

Report for: Scrutiny Committee

Date of Meeting: 14/07/2025

Subject: Local Government Reorganisation and

Devolution Update

Cabinet Member: Leader – Cllr Luke Taylor

Responsible Officer: Stephen Walford – Chief Executive

Exempt: N/A

Wards Affected: All

Enclosures: Appendix A – Initial Plan Submission (March

2025)

Appendix B – Initial Plan MHCLG Feedback letter

Section 1 – Summary and Recommendation(s)

This report provides members of the committee with an update on the latest situation with regards to local government reorganisation (LGR) and wider devolution.

Recommendation(s):

1. It is recommended that the report and update be noted.

Section 2 - Report

Background

- 1.0 The committee will recall the background to this item, being covered in detail at the Extraordinary meeting of Full Council on 8th January 2025 (please see that report for details of the White Paper and Minister's letter that initiated this process).
- 1.1 Further, members will be aware of the subsequent Extraordinary meeting of Full Council on 12th March 2025, where members agreed the proposal tabled by the Leader as being the one of maximum collaboration across council partners, and which went on to be submitted as the council's 'interim plan'

submission in accordance with that decision. This interim plan in full can be found at Appendix A.

Progress since March

- 2.0 After the submission of the interim plan, a brief hiatus was experienced as feedback was awaited from the Ministry of Housing Communities and Local Government (MHCLG), together with the occurrence locally of the Devon County Council (DCC) elections.
- 2.1 Such feedback from government was delayed numerous times and, upon arrival, was sufficiently generic as to be of limited assistance. Indeed, the lack of specificity was acknowledged in multiple settings as being a necessity in order to minimise the future threat of legal challenge to Ministerial decision making. The feedback letter has been made public and is available from the government's website, however a copy is enclosed as Appendix B for the committee's ease of reference.
- 2.2 It is worth noting that the feedback was made available to all Chief Executives across the Devon local government system as a group and covered <u>all</u> the various submissions and options proposed (in excess of 10 different options were submitted). I.e. no specific feedback was received on any one proposal.
- 2.3 Despite the delay in providing feedback, the government has confirmed repeatedly that the final date for submitting proposals will not be moved this remains as 28th November for our area (other parts of the country do have earlier dates dependent upon devolution priority programme status).
- 2.4 There has been one further meeting of all council leaders since the appointment of the new administration at county hall. This was held in Mid-June and sought to clarify whether the substantial number of interim plan options could be refined down to a smaller number, sought to clarify the approach to partnership working, and, importantly, sought to reinforce the leaders' collective expectations around collaborative data sharing across the councils.
- 2.5 The need for data sharing transparency is vital. It is recognised that while opinions on the ideal outcome from the LGR process may differ, the establishment of a common, fact-based, evidential understanding of current provision, demand and service costs across the whole of Devon is imperative. The success of proposals being put to MHCLG should not be based upon assumed positions because certain councils have refused to share data MHCLG have been explicit about this.
- 2.6 A signed data sharing agreement has been circulated to all Chief Executives in w/c 23/06/25. It has now been signed by all councils.

Policy Positions

- 3.0 The committee will be aware of this council's current policy position on supported proposals, but for clarity it appears that there are broadly three or four likely proposals being worked up by Devon authorities for final submission.
 - a) The 1/4/5 model, supported by 8 of the 11 councils (possibly 9 of 11 as the county council position is awaiting clarification)
 - b) The Plymouth proposal, which sees them wish to expand to take over 13 parishes currently within the South Hams area (this is clearly opposed by South Hams)
 - c) The Exeter proposal, which sees Exeter wishing to become a unitary council on its own with some as yet undefined expansion (this is opposed by neighbouring councils and the county council)
- 3.1 It should be noted that Torbay council has aspirations of remaining as it is and their submission will likely refer to this. However, in recognising that this is unlikely to meet the government's criteria, they are also working in collaboration with councils on the 1/4/5 proposal to ensure the best possible outcome under either scenario. Exeter has chosen a different approach and is not engaging with councils on wider proposals. (It should be noted that ongoing relationships on non-LGR matters remain practical and cohesive.)
- 3.2 The county council's position is awaiting formal decision by the new administration at county hall. It would clearly be beneficial to see this resolved as a policy position in order that maximum collaboration was achieved and the project team strengthened by utilising their expertise in certain areas. However, this is a matter for the county council.

<u>Practicalities</u>

4.0 A project team has been initiated with two project managers reporting into a Project Director to coordinate input and drafting. This is being supported by expertise from across the 8 different councils in order to pull together the strongest possible proposition. These project groups are working across specific strands to ensure that we maximise contribution and collaboration from all partner councils, while ensuring we have enough time for collation and review prior to submission. The project plan will need to reflect each council's dates for approval and sign off. For Mid Devon, the Full Council before the submission date is scheduled for 29th October, therefore it is likely that the plan will be brought before council at that point, although clearly an Extraordinary meeting could be considered nearer to the submission date if desired.

