

#### **Oversight and Governance**

Chief Executive's Department Plymouth City Council Ballard House Plymouth PLI 3BJ

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#### **CITY COUNCIL**

Monday 17 March 2025 2.00 pm Council House, Plymouth

#### **Members:**

Councillor Tuohy, Chair Councillor Murphy, Vice Chair

Councillors Allen, Allison, Aspinall, Bannerman, Mrs Beer, Blight, Briars-Delve, Mrs Bridgeman, Coker, Cresswell, Cuddihee, Dann, Darcy, Dingle, Evans OBE, Finn, Freeman, Gilmour, Goslin, Haydon, Hendy, Holloway, Krizanac, Laing, Lawson, Loveridge, Lowry, Lugger, McCarty, McLay, McNamara, Moore, Morton, Ney, P.Nicholson, S.Nicholson, Noble, Penberthy, Penrose, Poyser, Raynsford, Reilly, Ricketts, Simpson, M.Smith, R.Smith, Sproston, Steel, Stephens, Stevens, Taylor, Tippetts, Tofan, Ms Watkin and Wood.

Members are invited to attend the above meeting to consider the items of business overleaf.

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Tracey Lee
Chief Executive

### **City Council**

9. Plymouth City Council Local Government Reorganisation (Pages I - 56) Interim Plan:

### **City Council**



Date of meeting: 17 March 2025

Title of Report: Plymouth City Council Local Government

**Reorganisation Interim Plan** 

Lead Member: Councillor Tudor Evans OBE (Leader)

Lead Strategic Director: Tracey Lee (Chief Executive)

Author: Paul Barnard, MBE, MRTPI, CIHM, FAcSS

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Your Reference: PWB/LGR/DEVO/250317

Key Decision: No

Confidentiality: Part I - Official

#### **Purpose of Report**

On 16 December 2024, the Government published the English Devolution White Paper (Power and Partnership: Foundations for Growth) setting out their vision for devolution and local government reorganisation, with the aim of shifting power away from Whitehall and simplifying local government structures.

On 09 January 2025, in response to a report on the English Devolution White Paper the City Council resolved (Minute 51 refers) as follows:

- I. The Government has clearly stated that large Strategic Authorities led by directly elected mayors represent their preferred path for devolution, viewing this model as the most effective way to transfer power and resources from Westminster to local regions. In response to this clear policy direction, Plymouth City Council strongly advocates for the establishment of a South West Peninsula Mayoral Strategic Authority. This proposed authority would encompass the combined geography of Cornwall, Devon, Plymouth, and Torbay.
- 2. The necessity to expand the Council's administrative boundaries to achieve the scale required for future sustainability. This must be carefully balanced with preserving both Plymouth's distinctive identity and the identities of neighbouring communities. Work to develop appropriate options and a business case for this will now commence.

On 05 February 2025 the Minister of State for Local Government and English Devolution, Jim McMahon OBE MP wrote to all the leaders of two-tier and some neighbouring unitary councils stating that the government has a clear vision for simpler, more sustainable local government structures, alongside plans for the transfer of power out of Westminster through devolution. This letter also set out a formal legal invitation under powers set out in the Local Government and Public Involvement in Health Act 2007 to submit proposals for a single tier of local government and in an attached schedule identifies the Secretary of State's guidance and criteria for unitary government. The letter sets out a timetable for the submission of an interim plan by 21 March 2025 and final proposals by 28 November

2025. Whilst recognising that there are many different approaches to local government reorganisation, this report summaries 4 main options to address the criteria set out by government for an extension of the boundary of the city:

- Option I: An extended city boundary based on a Plymouth Growth Area.
- Option 2: An extended city boundary based on the Local Care Partnership Western NHS Locality.
- Option 3: An extended city boundary based on the Plymouth Housing Market Area.

Option 4: Do nothing.

This report also sets out the proposed Plymouth Local Government Reform Interim Plan for submission to government.

#### **Recommendations and Reasons**

#### That the City Council:

I. Supports and endorses the local government reorganisation principles set out in the report.

<u>Reason</u>: To establish the principles that are relevant to the context of local government reorganisation for the City of Plymouth.

2. Endorses the recommendation of Option I to Cabinet as the preferred approach to an extension of the boundaries of the city and as the preferred approach for submission to government.

<u>Reason</u>: To confirm the option that best meets the principles for local government reorganisation as the basis for a submission to government as to Plymouth City Council's preferred approach.

3. Endorses the submission to government of the Plymouth Local Government Reorganisation Interim Plan.

<u>Reason</u>: To respond to the government's formal invitation to submit an Interim Plan for local government reorganisation by 21 March 2025.

4. Acknowledges that any final changes to the Plymouth Local Government Reorganisation Interim Plan will be made by the Leader/Cabinet.

<u>Reason</u>: To enable the Leader to make any necessary final changes to the Plymouth Local Government Reorganisation Interim Plan as necessary in order to meet the government's submission deadline of 21 March 2025.

5. Supports the Chief Executive, in consultation with the Leader, to commission expert advice and support as required to optimise the Council's negotiating position, including co-commissioning or cost sharing with other authorities.

<u>Reason</u>: To ensure the necessary evidence base to support the proposals to be submitted in November 2025 is put in place to support the further discussions with government.

6. Requests the Chief Executive to prepare a further report for Cabinet and the City Council following receipt of the Government's response to the Plymouth Local Government Reorganisation Interim Plan submitted in March 2025.

<u>Reason</u>: To ensure that the response from government to the Interim Plan is reported back to both Cabinet and the City Council.

#### Alternative options considered and rejected

### Option 2: An extended city boundary based on the Local Care Partnership Western NHS Locality.

This option would align to the provision of heath care services by the Local Care Partnership but would be in conflict with some of the principles for local government reorganisation set out in the report. This option has the potential to meet the government's six criteria for unitary government but further work would be required to demonstrate this as it conflicts with what are the known proposals for local government reorganisation in the rest of Devon. On this basis this option is not recommended.

#### Option 3: An extended city boundary based on the Plymouth Housing Market Area.

This option is based upon that part of the Housing Market Area that was identified through the preparation of the Plymouth and South West Devon Joint Local Plan, adopted in March 2019. This option has the potential to meet the government's six criteria for unitary government but further work would be required to demonstrate this as it conflicts with what are the known proposals for local government reorganisation in the rest of Devon. This option has been rejected as it would create an unwieldy area for service delivery and has also been assessed as being in conflict with the principles for local government reorganisation set out in the report. On this basis this option is not recommended.

#### Option 4: Do nothing.

Although it is possible for the City Council to not respond to the formal legal invitation to present proposals for local government reorganisation or make representations to the effect that it does not wish to see any changes to its current boundaries, maintaining the current size and configuration of Plymouth City Council is not a feasible option given the Government's clear direction for comprehensive reorganisation of local governance structures. The Government has made it unequivocally clear that local government reorganisation will proceed, with the specific aim of establishing single unitary authorities throughout England. In addition, the Government has told councils that unitary authorities need to be of a viable size. Councils need to be sustainable and have the scope to grow and thrive. Therefore, Plymouth recognises the necessity to expand its administrative boundaries to achieve the scale required for future sustainability. On that basis this option is not recommended.

#### Relevance to the Corporate Plan and/or the Plymouth Plan

By establishing a new City Council on a modest but wider geographical footprint, alongside the desire to also establish a South West Peninsula Combined Authority, the ability to unlock new funding streams, new powers and achieve operational service efficiencies and innovation in service delivery would enable the priorities as set out in the Corporate Plan to be achieved over the long-term.

#### Implications for the Medium-Term Financial Plan and Resource Implications:

As part of the next stage in the process of local government reorganisation there is a need to develop a detailed resourcing plan for the final submission to government. In addition to the creation of the Devolution & Local Government Reform Team that has prepared the Plymouth Local Government Reorganisation Interim Plan, additional supplementary capacity will be required for the preparation and submission of the final proposals to government in November 2025. These resources will ensure that the City Council can play a proactive part in local government reorganisation discussions with the Government. It will also mean that more in-depth discussions can be held with key stakeholders, especially Parish Councils included within Option 1. Whilst using existing staff and backfilling where possible, additional programme and project management capacity will be necessary. A dedicated fund will be allocated over a two-year period for this purpose and built into the 2025/2026 and 2026/2027 budgets.

In the White Paper, the Government commits to making funding available for combined authorities to kick start their devolution discussions. This funding would be available in the year leading up to the Mayoral Election and the detail of this would need to be explored further in due course.

#### **Financial Risks**

Funding for the establishment of a Devolution & Local Government Reform Team, including contingencies and provision for specialist external support is the only direct financial implication from agreeing the recommendations; should the proposals be agreed by Government further implementation costs would be incurred alongside anticipated efficiency savings. Options for funding any initial costs are being reviewed by the Section 151 officer in the context of the emerging capital and revenue outturn position for 2024/2025 and include capital receipts flexibilities and / or the creation of an earmarked revenue reserve. Given the significance of local government reorganisation in relation to the future of the City Council an LGR Risk Issues and Dependency Log has been prepared for this programme of work.

The Government has explicitly indicated that future funding allocations, particularly those targeting economic growth initiatives, will be channelled predominantly through Mayoral Combined Authorities so not responding to the English Devolution White Paper proposals would severely restrict access to future funding streams, potentially compromising the city's ambitious growth agenda. It is anticipated that the preferred option will improve the underlying financial position of the City Council over the medium to long-term and will generate significant efficiencies (with a positive payback period) that can either be directed to improved front-line services or lower local taxation. Alternatively, to do nothing and leave the current boundary arrangements unchanged will increasingly compromise the financial integrity and stability of the City Council's finances. Further work will be commissioned to develop a detailed financial model for the detailed proposals to be submitted in November 2025.

