prepare for proposals regarding devolution in our area and adjacent areas’. This paper responds to that request with the information known at the current time.

Recommendation(s):

- 1. That members note the report and make any such recommendations to Cabinet as they feel appropriate.**

Section 2 – Report

- 1.0 The Leader presented a report to an extraordinary meeting of council on 8th January 2025 to consider the matters of immediacy at that point in time; namely the proposal to join the national ‘priority programme’, which would have resulted in the scheduled elections for Devon County Council being postponed. The introductory context for that report remains relevant and is covered below, albeit that circumstances have moved on in the weeks following that meeting, and it is this additional detail that is laid out for scrutiny to consider in the remainder of this report.
- 1.1 Members will all be aware of the longstanding government commitment to devolution. Over a number of years different governments have sought to devolve limited decision-making powers in return for the introduction of administrative structures that best meet the needs of government by way of accountability at sub-regional level. Most recently, this has culminated in the

approval of the Devon and Torbay Combined County Authority (CCA), which will be formally created shortly.

- 1.2 The English Devolution White Paper was published on 16th December 2024. It sets out government intention with regard to policy and legislative intent, and, notably, has not sought any consultation or feedback as is usual in the steps between publishing White Papers and drafting subsequent legislation to enact policy (in this case through the English Devolution Bill expected in Summer 2025).
- 1.3 As well as discussing the government's views on devolution, public service resilience and reform, the White Paper also expressed a desire to see 'simplification' of local government arrangements under new 'strategic authorities'. The government's policy intent is clear that they wish to see these new strategic authorities covering the whole of England. It has been confirmed that the Devon and Torbay CCA would be granted 'Foundation Strategic Authority' status, meaning our area would already meet the minimum standards for devolution.
- 2.0 It is important to draw a distinction between devolution and local government reorganisation. Since the publication of the White Paper, these terms have frequently been used synonymously, but they are separate and distinct. Devolution refers to the government's stated intent to allow areas of ideally around 1.5 million people to elect a Mayor, to whom the government would make certain powers and funding available. The Parliamentary Housing, Communities and Local Government Committee heard on 28th January 2025 from a number of expert witnesses, including those that queried whether (even) this was decentralisation rather than genuine 'devolution' (available on ParliamentliveTV: [Link here](#)).
- 2.1 However, in the government's context, devolution is tied to the creation of elected Mayors, utilising powers and funding as granted to them by government. Local Government Reorganisation (LGR) is a separate process, and relates specifically to the ambition to 'simplify' structures under such new Mayoralities as are created as a result of devolution.
- 2.2 At its most basic, the structural changes proposed across both devolution and LGR could be described as seeking to replace the current two-tier structure of district and county councils, with a new two-tier structure of unitary councils and sub-regional strategic authorities. The latter would have a directly elected Mayor as leader, with a broad remit to drive economic growth, with powers over things like skills commissioning, strategic planning, transport and infrastructure, while all the remaining functions familiar to current councils would be the responsibility of new unitary councils.
- 3.0 Since members last debated this item at the extraordinary council meeting in January, a number of developments have taken place.

- 3.1 On 5th February, we learned that the county council elections would proceed as planned, the application by the county council to delay these being refused. This was announced by the Deputy Prime Minister and Secretary of State for Local Government in a speech to parliament that included decisions on which areas across the country would form part of the 'priority programme' for devolution.
- 3.2 Later on 5th February, all council leaders in two-tier areas (and their adjacent smaller unitaries) received a letter from the Minister for Local Government, outlining the next steps in the process and the requirements for submitting reorganisation proposals. This letter is attached as Appendix A.
- 3.3 It is clear that the two meaningful deadlines for us in Devon, are the 21st March for the submission of initial plans, with full proposals being worked up over the coming months to be submitted by the 28th November 2025. It is anticipated that an extraordinary meeting of full council will be scheduled ahead of the March deadline in order to provide for council's approval to be sought for the initial submission.
- 3.4 It should be noted that there is not a choice to 'opt-out' of this process, therefore the timetable affords all councils in these areas the opportunity to present what they think would work best for their area. In Devon, this means thinking about how the current makeup of 11 authorities (8 districts, 2 unitaries and 1 county) could best be reorganised and simplified in order to meet the government's objectives around simplification of structures, more organisational resilience, and more effective and efficient service delivery tied to the public service reform agenda.
- 4.0 Over the past few weeks, a number of informal discussions have been held between council leaders to understand what, if any, consensus there may be across the Devon system of local government about what reorganisation could/should look like. This has been with a view to not only seeking maximum collaboration, but also to minimise replication and duplication when going through the government's prescribed process.
- 4.1 Estimates are that the cost of restructuring the current 11 councils in Devon into revised units that the government may find acceptable, could be between £30-50m. At this point, it is unclear where such funding will come from. Government has indicated that some limited capacity funding may be forthcoming, but there is an expectation that councils will absorb this cost from either existing budgets or from 'exceptional' use of capital (i.e. selling off capital assets with approval to utilise the receipts on revenue expenditure).
- 5.0 In terms of next steps, discussions continue apace on seeking consensus to credible reorganisation options. It is also clear at this time that there is unlikely to be one submission supported by all 11 councils, as was the government's preference. There is clearly more detail to be shared by

government and it has been indicated that chief executives and their senior teams will be invited to a webinar shortly, designed to provide further detail on the process and timelines, discuss the criteria that will be used to assess proposals, alongside sector support needs and an opportunity to ask questions. We have been told that specific discussions with each area will be set up after that.

- 5.1 Clearly, there will be a need to brief all members on timelines, process and criteria as a result of upcoming discussions with civil servants. There will also be a need to undertake rapid work alongside collaborating partners to complete our initial plan submission for the 21st March. Members will have the opportunity to discuss this at an extraordinary meeting of council, to be scheduled ahead of the submission deadline.

Financial Implications

There will be significant financial implications arising from devolution and local government reorganisation. However, none arising directly from this report.

Legal Implications

There will be legal implications arising from devolution and local government reorganisation. However, none arising directly from this report.

Risk Assessment

There will be significant risks that arise and changes to the current corporate risk register as the implications of devolution and local government reorganisation become clearer. A risk linked to this already exists on the corporate risk register (CR18).

Impact on Climate Change

There will be implications for investment in climate change and changes to operational practices arising from devolution and local government reorganisation. However, no impacts arise directly from this report.

Equalities Impact Assessment

Any devolution and local government reorganisation proposals will need to consider the makeup of local populations, distinctiveness and needs. Impacts on different members of society and the different needs and service provision required will be a key part of any reorganisation proposals. However, no impacts arise directly from this report.

Relationship to Corporate Plan

N/A

Section 3 – Statutory Officer sign-off/mandatory checks

Chief Officer: Stephen Walford

Agreed by or on behalf of the Chief Executive/Corporate Director

Date: 06/02/25

Performance and risk: Steve Carr

Agreed on behalf of the Corporate Performance & Improvement Manager

Date: 07/02/2025

Cabinet member notified: (Yes)

Section 4 - Contact Details and Background Papers

Contact: Stephen Walford, Chief Executive

Email: swalford@middevon.gov.uk

Background papers:

Appendix A – Letter to Council Leaders of 05/02/25