- 4.1 There will likely be a need to commission some small packages of expert input to strengthen the proposal; likely to include confidence on financial modelling and forecasting (building on the work undertaken for the interim plan submission), some expertise specifically on Children's services to ensure we use this structural change in a transformative way given the 'inadequate' performance of the current model, and potentially a critical friend review before submission. However, the intention is to do most of the preparation across council teams without incurring significant cost on consultants.
- 4.2 The government has made a limited amount of funding available to support the production of proposals and the clear intent is that this council maintains a policy position of spending none of its own funds on consultants. The Chief Executive will keep this under review and will advise members if this cannot be achieved. However, the current expectation is that this stance can be maintained without compromising the quality of the submission. The intended approach will be to share costs among the partners in order to ensure maximum value and minimum cost to individual councils.
- 4.3 The committee will be interested in the opportunities for public engagement, following on from council's recommendation to include this. An initial public engagement exercise has already gone 'live' in South Hams and is being rolled out across the Southern Devon area. This was accelerated by the need to respond to Plymouth's public appetite to assimilate certain parishes into a wider Plymouth area. As such, the initial engagement approach was less coordinated than we might have liked. However, the same approach is being prepared for use across the whole of the project area and an invitation will be extended to Exeter to run the same public engagement with the offer of having acess to the results for the whole county, should they accept. If Exeter was agreeable to this, then results could be amalgamated across the whole of the wider Devon and Torbay area, giving far greater weight and relevance.
- 4.4 Across the Exeter and Northern area grouping, the public engagement process was rolled out in the week commencing 30/06/25, with it going live in Mid Devon on 01/07/25. Press releases will be issued across the period of engagement to highlight the opportunity to comment, and it will also be promoted via the council's social media channels.
- 4.5 As the reference to public engagement, above, demonstrates. This is a 'messy' process given the different ambitions of councils across the wider Devon geography. This is to be expected since, unlike in previous waves of LGR, there has been no local sentiment as a strong advocating lobby for unitarisation to which the government eventually accedes (potentially after many years), triggering the formal process.

- 4.6 In this instance, LGR is being driven from the top-down on the back of a White Paper that was published forgoing the usual consultation process. The pace and expectations placed upon councils from a standing start has therefore been considerable. However, it is worthwhile noting that councils in priority areas fared even worse, trying to design a new system of local government within weeks. As such, in a large county like Devon where clearly one single authority may be perceived as too remote for many communities in future, thoughts moved quickly to how best to divide the county into sensible-sized administrative units that would meet the governent's criteria, with all the implications of that consideration.
- 4.7 Local councils that had for many years worked well as a coordinated team, used to blending strategic coordinaton and economies of scale, with the agilty and local differentiation of district-level provisioning, suddenly found themselves at odds with government intent, and potentially against each other as a way to comply with mandated government criteria. In short, councils are less prepared than they might have been to make plans and are having to respond accordingly.

Devolution

- 5.0 Finally, amongst all the talk of LGR, top-down instruction, and central government criteria and mandate, it is worth remembering that the stated intent of LGR is to make new council structures work better in future within a system of Mayoral Strategic Authorities. The majority of the government's White Paper was on devolution and the benefits this could bring, and yet, inevitably, the greater focus in the immediate-term has been on how to plan for and manage LGR given the implications for what could be the next 50 years of local government service provisioning.
- 5.1 The Devon and Torbay Combined County Authority (a non-mayoral entity) was brought into being in March 2025 and has held its first couple of board meetings. When the governmet agreed to its inception, it was made clear that it intended a review after 3 years, which left no doubt that it saw the CCA as a stepping-stone to a full mayoral authority in due course. This is relevant to Mid Devon and the council, as the CCA will have remit over things like the Local Growth Plan (recently consulted upon) and will help to coordinate the Spatial Development Strategy for the wider area. As such, continuing to link and liaise with the CCA and its various advisory groups will be a priority for all councils in order to ensure that appropriate decisions are made, and outcomes achieved for the long-term benefit of our residents and businesses.

Financial Implications

None arising from this report; no decisions are being recommended.

Legal Implications

None arising from this report; no decisions are being recommended.

Risk Assessment

The corporate risk register contains an item on local government reorganisation, which is updated monthly in accordance with normal risk management protocols.

Impact on Climate Change

None arising from this report; no decisions are being recommended.

Equalities Impact Assessment

None arising from this report; no decisions are being recommended.

Relationship to Corporate Plan

The local government reorganisation process seeks to abolish the county council and all district councils in Devon. Once this process is formally initiated, public service provisioning will continue, but they will be under the remit of a new organisation and new council entity.

Section 3 – Statutory Officer sign-off/mandatory checks

Statutory Officer:

Agreed by or on behalf of the Section 151

Date: 01/07/25

Statutory Officer:

Agreed on behalf of the Monitoring Officer

Date: 01/0725

Performance and risk:

Agreed on behalf of the Corporate Performance & Improvement Manager

Date: N/A

Cabinet member notified: YES

Contact:

Stephen Walford, Chief Executive

Telephone: 01884 255255

Background papers:

The report refers to previous Extraordinary Meetings of Full Council – agendas available online. Appendices enclosed as referenced within the report.