#### **Carbon Footprint (Environmental) Implications:**

Through devolution, the government has committed to making Britain a clean energy superpower. It therefore sees a major role for the new Strategic Authorities in achieving this aim and addressing climate change. The White Paper refers to several initiatives which the City Council has been active in delivering such as Warm Homes, the Social Housing Decarbonisation Fund, the Public Sector Decarbonisation Scheme, and heat network zones which will form part of the Integrated Settlement for 2025/2026. Whilst the White Paper sees a major role for Strategic Authorities, Plymouth City Council has been very active in this area and the creation of an expanded boundary will open up further opportunities for decarbonisation initiatives.

#### Other Implications: e.g. Health and Safety, Risk Management, Child Poverty:

There are a number of key strategic risks that apply to this local government reorganisation process. The main risk to the preferred option which is recommended for Plymouth is that this may require a new primary legislative power to allow an existing district area to be split (in order to achieve the outcomes the government are seeking). This can potentially be mitigated by ensuring that Plymouth MPs lobby for the necessary power to be given to the Secretary of State in the forthcoming English Devolution Bill. It has not been possible in the time available to develop a single agreed initial plan for the whole of Devon. It is understood that Devon County Council and Torbay Council will be bringing forward proposals which do not align with Plymouth's preferred option. An inability to agree a position with other Devon authorities is therefore a potential risk given the emphasis that the Government have stated for proposals to be developed in collaboration. The key mitigation of this risk is the ability to submit aligned proposals for the whole of Devon through the Leaders' meetings in the event that a complete consensus cannot be reached. A further significant risk is for the Government to decide to favour a proposal that is not the preferred option set out in this report and which is considered to not be in the best interests of Plymouth. The main mitigation for this is to ensure both the initial plan and the detailed proposal submissions are of the highest quality that sets out a compelling case for the option preferred by the City Council, with a strong overarching vision and supporting evidence base. Another risk, which was also highlighted in the report on devolution agreed by the City Council on 09 lanuary 2025, is the very real possibility of the whole process of devolution and reorganisation diverting capacity and resources away from the continuing delivery of high-quality services to residents and businesses. The key mitigation for this risk is to adopt a proportionate approach to the process, the establishment of the Devolution & Local Government Reform Team with dedicated resources and, as the more detailed proposal is prepared for November 2025, to be able to commission external specialist capacity where necessary to undertake and complete key workstreams. A commitment has already been made by the Chief Executive to ensure that day to day business activity of the council is maintained whilst recognising some tasks may inevitably have to be delivered over a longer time frame given the fixed dates set by Government for the local government reorganisation work.

#### **Appendices**

\*Add rows as required to box below

Ref. Title of Appendix		<b>Exemption Paragraph Number</b> (if applicable) If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.								
		1	2	3	4	5	6	7		
A	Plymouth Local Government Reorganisation Interim Plan Briefing Paper									
В	Plymouth Local Government Reorganisation Interim Plan (March 2025)									

#### **Background papers:**

\*Add rows as required to box below

Please list all unpublished, background papers relevant to the decision in the table below. Background papers are <u>unpublished</u> works, relied on to a material extent in preparing the report, which disclose facts or matters on which the report or an important part of the work is based.

Title of any background paper(s)	Exem	Exemption Paragraph Number (if applicable)							
	If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part I of Schedule I 2A of the Local Government Act 1972 by ticking the relevant box.								
	I	2	3	4	5	6	7		
Government White Paper									

#### Sign off:

Fin OW. 24.25. 049 Leg LS/00 Mon Off Off Off Off Off Off Off Off Off Of	N/A	Strat Proc	N/A
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Originating Senior Leadership Team member: Tracey Lee, Chief Executive

Please confirm the Strategic Director(s) has agreed the report? Choose Yes

Date agreed: David Haley, Strategic Director of Children's Services (as Acting Chief Executive) 06 March 2025

Cabinet Member approval: Councillor Tudor Evans OBE, Leader, Plymouth City Council

Date approved: 07 March 2025

OFFICIAL Page 7

#### **CITY COUNCIL 17 MARCH 2025**

# BRIEFING PAPER: PLYMOUTH LOCAL GOVERNMENT REORGANISATION INTERIM PLAN MARCH 2025



#### 1.0 INTRODUCTION

- 1.1 On 16 December 2024, the Government published the English Devolution White Paper (Power and Partnership: Foundations for Growth) setting out their plans for devolution and local government reorganisation, with the aim of shifting power away from Whitehall and simplifying local government structures. Devolution and local government reorganisation are separate but very much related processes to fundamentally transform local government for the future. The Government have stated very clearly that local government reorganisation will be based on the principle of unitarisation, with the current two-tier system abolished. The government see such an approach as central to its future growth ambitions to achieve national economic renewal.
- 1.2 On 09 January 2025, in response to a report on the English Devolution White Paper the City Council (Minute 51 refers) resolved the following:
  - 1. The Government has clearly stated that large Strategic Authorities led by directly elected mayors represent their preferred path for devolution, viewing this model as the most effective way to transfer power and resources from Westminster to local regions. In response to this clear policy direction, Plymouth City Council strongly advocates for the establishment of a South West Peninsula Mayoral Strategic Authority. This proposed authority would encompass the combined geography of Cornwall, Devon, Plymouth, and Torbay.
  - 2. The necessity to expand the Council's administrative boundaries to achieve the scale required for future sustainability. This must be carefully balanced with preserving both Plymouth's distinctive identity and the identities of neighbouring communities. Work to develop appropriate options and a business case for this will now commence.
- On 05 February 2025 the Minister of State for Local Government and English Devolution, Jim McMahon OBE MP wrote to all the leaders of two-tier and some neighbouring unitary councils stating that the government has a clear vision for simpler, more sustainable local government structures, alongside plans for the transfer of power out of Westminster through devolution. This letter also set out a formal legal invitation under powers set out in the Local Government and Public Involvement in Health Act 2007 to submit proposals for a single tier of local government and in an attached schedule identifies the Secretary of State's guidance and criteria for unitary government. The letter sets out a timetable for the submission of an interim plan by 21 March 2025 and final proposals by 28 November 2025. Government has made clear that all two-tier areas will have to comply with the requirements of the White Paper. It has stated that it would prefer agreement from authorities in developing a single proposal, but if agreement cannot be reached, the Government will accept competing proposals and will decide on the best way forward to ensure its overall aims for better and more efficient service delivery are achieved.

OFFICIAL Page 8 PLYMOUTH CITY COUNCIL

#### 2.0 LOCAL GOVERNMENT REORGANISATION

- 2.1 The White Paper announces that the Government will facilitate a programme of reorganisation for two-tier local government areas which will be abolished and replaced with an England-wide network of unitary councils sitting under new Strategic Authorities. Government anticipates that delivery will be phased, taking account of where local government can unlock devolution and where areas want to proceed at pace.
- 2.2 At the Strategic Authority level, the government has highlighted 7 principles related to scale, there being "no devolution islands", effective delivery of key functions, the need for sensible economic geographies, contiguous boundaries with new constituent unitary authorities, promotion of alignment with other public body boundaries, and local identity. In relation to local government reorganisation the government's expectations are:
  - All two-tier areas and smaller or failing unitary councils are to develop proposals for reorganisation.
  - All councils in an area should collaborate on developing unitary proposals in the best interests of a whole area, rather than producing competing proposals.
  - New councils should be the right size to achieve efficiencies, improve capacity and
    withstand financial shocks. For most areas the Government believes this will mean creating
    councils with a population of 500,000 or more. There may be exceptions to ensure new
    structures make sense for an area, agreed on a case-by-case basis.
  - They will prioritise the delivery of high quality and sustainable public services to citizens and communities above all other issues.
  - These reforms will be sequenced alongside devolution ambitions for each area.
  - New councils will be expected to take a proactive and innovative approach to neighbourhood involvement and community governance so that citizens are empowered.
  - Councils should work with government to bring about changes as swiftly as possible.
  - They will consider which governance models available for local authorities' best support future decision-making.
- 2.3 New unitary councils are to be delivered in April 2027 and 2028, with shadow elections taking place earlier. The White Paper sets out that local government re-organisation should not delay devolution and devolution plans should be complementary.
- 2.4 The White Paper therefore creates an opportunity to look at the geographical footprint of existing council areas, to ensure that local councils fit effectively within the new strategic tier of local government. The Plymouth Local Government Reorganisation Interim Plan has been developed to ensure that it aligns with a Mayoral Strategic Authority comprising Devon, Torbay, and Plymouth and its preferred South West Peninsula Mayoral Strategic Authority also including Cornwall endorsed in the report to the City Council on 09 January 2025 (Minute 51 refers).

2.5 The letter received from the Minister of State on 05 February 2025, referencing powers in the Local Government and Public Involvement in Health Act 2007, is predicated on new unitary councils combining with whole districts or counties. For the reasons set out in Section 3 this is not an approach that will work well for Plymouth.

### 3.0 THE OPTIONS FOR LOCAL GOVERNMENT REORGANISATION FOR PLYMOUTH

#### **Vision and Principles**

- 3.1 Plymouth City Council warmly welcomes the Government's approach to both the devolving of powers from Westminster and the recognition that in order to achieve its wider missions for government, especially sustainable growth and much-needed new homes, local government needs streamlining and fundamentally changed to a model based on unitary councils.

  Moreover, as research over decades has shown, by the Centre for Cities and others, the top 20-30 major English cities are the engine room for growth for "UK PLC". It is therefore vital that these cities need the ability to drive job creation and accelerate housing delivery on a more sub-regional footprint, moving away from historically constrained boundaries.
- 3.2 The City Council welcomes and generally supports the 6 criteria to be met for unitary government set out in the Minister of State's letter of 05 February 2025:
  - I. A proposal should seek to achieve for the whole of the area concerned the establishment of a single tier of local government.
  - 2. Unitary local government must be the right size to achieve efficiencies, improve capacity and withstand financial shocks.
  - 3. Unitary structures must prioritise the delivery of high quality and sustainable public services to citizens.
  - 4. Proposals should show how councils in the area have sought to work together in coming to a view that meets local needs and is informed by local views.
  - 5. New unitary structures must support devolution arrangements.
  - 6. New unitary structures should enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment.
- 3.3 Plymouth City Council has a vision to see a pattern of local government in Devon which:
  - Delivers genuine high-quality and effective strategic leadership of place, recognising Plymouth's role as a regional centre and economic hub for the south of the region.
  - Delivers accessible, efficient, effective, and responsive services to people that seeks to tackle inequalities and deprivation.
  - Delivers a system of local governance that acknowledges the relationship and interdependencies between city and surrounding settlements and ensures that this governance still remains genuinely local to where people live.

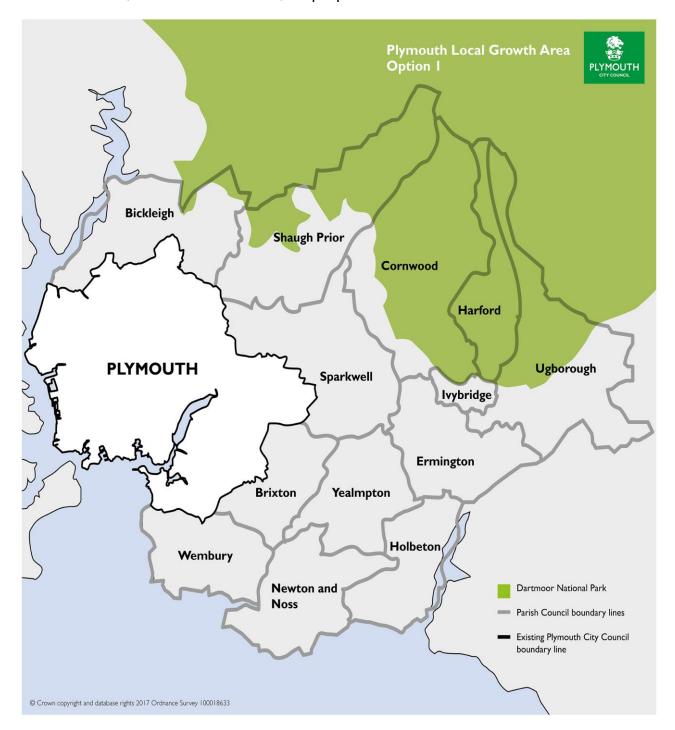
- Delivers high quality services that addresses the specific needs of individual neighbourhoods and parishes, empowering local people and their representatives to inform the design and delivery of services and the setting of policies and priorities.
- In developing its own approach to local government reorganisation it is proposed that any options should be considered against the following principles:
  - Any boundary change will be appropriate for a new Plymouth unitary authority to be financially viable and of a population size that can deliver sustainable high-quality services to residents.
  - 2. Any boundary change will retain the character and identity of the existing neighbourhoods in Plymouth and the parishes of any extended area.
  - 3. Any boundary change will respect existing unitary county boundaries.
  - 4. Any boundary change will minimise organisational impacts on the Dartmoor National Park Authority.
  - 5. Any boundary change will be based on existing parish boundaries.
  - 6. Any boundary change will have regard to the requirements for future sustainable growth and reflect the opportunities that arise from Plymouth's unique strategic role in the south west.

#### **Main Options**

- 3.5 There are of course a multitude of options that could be taken forward for Plymouth and the surrounding area. For example, a boundary change that was based on the travel to work area would encompass not only a wide area of Devon but also south east Cornwall. Options of this nature have not been developed in detail because of the unique heritage and national minority status of Cornwall.
- 3.6 In essence therefore there are 4 options that have been considered in detail:
  - Option I: An extended city boundary based on a Plymouth Growth Area.
  - Option 2: An extended city boundary based on the Local Care Partnership Western NHS Locality.
  - Option 3: An extended city boundary based on the Plymouth Housing Market Area.
  - Option 4: Do nothing.

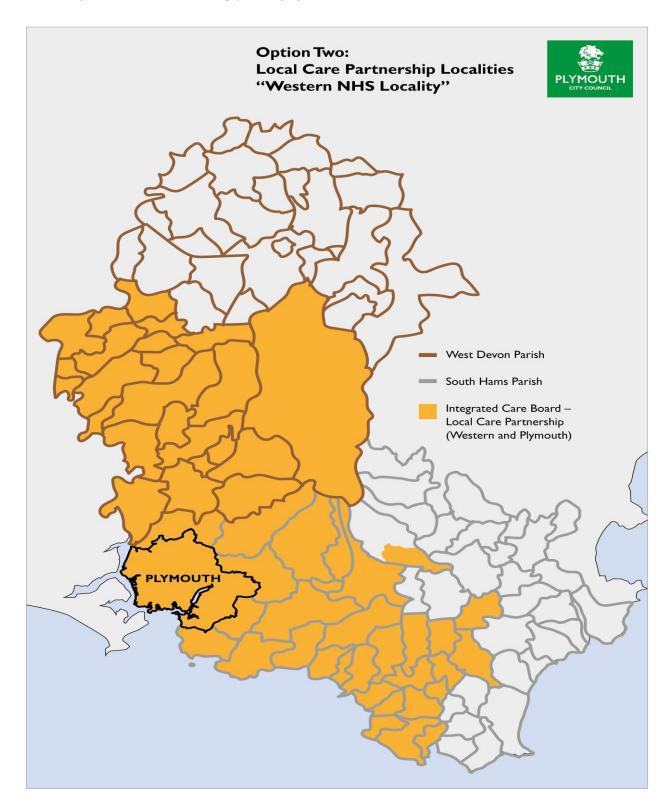
#### Option I: An extended city boundary based on a Plymouth Growth Area.

3.7 This option would be based on the most appropriate whole parishes that currently border the city and which contain settlements that are functionally linked to it in terms of immediate travel to work, housing market and shopping catchment areas. This option would encompass 13 parishes (Bickleigh, Shaugh Prior, Sparkwell, Brixton, Wembury, Cornwood, Harford, Ugborough, Ivybridge, Ermington, Yealmpton, Holberton and Newton and Noss. The total population of this extended area including Plymouth would be 300,733. This extended area includes 12,000 households and 29,000 people.



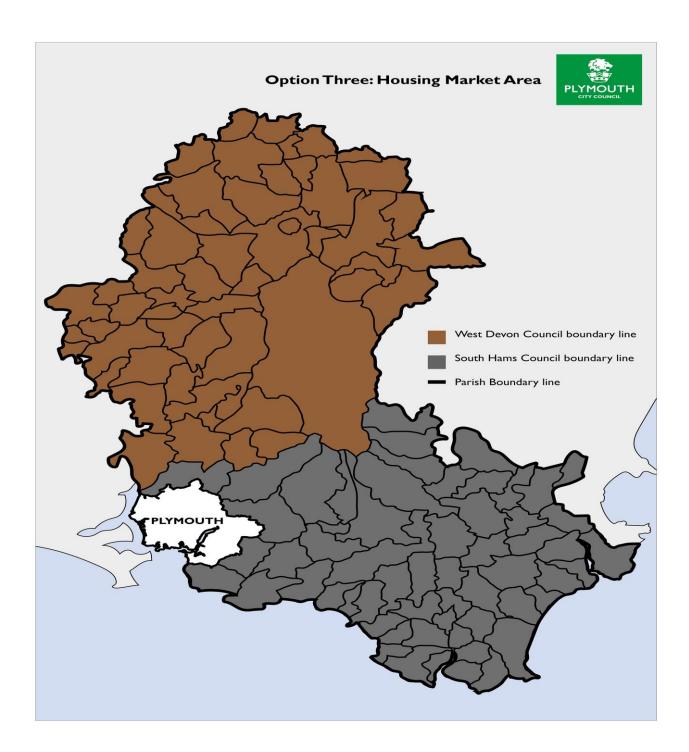
## Option 2: An extended city boundary based on the Local Care Partnership Western NHS Locality

3.8 This option would align to the provision of heath care services by the Local Care Partnership and reflects access to care services in the Western NHS Locality. This area would cover 25 parishes in West Devon Borough Council (out of a total of 46 town and parish councils/meetings) and 29 parishes in South Hams District Council (out of a total of 61 town and parish councils/meetings). The population of this area would be 335,691.



### Option 3: An extended city boundary based on the Plymouth Housing Market Area.

3.9 This option is based upon that part of the Housing Market Area that was identified through the preparation of the Plymouth and South West Devon Joint Local Plan, adopted in March 2019. This option would cover all the parishes in both South Hams District Council area and all the parishes in West Devon Borough Council area. The population of this area would be 412,790.



OFFICIAL Page 14 PLYMOUTH CITY COUNCIL

#### Option 4: Do nothing.

3.10 The City Council could choose to make no representations to the formal legal invitation to present proposals for local government reorganisation or make representations to the effect that it does not wish to see any changes to its current boundaries, maintaining the current size and configuration. This would mean no changes to the boundary of the city and a population of 267,063.

### 4.0 ASSESSMENT OF THE LOCAL GOVERNMENT REORGANISATION FOR PLYMOUTH

4.1 The 4 main options have been assessed against both the six criteria for unitary government set out in the letter from the Minister of State on 05 February 2025 and the six principles identified by the City Council in relation to local government reorganisation.

Criteria	Government Criteria					Plymouth City Council Criteria						
Options	Single Tier	Right Size	Prioritise Services	Working Together	Support Devolution	Community Engagement	Appropriate Boundary	Character and Identity	County Unitary Boundary	National Park	Whole Parish Boundaries	Sustainable Growth
I												
2												
3												
4												

#### Key:

#### **Options**

Option 1: An extended city boundary based on a Plymouth Growth Area.

Option 2: An extended city boundary based on the Local Care Partnership Western NHS Locality.

Option 3: An extended city boundary based on the Plymouth Housing Market Area.

Option 4: Do nothing.

<u>Assessment</u>	
	High degree of compliance with the criteria.
	Some degree of compliance with the criteria.
	Fails to comply with the criteria.

- 4.2 In conclusion, Option I (the Plymouth Growth Area) demonstrates the best fit with the principles for local government reorganisation set out in the report and has also been assessed as best meeting four of the criteria for unitary government set out in the schedule to the letter from the Minister of State on 05 February 2025: and is capable of meeting the other two. This is the option that it is recommended to form the basis of the Plymouth Local Government Reorganisation Interim Plan to be submitted to the government by 21 March 2025.
- 4.3 Option 2 (the Local Care Partnership NHS Western Locality Area) whilst aligning to the provision of heath care services by the Local Care Partnership would be in conflict what is known in terms of delivering local government reorganisation in the rest of Devon. It has the potential to meet the Government's criteria but conflicts with two of the City Council's local government reorganisation principles. This option is therefore not recommended as it does

not meet the City Council's principles and further work would be needed to demonstrate compliance with the national criteria for local government reorganisation.

- 4.4 Option 3 (the Housing Market Area) is based upon what was identified through the preparation of the Plymouth and South West Devon Joint Local Plan, adopted in March 2019, although in reality the housing market area also extends into south east Cornwall. This option would create an unwieldy area for service delivery covering an excessively large geographic area and would be in conflict with what is known in terms of delivering local government reorganisation in the rest of Devon. This option has been assessed as potentially meeting the national criteria for local government reorganisation but conflicts with three of the City Council's criteria for unitary government. This option is therefore not recommended on that basis.
- 4.5 In relation to Option 4, although it is possible for the City Council to not respond to the formal legal invitation to present proposals for local government reorganisation or make representations to the effect that it does not wish to see any changes to its current boundaries, maintaining the current size and configuration of Plymouth City Council is not a feasible option given the Government's clear direction for comprehensive reorganisation of local governance structures. The Government has made it unequivocally clear that local government reorganisation will proceed, with the specific aim of establishing single unitary authorities throughout England of an appropriate size to then align with the new strategic authorities. The Government has told councils that unitary authorities need to be of a viable size to be financially sustainable in the long run, whilst also considering issues of identity, character, and public service reform. Councils need to be sustainable and have the scope to grow and thrive. Therefore, Plymouth recognises the necessity to expand its administrative boundaries to achieve the scale required for future financial sustainability. It also recognises that further consideration needs to be given to governance structures. On that basis this option is not a sensible or realistic option to pursue as it consigns the city to a period of ultimate decline with ever dwindling resources.

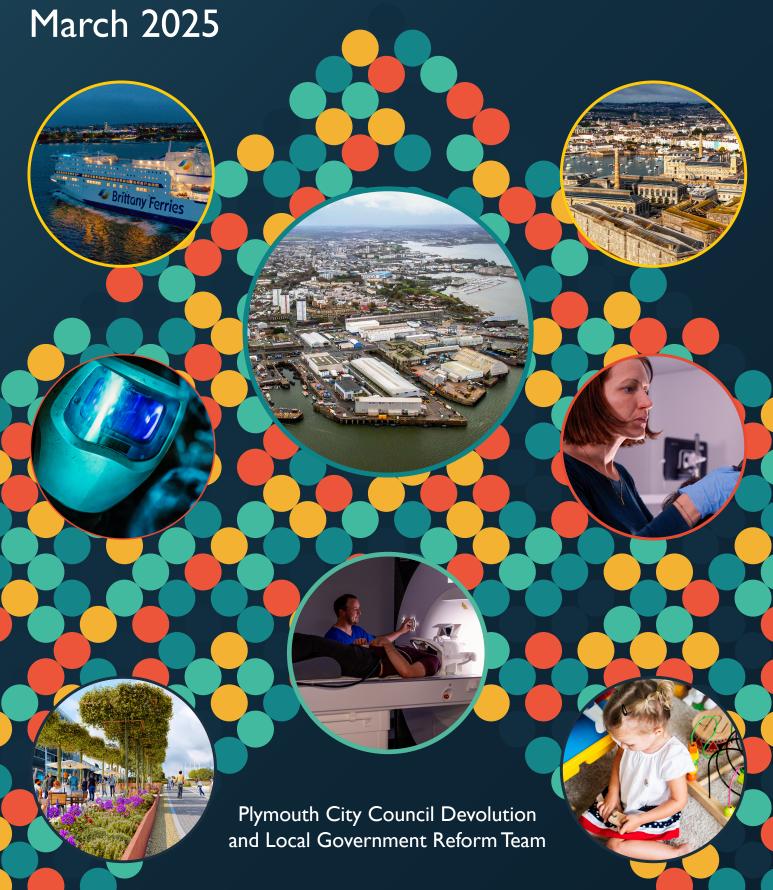
#### 5.0 CONCLUSIONS AND RECOMMENDATIONS

- 5.1 The Government White Paper clearly states that their goal is "universal coverage in England of Strategic Authorities" and "devolution by default" is the direction of travel. It is not a question of 'if' devolution will happen, rather 'when it will happen.' The same applies to local government reorganisation.
- 5.2 Plymouth is an ambitious city and welcomes the opportunities which arise from both the government's devolution and local government reorganisation approach. Plymouth can and should play a unique role as an expanded city driving growth and delivering better public services. As a city and as a council Plymouth has a track record of innovation, collaboration and focus on delivery through a wide variety of programmes and projects it has delivered over the years. In order to fulfil its long-term potential and to enable the government to meet its growth objectives it now needs to operate on a more sub-regional footprint.
- 5.3 It is considered that the preferred option set out in Appendix I is the option that is both broadly compliant with the White Paper, the Government's criteria for local government reorganisation set out in the Minister of State's letter of 05 February 2025 and the City Council's own principles for reorganisation. It is also considered to be the option that is in the best interests of both residents and businesses within the city and the proposed expanded area.

5.4 It is therefore recommended that the City Council considers the recommendations put forward to progress its proposals for local government reorganisation for onward approval by Cabinet.



Plymouth Local Government Reorganisation Interim Plan



#### 1.0 Introduction

#### **Background**

- 1.1 Plymouth City Council warmly welcomes the proposals set out in the "English Devolution White Paper Power and Partnerships: Foundation for Growth" published on 16 December 2024. We strongly support the Government's approach to both the devolving of powers from Westminster and the recognition that in order to achieve its wider missions for Government, especially sustainable growth and much-needed new homes, local government needs streamlining and fundamentally changed to a model based on unitary councils. Plymouth is an ambitious city which plays a unique role in relation to the defence of the realm and as the regional centre for the far south west. It is the economic hub and powerhouse that can help achieve the Government's growth ambitions which lie at the heart of the proposals set out in the White Paper. Plymouth therefore wishes to play its role as a continuing authority with a slightly revised boundary in achieving a decade of national renewal.
- 1.2 On 09 January 2025 Plymouth City Council agreed to endorse the following:
  - I. The Government has clearly stated that large Strategic Authorities led by directly elected mayors represent their preferred path for devolution, viewing this model as the most effective way to transfer power and resources from Westminster to local regions. In response to this clear policy direction, Plymouth City Council strongly advocates for the establishment of a South West Peninsula Mayoral Strategic Authority. This proposed authority would encompass the combined geography of Cornwall, Devon, Plymouth, and Torbay.
  - 2. The necessity to expand the Council's administrative boundaries to achieve the scale required for future sustainability. This must be carefully balanced with preserving both Plymouth's distinctive identity and the identities of neighbouring communities. Work to develop appropriate options and a business case for this will now commence.

#### **Our Vision for Local Government**

- 1.3 We have a vision to see a pattern of local government in Devon which:
  - Delivers genuine high-quality and effective strategic leadership of place, recognising Plymouth's role as a regional centre and economic hub for the south of the region.
  - Delivers accessible, efficient, effective, and responsive services to people that seeks to tackle inequalities and deprivation.

- Delivers a system of local governance that acknowledges the relationship and interdependencies between city and surrounding settlements and ensures that this governance still remains genuinely local to where people live.
- Delivers high quality services that addresses the specific needs of individual neighbourhoods and parishes, empowering local people and their representatives to inform the design and delivery of services and the setting of policies and priorities.
- 1.4 We consider that this vision sits within the Government's stated ambitions for devolution and local government reorganisation. Plymouth City Council has many awards for planning, transport, housing, and regeneration. It won the Local Government Chronicle award for driving growth in 2019 and digital innovation in 2021. In 2021 Plymouth City Council not only won the Local Government Chronicle's award for the most improved council, but it won the Municipal Journal award for local authority of the year.
- 1.5 As a city, and as a council, Plymouth has a track record of innovation, collaboration and focus on delivery through a wide variety of programme and projects it has delivered over the years. In order to fulfil its long-term potential and to enable the Government to meet its growth objectives it now needs to operate on a more sub-regional footprint, one that reflects the true nature of place and enables planning, investment, and infrastructure decisions to be made consistently across a wider area. We are a successful, award-winning unitary authority but our ability to deliver a step change in jobs and housing and provide the strategic leadership needed to make this happen is significantly constrained by our outdated and tightly drawn boundary that excludes key functional areas of the city. Our proposition set out in this document is to seek Government support for a modest extension to the boundary of the city which will create a city of over 300,000 on day one, but with significant potential to grow.
- In the absence of up-to-date post census demographic projections, an illustrative population forecast has been developed for the expanded area. This forecast applies historical annual average population growth rates from Plymouth and South Hams, projecting these trends forward for each respective region. This illustrative population indicates a population in the range between 334,000 and 366,000 people by 2050. An authority encompassing this extended area would achieve greater financial sustainability, deliver high-quality services to residents already connected to the city through employment, and accommodate future growth.
- 1.7 This Interim Plan responds to the letter received from Jim McMahon OBE MP, Minister of State for Local Government and English Devolution on 05 February 2025. In particular, it sets our initial response to the 8 questions raised in the letter that Government has asked Interim Plans to respond to by 21 March 2025.

### The Strategic Role of Medium-Sized Cities in National Economic Growth - Redefining Urban Economic Success

- 1.8 The traditional narrative of urban economic development has been dominated by the assumption that larger cities are the primary engines of growth. However, emerging research challenges this notion, revealing that city size alone does not guarantee economic success. Many of the UK's largest cities outside London have underperformed economically, suggesting that prosperity stems from other factors.
- 1.9 The true potential of urban centres lies in their ability to leverage local assets, create strategic connections, and develop targeted economic approaches tailored to their unique strengths.

#### Strategic Importance Through Specialisation

- 1.10 Medium-sized cities can create distinctive economic advantages that larger urban centres cannot easily replicate. This is exemplified by specialised assets like Devonport dockyard a crucial national defence installation that demonstrates how focused development around core competencies can elevate a city's importance far beyond that which its population size might suggest.
- 1.11 Such strategic assets serve dual purposes: anchoring regional economic systems while simultaneously fulfilling critical national priorities. This dual role makes them particularly valuable in balanced regional development strategies.

#### **Administrative Boundaries and Economic Reality**

- 1.12 Current administrative structures often fundamentally misalign with functional economic areas, creating significant inefficiencies in governance and service delivery. Boundary extensions represent a strategic approach to addressing these challenges, offering more coherent frameworks for spatial planning, infrastructure coordination, and public service delivery.
- 1.13 This approach aligns with progressive thinking in urban development, which emphasises understanding cities as interconnected systems rather than isolated entities. Effective governance and economic growth depend on aligning administrative structures with the actual economic and social relationships that define a region or sub-region.

#### A Model for Regional Development

- 1.14 The potential benefits of boundary realignment extend beyond immediate administrative efficiency and can include:
  - Enhanced ability to support key economic sectors.
  - More strategic approach to investment attraction.

- Responsive, integrated public services.
- Improved regional connectivity and transportation planning.
- Overcoming barriers to growth resulting from different policy environments.

As the United Kingdom continues to seek more balanced regional development, medium-sized cities with specialised assets offer a compelling model. Strategic boundary changes aren't about expansion for expansion's sake, but about creating more effective, responsive, financially sustainable, and economically vibrant urban systems that can better serve communities and drive regional prosperity.

#### The Context of Change in Plymouth

- 1.15 Plymouth is an ambitious city with a lot to offer. We have a resident population of around 268,700 and the city is the most significant urban area southwest of Bristol with plans in place to grow to over 300,000 by 2034. The city has a radical and ambitious vision to be one of Europe's finest, most vibrant waterfront cities: a vision that is strongly supported by statutory local plans and by regional, sub-regional and local stakeholders.
- 1.16 Plymouth is one of the 20 authorities that make up the Key Cities Group and historically has been identified as one of the country's key locations for meeting national housing needs through the provision of sustainable communities through, for example, the New Growth Points initiative.
- 1.17 More recently the city has been identified as one of Homes England's priority places "because of its visionary local leadership and unique geographic position. This offers an exceptional opportunity to make the most of existing Government defence investments, which will help transform the city's built environment and improve life opportunities for both the city and the wider region, all while directly supporting national defence in support of the Government's agenda" (Letter dated 14 February 2025, Homes England Interim Chief Executive).
- 1.18 Plymouth's economy is worth £6.97 billion and supports 116,000 jobs and 120,780 dwellings. Through proactive approaches to planning and regeneration we have approved £2.7 billion of development in the last few years. Plymouth also has a nationally and regionally significant pipeline of growth, which has strong cross-party support, estimated at £1 billion. In addition, we are investing £706.3 million into strategic and sustainable transport infrastructure to support the planned growth of the city, and our Bus Services Improvement Plan seeks to bring forward a further £311.4 million to meet the needs of a growing population.

- 1.19 We have established an Enterprise Zone in the dockyard and Freeport area and launched the UK's first National Marine Park with a £22 million investment programme. Plymouth's marine economy is central to its economic identity: we have the greatest marine employment of any town or city in the UK at 20,110 jobs which is 19% of all marine employment nationally. Our harbours and world-class marine research capabilities have fostered a growing marine innovation sector that is leading the way in areas such as autonomous vessels and marine sciences. "Britain's Ocean City" is more than our rich seafaring history, the ocean is still what helps make our economy tick and provides "UK PLC" with a unique selling point for attracting international investment.
- 1.20 We have also developed a variety of long-term strategic investment frameworks with funders over the past decade and pioneered some nationally significant work with the Local Enterprise Partnerships, Arts Council England, the National Lottery, the National Freeports Team and MHCLG, the National Trust and many others. We have taken a lead role in developing strong partnerships such as with Peninsula Transport, the subnational transport body who we host, and in relation to bus provision the Plymouth Enhanced Bus Partnership with local operators.
- 1.21 Over the next ten years as part the Continuous at Sea Nuclear Deterrent, Plymouth will see:
  - £4.5 billion of investment in defence and a longer term 50-year pipeline.
  - 5,500 new recruits and more than 2,000 construction jobs in defence alone.
  - Unprecedented long term demands for skills and housing.
- 1.22 The city's plans are in line with the aims set out in the Government's "Plan for Change: Milestones for a Mission-Led Government" to:
  - Establish stronger foundations for national renewal.
  - Kickstart economic growth.
  - Building an NHS for the future.
  - Create safer streets.
  - Break down the barriers to opportunity.
  - Make Britain a clean energy superpower.

- 1.23 Achieving these ambitions will require strong local leadership with vision and a relentless commitment to delivery. Plymouth offers exactly that; however, success demands a city region approach which:
  - Unlocks Plymouth's potential for transformational growth.
  - Raises prosperity across the sub region.
  - Addresses housing need, with a focus on affordable housing.
  - Develops comprehensive infrastructure to support our communities.
  - Responds and develops functional relationships between the city and surrounding settlements.
  - Maintains the cherished world class environment in which the city is set.

#### The Case for Change in Plymouth

- 1.24 We are clear that we should only suggest boundary changes where we believe this will assist in delivering the vision for the city and sub-region more effectively. We believe that there is an exceptional case for a modest boundary extension based on just 13 existing parishes surrounding Plymouth. This would unlock further growth opportunities, respect local identity, and create a more coherent and efficient administrative structure.
- 1.25 Any changes to the structure of local government in Devon will inevitably have an impact on Plymouth. When radical change takes place in the rest of the county, new structures in Devon are unlikely to make sense without a reconsideration of Plymouth's boundaries. Not to do so would be a significantly regressive step; damaging to competitiveness of the city and its sub-region, risk the delivery of the regional economic growth agenda for the south west and it would not deliver the most effective strategic leadership, value for money or neighbourhood empowerment.
- 1.26 The need for considering a boundary change for Plymouth as part of the wider local government reorganisation is borne out by an understanding of the critical relationships between the city and the surrounding sub-region. For example:
  - Plymouth's economic performance can only sensibly be measured and planned for at a sub-regional level. Key sites for Plymouth's prosperity, such as Langage and part of the Freeport extend beyond the city's current administrative area. A balanced strategy for economic growth is required throughout the sub-region to ensure that prosperity is shared and growth is sustainable and sensible spatial and infrastructure planning on this wider area will help drive

economic growth. Our economy supports over £2 billion gross value added for the travel to work area. To put this in perspective, Plymouth's economy is 50% of the size of Cornwall's economy and 32% the size of Devon's economy.

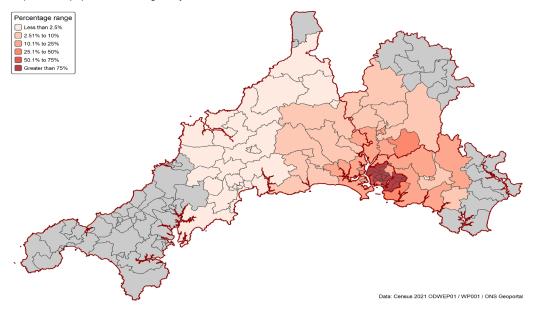
- Plymouth's housing needs cannot be met entirely from within the city's boundaries. This has been an acknowledged fact for many years through the development of previous Structure Plans for Devon and Cornwall, and most recently in the Plymouth and South West Devon Joint Local Plan which establishes a "Plymouth Policy Area" for the wider sub-region around the city. Both the Sherford and planned Woolwell urban extensions (located in South Hams District Council) have been required primarily to meet housing needs in the city, but even with this development there remains significant unmet need in the sub-region. This has been demonstrated through the Plymouth Housing Market Area and Needs Assessment. Sherford and Woolwell are physically attached to the city and there is more potential still to be delivered. Under the Government's Standard Method, Plymouth has a housing target of 1,290 dwellings per annum (compared to 660 dwellings per annum in the current adopted plan) and South Hams has a target of 910 dwellings per annum. Whilst the Government would have to prepare a new future Standard Method for the area of our proposal, we have devised a broad estimate by applying a blended affordability ratio which would mean the area could have a target of between 1,876 – 2,909 dwellings per annum.
- Plymouth's cultural offer is of significant importance to the entire subregion. For example, the Theatre Royal Plymouth is the largest and best attended regional producing theatre in the UK and the leading promoter of theatre in the south west, achieving annual audiences of 350,000 in 2024. The Box is now also a nationally significant museum and cultural centre attracting around 1 million visitors.
- Plymouth's leisure offer is of regional significance with the Plymouth Life Centre and with The Barcode as one of the few city-centre based IMAX cinemas to be delivered in recent years.
- Areas outside the city's boundaries also look to Plymouth for a range of other services such as education and health. Plymouth's GP surgeries for example have just over 300,00 registered patients, in comparison to Plymouth's current population of about 268,700. Approximately 1,000 children commute for secondary education both to and from Plymouth with a significant number of young people also travelling to further education opportunities.

- The sustainability of growth in Plymouth is dependent to a large degree on the provision of infrastructure outside of the current administrative area. This is in part a consequence of the tightness of the city's current boundaries, but also the strong pattern of commuting to the city from surrounding settlements.
- The delivery and coordination of environmental infrastructure is illustrated by Plymouth's leadership of the Plymouth and South Devon Community Forest. The Plymouth and South Devon Community Forest is an ambitious new project that will see hundreds of new trees planted across the city. It will stretch from the heart of the city to the edge of the moor, encompassing 1,900 hectares of land to form a mosaic of different forest habitats. The City Council is also leading on other environmental programmes working closely with the National Trust, the Environment Agency, and South West Water.
- The council is investing £65.9 million in climate change initiatives, and
  working with the Plymouth Net Zero Partnership, there is huge
  potential to join up climate change initiatives across a wider area. This
  particularly applies to more strategic initiatives. Plymouth City
  Council was identified as one of the six pilots for the district heating
  Advanced Zoning Pilot which has huge potential to be expanded to
  areas outside the city.
- Uniquely, Plymouth plays a fundamental role in our country's defence, made even more significant considering the announcements by the Prime Minister on 25 February 2025 in relation to the strategic need to increase overall defence spending in the face of global threats and uncertainties. Devonport dockyard provides a crucial support base for both the surface fleet and submarines. It is the only place with the capacity and capability for the comprehensive maintenance for the submarines that support the UK's Continuous at Sea Deterrent. Devonport is the base port for all the ships in the Royal Navy amphibious fleet, half of the frigate fleet and a number of the submarines and supply vessels. The Ministry of Defence's investment of £4.5 billion in Devonport dockyard extends to 2070 and therefore establishes a long-term financial commitment to Plymouth and its wider sub-region which is of unique national importance. However, with structural challenges around city productivity, 25% of the population being economically inactive, and being in the top 20% of deprived wards, the city is dragging an anchor of legacy issues which means there is currently insufficient skilled labour which puts at risk our local growth ambitions, social cohesion and potentially introduces cost pressures to the defence programme. Work with the Ministry of Defence and Babcock is primed to address these skills and capacity gaps and with the support of Government to grow Plymouth's local talent base, aligned with a larger city footprint, this can galvanise the city's innovation assets.

1.27 Diagram I is evidence of the strong functional relationship between Plymouth and much of its hinterland in terms of employment and commuting.

Diagram I: Proportion of Population Working in Plymouth

Proportion of population working in Plymouth



- 1.28 Plymouth has been an incorporated council since 1439, it became a municipal borough in 1836 and after absorbing the towns of Devonport and Stonehouse in 1914 was granted city status in 1928; this being reflective of the growth that had occurred due to the expansion of HM Naval Base and dockyard and the reality of development on the ground with no real separation physically between the three towns. In 1951 there was a significant northward extension to the city boundary to accommodate the need to rehouse a population devastated by massive enemy bombing during World War II. On 01 April 1967, the suburbs of Plymstock and Plympton were included within a revised boundary of Plymouth City Council, as part of planned growth to again meet housing needs. It is therefore 58 years and counting since the boundary of the city has been changed to reflect the reality of growth on the ground. Continuation of the city's outdated boundaries would therefore continue our reliance on co-operation and shared priorities of the surrounding authorities. This would deliver inefficient government and sub optimal strategic place-shaping leadership for Plymouth and the sub-region, particularly as district authorities will be absorbed into a model of larger unitary local government to be confirmed for the rest of Devon. In these circumstances the understanding that existing neighbours have of the relationship between the city and sub-region and the close working relationship this has fostered is likely to be undermined.
- 1.29 Additionally, there is a strong case for considering change to Plymouth's boundaries arising from the very nature of Plymouth's urban area itself and the way services are delivered to it.

1.30 There are already significant existing and planned developments directly adjoin the city's boundaries (see Diagram 2). Indeed, the "Plymouth Policy Area" is a spatial planning concept that is enshrined in the Plymouth and South West Devon Joint Local Plan (2014 – 2034) adopted in March 2019 and which provides for the growth of the city but within the administrative area of South Hams. It is inefficient to run services for these areas from another authority, and for governance arrangements to relate to a more distant centre of administration and accountability. Any solution for local government in Devon which does not address these existing anomalies is likely to deliver sub-optimal value for money in relation to service delivery and sub-optimal neighbourhood empowerment.

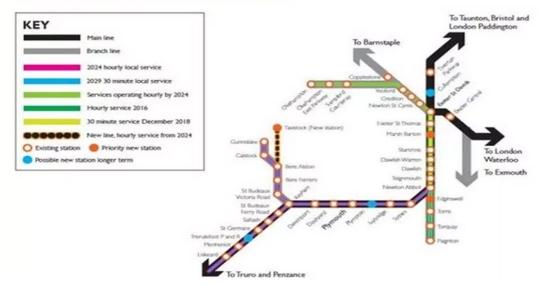
Diagram 2: Plymouth and South West Devon Joint Local Plan Plymouth Policy Area



1.31 Plymouth has a long track record of planning on a sub-regional basis for transport. This is best exemplified by the "Plymouth Metro" concept shown in Diagram 3. The "Plymouth Metro" provides a strategic opportunity to grow Plymouth's travel to work area using rail stations and rail services and has the support of Network Rail and the Train Operating Company Great Western Railway. "Plymouth Metro" will ensure that investment in rail supports delivery of growth for Plymouth, maximising benefits from the investment in Devonport Dockyard and creating sustainable transport options for the location of new housing developments. It will kick start growth, tackle deprivation, reduce costly congestion and reduce carbon emissions from transport. It will deliver a package of measures that will create high quality, frequent rail services in and around Plymouth, south east Cornwall, and south west Devon. It will transform productivity of the city region, creating an attractive, wider travel to work area for a growing city region. Work is already underway with Network Rail leading a strategic study investigating what infrastructure improvements are needed to accommodate greater train frequencies, alongside timetable and economic analysis and an assessment of current station facilities.

Diagram 3: Plymouth Metro Local Rail Network

#### PLYMOUTH METRO -LOCAL RAIL NETWORK



1.32 Finally, expanding Plymouth's boundaries will support the resilience, viability and sustainability of the City Council and deliver significant efficiency savings through economies of scale. This case for change is set out in more detail in section 3 below.

#### **Our Local Government Reorganisation Principles**

- 1.33 Whilst we recognise that Government has set out its own criteria for local government reorganisation, and we support those; we have developed our own principles for local government reorganisation which reflect the unique position of Plymouth and the surrounding area. In the limited time we have had to discuss these proposals with key stakeholders, we have considered local government options against the following:
  - I. Any boundary change will be appropriate for a new Plymouth unitary authority to be financially viable and of a population size that can deliver sustainable high-quality services to residents.
  - 2. Any boundary change will retain the character and identity of the existing neighbourhoods in Plymouth and the parishes of any extended area.
  - 3. Any boundary change will respect existing unitary county boundaries.
  - 4. Any boundary change will minimise organisational impacts on the Dartmoor National Park Authority.

- 5. Any boundary change will be based on existing parish boundaries.
- 6. Any boundary change will have regard to the requirements for future sustainable growth and reflect the opportunities that arise from Plymouth's unique strategic role in the south west.
- 1.34 At the core of our strategic vision lies an extraordinary opportunity underpinned by an unprecedented national investment in defence. This represents a pivotal "Why now moment?" for Plymouth and its surrounding area, and a "once in a generation" opportunity to reshape our local economic landscape.
- 1.35 Plymouth, based on an expanded city boundary, can offer:
  - <u>Ambition</u> We have a long-standing commitment to deliver growth through our adopted local plans and building upon our national specialisms in defence, advanced manufacturing and have the UK's highest proportion of marine jobs.
  - A Track Record of Delivery Having retained our planning, place-making, and regeneration capacity we have committed £300 million capital over the last ten years to regeneration, levering in over £600 million of investment. We created a £200 million Property Regeneration Fund, delivered 11 direct developments, and pioneered creative approaches to models of delivery including innovative programmes such as our Market Recovery Scheme, Get Plymouth Building programme and our award-winning Plan for Homes initiative, as well as forward funding, land assembly and estate renewal.
  - A Pipeline of Growth Our commitment to growth comprises 30,000 sqm of commercial space, 8,000 jobs, the creation of over 1,000 new businesses, 10,000 new homes in and around the city centre, a programme of £6 billion of public and private investment, 7,000 jobs linked to our regeneration programme, and developing a delivery strategy to meeting the housing target for Plymouth and the expanded area estimated to be in the range of 1,876 2,909 homes per annum. In 2024 Price Waterhouse Cooper's UK Good Growth for Cities Index in 2024, identified Plymouth as the number one area for growth and investment.

# 2.0 Question A: Identify any barriers or challenges where further clarity or support would be helpful.

- 2.1 We would like Government to confirm in relation to our preferred option:
  - That Plymouth City Council is a continuing authority with a modest boundary extension to enable a smooth process for the implementation of unitary government by April 2028. This will minimise the risk to critical top tier services and the cost of implementation as the vast majority of affected staff and functions will already be in place, thereby allowing service continuity to be maintained over this period of reorganisation.
  - That, in addition to the ministerial directive acknowledged to be needed for the creation of Strategic Authorities (Section 2.2.3 of the White Paper), it intends to include a similar ministerial power within the forthcoming English Devolution Bill which will ensure that the Minister of State has the explicit power to divide district council areas to respond to proposals expected from a number of under-bounded English cities. This will ensure the Government's devolution and local government aims are achieved. We have brought a group of similar under-bounded cities together which have this as a common issue.
- 2.2 Some barriers and challenges that we have identified in relation to the development of this Interim Plan are:
  - Lack of available information regarding assets owned and managed by Devon County Council and South Hams District Council for the area of the proposed boundary extension.
  - Lack of available information regarding liabilities that may exist which are the responsibility of either Devon County Council or South Hams District Council.
  - Lack of information regarding staffing, service user, and budget provision relevant to our preferred option, and how those break down between Devon County Council and South Hams District Council.
- 2.3 In due course, additional clarity and guidance is likely to be required from Government in a number of areas. At this stage, we would highlight the following areas, which could have more significant financial impacts:
  - Clarification over any transitional flexibilities regarding council tax capping to facilitate council tax equalisation that (as in previous reorganisations) may be applied during a transition period to a new council.
  - Clarification on the treatment of Devon County Council's 'Safety Valve' agreement and residual Dedicated Schools Grant High Needs Block deficit through any transition to new council boundaries.

- Clarification on any national guidance that may be applied to the division and re-distribution of balance sheet assets and liabilities arising from the reorganisation of council boundaries and resultant absorption of functions from predecessor authorities.
- 3.0 Question 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.

#### **Options for Local Government Reorganisation**

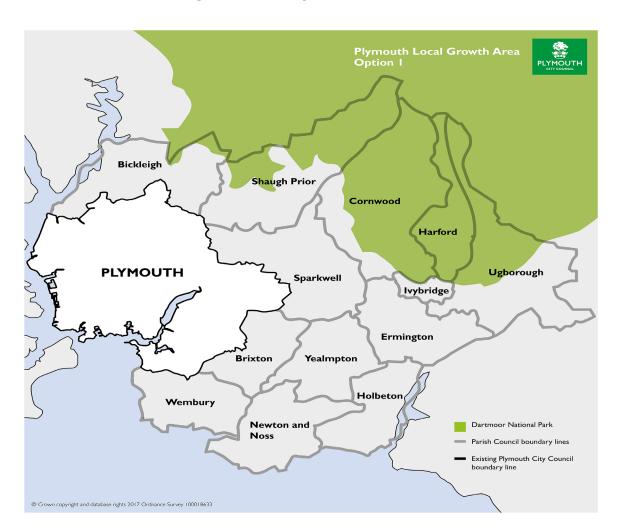
- 3.1 There are of course a multitude of options that could be taken forward for Plymouth and the surrounding area. For example, a boundary change that was based on the travel to work area would encompass not only a wide area of Devon but also south east Cornwall. Options of this nature have not been developed in detail because of the unique heritage and national minority status of Cornwall. They would also involve further, more extensive, consultation and it is our view that any such proposal would be unlikely to receive support. We are also concerned that any such proposal would delay the implementation of our preferred option and therefore prejudice the Government's stated devolution and local government reorganisation timetable.
- 3.2 Having assessed in our reports to the City Council on 17 March 2025 and Cabinet on 19 March 2025 four options for the expansion of the boundary of the city (including an option which would make no changes), and having applied both the Government's six criteria and our own six local government reorganisation principles, we consider that what we are calling the "Plymouth Growth Area Option" as our preferred approach.
- 3.3 We recognise that our proposal for a modest extension must be considered within the broader contest of local government reorganisation across Devon. It has not been possible, in the timescales available, to develop a consensus with other authorities in other parts of Devon. However, Plymouth City Council believes that in making a decision on the rest of Devon the Government needs to consider:
  - Achieving savings and creating more sustainable structures for local government in Devon – through the creation of larger, more resilient councils – whilst retaining distinctive identities and credible geographies in a region with a dispersed settlement pattern.
  - Consolidating and underpinning Plymouth's lead role in the regional economy and maximising the contribution Plymouth can make to the national growth agenda.

 The risks of disaggregating top-tier services and therefore associated transitional costs of re-organisation and disruption in relation to critical services for vulnerable people. Government should consider the benefits of anchoring top-tier services during a transition period through a continuing authority model.

## Plymouth's Preferred Option for Local Government Reorganisation

3.4 The "Plymouth Growth Area" proposes a modest extension to the boundary of the city to encompass 13 parishes currently within South Hams District Council area: 13 parishes (Bickleigh, Shaugh Prior, Sparkwell, Brixton, Wembury, Cornwood, Harford, Ugborough, Ivybridge, Ermington, Yealmpton, Holberton and Newton and Noss). The total population of this extended area including Plymouth would be 300,733. This extended area includes 12,000 households and 29,000 people.

Diagram 4: Plymouth City Council's Preferred Option for Local Government Reorganisation – Plymouth Growth Area



How Plymouth's Preferred Option Meets the Government's 6 Criteria for Unitary Government

Criterion I: A proposal should seek to achieve for the whole of the area concerned the establishment of a single tier of local Government.

- 3.5 Our proposal delivers on the Government's fundamental objective of having a single tier of government in the area proposed. With Plymouth City Council remaining as a continuing authority, it will allow the implementation of the proposed boundary change to happen quickly and therefore savings and public service reform to be delivered faster. Plymouth as a city will be, in the words of the Minister of State, the anchor to this new unitary area. The geography of the area is sensible in that it reflects a balance between factors such as historic county boundaries, the travel to work area most relevant to future growth opportunities, the housing market area of most significance to meeting future housing targets based on the new standard methodology, whilst reflecting the character and identity of the functionally linked settlements that would be within this new unitary authority area. The Plymouth Growth Area proposal would leave flexibility for a range of different local government proposals in the rest of Devon and would not in itself create an undue advantage or disadvantage for one part of the area.
- 3.6 We see the main benefits of our proposal as being:
  - Accelerating Growth: As Plymouth is the primary growth hub for the south west it will be able to play a major role in achieving the Government's five missions and in particular in relation to addressing the housing crisis. In doing so we can capture the financial benefits of growth across the area.
  - Economies of scale: There would be opportunities for efficiency and improved productivity through the merger of both lower-tier and upper tier functions in the expanded area. Experience of local government reorganisation since 1996 is that the implementation of unitary government delivers revenue savings in a number of core areas. Our detailed business case will analyse these potential areas in more detail.
  - Service Quality: By combining services, we would be able to select from and blend the most effective approaches for different functional areas that provides the best service to residents and businesses in the extended area. Balancing the various Government criteria, we consider that an authority of circa. 301,000 with the potential to grow to around 370,000 represents in our view the right size for meaningful efficiencies versus the key factor of character and identity.
  - Reducing boundary issues (particularly for personal services):

    Many placements are cross-boundary, which causes unnecessary complexity for the provider market and the health system.

- Re-balancing the financial base: An authority based on the Plymouth Growth Area would have an expanded tax base, as well as several further areas where business rates are levied but which sit close the administrative boundary of the city. This being the case, an expanded authority would be more financially sustainable and more resilient to financial shocks. Paragraph 3.13 below expands on this point in more detail.
- Invest in Plymouth providing a single business offer: Partly due to the adoption of the Plymouth and South West Devon Joint Local Plan, the on-going work of Invest in Plymouth, and the emergence of the Freeport, the City Council is already playing a lead role in discussions with investors and businesses outside its administrative area. By having one rather than three councils talking with businesses this will enable a wider join-up of opportunities and allow for better coordination in due course with Peninsula South West, our preferred approach to the creation of a Strategic Authority as we already have the planning, land, surveying, and economic development skills.
- Improved workforce capacity: Whilst facing financial challenges like a lot of unitary authorities, Plymouth has retained a lot of its specialist growth capacity which is why it has been able to deliver significant programmes of regeneration. Expanding the authority would consolidate this advantage across the functional economic area. Furthermore, a reorganisation of other Devon authorities into a single tier system would address workforce challenges in other specialist areas, consolidating the available talent pool across a smaller number of more efficient councils whilst also providing more opportunity for workforce and skills development.
- Managerial savings: By combining authorities and functions, there
  would be a significant saving in terms of senior management which could
  be redirected to improving front-line services.
- Improved governance and decision-making: By creating an expanded authority it provides the opportunity to refresh and renew the governance and decision-making of the Council and together with residents improve community involvement and governance.
- 3.7 We have undertaken initial informal discussions with key public, private and voluntary stakeholders which has helped us craft the proposed Plymouth Growth Area proposal. We recognise that stakeholders are not currently in a position to express a definitive view on our proposal. Therefore, we are committing to continuing a more detailed dialogue with all key stakeholders once the Government has provided feedback on our plans, and ahead of the full business case to be submitted in November 2025.

- 3.8 Subject to the pending Directly Elected Mayor referendum, we envisage the existing "Strong Leader and Cabinet" model which has existed in Plymouth following the Local Government Act 2000 continuing. Existing community governance arrangements within the city, such as the Plympton Community Council, will also remain.
- 3.9 We do not intend to create a system of parish councils within the current area of the city as its risks undermining the various bespoke arrangements across the 20 wards in the city. Parishes are an existing and important element of governance in the expanded area and will be retained, subject to any requests for a community governance review.
- 3.10 We are committed to co-authoring our detailed business case for November 2025 with key community groups and parishes to respond to the challenge of further community empowerment within the White Paper that seeks to "put people in control of their own lives." We are committed to delivering on the White Paper's objective of seeing "stronger community engagement when reorganisation happens." We strongly endorse the White Paper's recognition of "the vital role of local authority councillors as frontline community convenors" and wish to develop, with the Government, our future proposals for how we can further empower members to play their part in this vital role.

## Criterion 2. Unitary local government must be the right size to achieve efficiencies, improve capacity and withstand financial shocks.

- 3.11 The south west is characterised by a fundamentally different spatial settlement pattern to the rest of England. There is only one "Core City" in the region (Bristol) and one "Key City" (Plymouth). The distances between settlements are substantial and consequently, we believe that strict adherence to the 500,000 population criterion for new unitary councils would result in perverse outcomes given the geographical nature of the south west region.
- 3.12 To achieve a 500,000 population for all new unitary councils would inevitably compromise the character and identity of the places and communities that would have to be brought together to artificially meet that number. In relation to devolution, it potentially could result in a unitary council for the whole of Devon well in excess of the upper limit of 700,000-800,000 previously indicated in Government guidance. This would place the centre of governance some distance from the settlements within south west Devon. Indeed, previous Government guidance also referred to new unitary council's being "substantially in excess of 300,000-400,000 population" indicating that value for money and efficiency savings could still be made at this lower population size. In order to retain the character and identity of the communities within Plymouth, and to not extend the boundary to such an extent that it prejudices the delivery of sensible unitary structures in the rest of Devon, we consider our proposal, which will result in a population of over 300,000 on transfer, with a projected population of around 370,000 by 2050,

- strikes the right balance although more work is needed once the new midyear population estimates are published later this year.
- 3.13 The expansion of the unitary council model in recent years has a strong track record of delivering savings and delivering efficiencies through local government reorganisations in Wiltshire, Somerset, North Yorkshire, Cumbria, Cornwall, and other former two-tier systems. Reducing the number of Local Authorities in Devon from the current 11 authorities, and extending unitary local government across Devon will deliver financial savings across a number of areas:
  - Corporate services, senior management, and democratic core costs.
  - Rationalisation of assets, systems, contracts, and IT infrastructure.
  - Consolidation and expansion of service delivery & regulatory functions within larger geographical footprints.
- 3.14 We intend to undertake a detailed analysis of the financial savings that could be delivered through the Plymouth Growth Area proposal, using the experience of previous local government reorganisations as a guide, as part of our submission of a full business case in November this year. For this Interim Plan document, time constraints and a lack of robust available cost data has meant that analysis of financial savings has been limited. We have used published documents and statutory returns to undertake a high-level analysis of the range of financial savings that might be achievable through reorganisation across the whole of Devon (including the current Plymouth and Torbay areas). We have also estimated the proportion of savings that might fall to an expanded Plymouth authority, based on the Plymouth Growth Area proposal. However, it must be emphasized that at this stage, the estimated savings are highly uncertain, and the figures below should be taken as an initial general order of cost guide only.

Table 1: Indicative Initial Cost Estimates arising from Plymouth Growth Area Local Government Reorganisation Proposal

Estimated Cost Savings	Lower Range (£m)	Upper Range (£m)	
Total estimated savings (whole of Devon)	49	67	
Share of total estimating savings falling to Plymouth	7	17	

- 3.15 As well as delivering efficiency savings for residents of Plymouth and the surrounding rural areas, increasing the size of the current Plymouth City Council area by implementing the Plymouth Growth Area proposal will improve capacity, financial sustainability, and resilience. This will be achieved in a number of ways:
  - Plymouth City Council bears the full cost of operating essential
    infrastructure and public services that serve a conurbation extending
    beyond its current boundaries. The cost of city infrastructure and
    services disproportionately falls across a lower taxbase; significantly
    impacting the capacity and resilience of the current City Council. Redrawing a 58 year-old city boundary is essential to support the viability of
    public infrastructure in Plymouth, by ensuring that the city's taxbase
    encompasses all of the modern conurbation.
  - Analysis of the taxbase across the proposed Plymouth Growth Area proposal shows that the proposed expansion would start to address the current City Council's low taxbase. The taxbase per head of population in the proposed area is 5% higher than the equivalent figure for the current City Council.

Table 2: Initial Indicative Council Tax Base arising from Plymouth Growth Area Local Government Reorganisation Proposal

	Council Taxbase (Band D equivalents)	Population	Council Taxbase per head of population	% increase in council tax revenue per head (compared to current City Council boundary)
Current Plymouth City Council	75,389	267,063	0.282	N/A
Plymouth Growth Area	88,747	300,733	0.295	5%

The modest expansion proposed by the Plymouth Growth Area proposal, if implemented through a continuing authority model, could enable the creation of an authority with a similar fixed cost base to the current City Council, with variable costs accurately matched to an expansion of service delivery. This approach would support the resilience of the City Council during a transition period, with surplus capacity available to manage a successful transition and support transformational reform and growth.

- 3.16 There are no councils in Devon that are in Best Value intervention. Plymouth City Council has agreed receipt of Exceptional Financial Support in principle for 2024/2025, through a capitalisation direction for £72 million to fund a historic pensions transaction dating back to 2019/2020. This is a historic, one-off issue relating to the interpretation of accounting treatment rather than a budgetary shortfall; the capital expenditure has been budgeted within Plymouth City Council's financial plans for a number of years and is fully financed. At the time of writing, there are no other councils in Devon in receipt of Exceptional Financial Support and therefore there are no areaspecific arrangements necessary to make new structures viable. This position will be reviewed in collaboration with local authority partners as planning for new structures develops.
- 3.17 At this early stage we have not identified any exceptional circumstances across the 11 Devon authorities that are likely to require Government support or intervention, beyond the support and intervention already agreed by Government through Devon County Council's 'Safety Valve' agreement to recover its Dedicated Schools Grant deficit position. As noted above, further Government guidance on the treatment of this deficit during the transition to new structures is likely to be a material financial issue for successor councils, and (in due course) clarity will be required in order to develop robust and sustainable financial plans for new council structures.

## Criterion 3: Unitary structures must prioritise the delivery of high quality and sustainable public services to citizens.

#### **Creating Coherent Service Geography**

3.18 The current boundary situation creates artificial divisions in areas that function as part of Plymouth's natural urban extension. For instance, areas such as Sherford and Woolwell are physically connected to the city but currently managed by another authority, creating inefficiencies in service planning and delivery. Our proposal eliminates these boundary anomalies, allowing services to be planned and delivered based on natural community patterns.

#### Simplifying Access for Residents

3.19 Currently, residents in the proposed extension area must navigate multiple authorities for different services. For example, South Hams District Council handles housing, waste collection, and planning, while Devon County Council manages education, social care, and highways. Our proposal provides residents with a single point of access for all local services, eliminating confusion about which authority is responsible for which service.

#### **Building on Proven Service Excellence**

3.20 Plymouth City Council has received multiple accolades for service quality and innovation, including the Local Government Chronicle award for driving growth in 2019, digital innovation in 2021, and winning both the LGC's "most improved council" and the Municipal Journal's "local authority of the year" awards in 2021. These achievements demonstrate our capability to extend high-quality services to adjacent communities.

#### **Reducing Administrative Duplication**

3.21 The current arrangement necessitates duplicated management structures, IT systems, and administrative processes across multiple authorities. Our proposal eliminates this duplication, redirecting resources from administration to frontline service delivery.

#### **Public Service Reform Opportunities**

- 3.22 The proposed boundary change presents several significant opportunities for public service reform that will lead to better value for money, particularly:
  - Integrated Place-Based Spatial Planning.
  - Optimised Property Assets.
  - Coordinated Climate Action.
  - Children's Services.
  - Adult Social Care.
  - SEND Provision.
  - Homelessness Provision.
  - Accelerated Housing Delivery.

#### **Integrated Place-Based Planning**

3.23 Plymouth is a national leader in spatial planning services distinguished by its innovative and comprehensive approach to urban development. The City Council has earned exceptional recognition and remains the only authority to have won the prestigious Royal Town Planning Institute's Silver Jubilee Cup three times. This achievement reflects Plymouth's pioneering role in local planning, being the first city to adopt a Core Strategy and develop the most comprehensive Local Development Framework of any authority in the country. The Plymouth and South West Devon Joint Local Plan was adopted in 35 months from signing the collaboration agreement with South Hams

- District Council and West Devon Borough Council to adoption (with 20 of these months spent with the Planning Inspectorate after submission).
- 3.24 Our innovative and neighbourhood-based approach to plan making has won many international and national awards. Together with our Local Economic Strategy and the Local Transport Plan we have developed with our neighbours and partners a robust framework for driving our growth agenda across a wider area than just the city boundary. However, given the number of local authorities involved, there are still a multiplicity of strategies and plans which presents a confusing and potentially incoherent picture to local communities, key stakeholders, and potential investors.
- 3.25 Our proposal for an extended Plymouth offers a transformative approach to sub regional planning. By creating a Plymouth Growth Area, we aim to integrate spatial, economic, and infrastructure planning across what is essentially a single urban sub region. While the Plymouth and South West Devon Joint Local Plan already recognises a "Plymouth Policy Area", current implementation is constrained by varying organisational priorities.
- 3.26 As one of the first authorities to introduce a Community Infrastructure Levy, we see opportunities to more effectively plan infrastructure aligned with housing growth and Government standards. Critically, we understand that growth must be carefully managed to preserve the area's environmental quality and the unique character of surrounding settlements.
- 3.27 The "Thriving Towns and Villages" concept emerged from our commitment to local distinctiveness. Through innovative tools like Sustainable Neighbourhood Assessments and character appraisals, we have developed a flexible approach to understanding and protecting the identity of individual communities. This method can be applied across the city's broader region, providing a powerful framework for identifying future local needs.
- 3.28 Our strategy promises significant long-term benefits. By simplifying spatial planning and pooling resources across planning applications, enforcement, design, and heritage, we aim to create a more effective and resilient planning function. This approach addresses the challenges of limited professional planning resources while responding proactively to Government planning reforms. Our approach is very transferable to other areas in the city's hinterland. It is a flexible approach which we can develop with communities in identifying the character of towns and villages, thus providing a potentially powerful resource for identifying and planning for future local needs and protecting local distinctiveness. We also see many strategic opportunities to apply the delivery-driven approach we have had to development sites within the Joint Local Plan over a wider area.

#### **Optimised Property Assets**

3.29 A unified authority can rationalise public sector property across the expanded area, potentially releasing surplus assets for housing or other community benefits while reducing operational costs. Plymouth has demonstrated prowess in property management through its Property Regeneration Fund, which has generated significant income to support council services. We see our innovative municipal enterprise model of unlocking stalled sites, proactively securing private sector investment thereby driving the tax base being extended into the Plymouth Growth Area, all supported by our newly adopted Economic Strategy which is ready to go.

#### **Coordinated Climate Action**

3.30 Plymouth's ambitious climate emergency plan, targeting net-zero by 2030, can be implemented across the wider area, enabling more effective carbon reduction initiatives that aren't constrained by artificial administrative boundaries. This would support delivery of Plymouth's Climate Emergency Action Plan and net zero targets.

#### **Children's Services**

3.31 Plymouth has recently demonstrated significant improvement in children's social care services, with Ofsted confirming in January 2024 that services "require improvement to be good." The improvement journey includes strengthened practice in case summaries, supervision, visits, and plans. The City Council has a clear transformation plan in place to develop, sustain and embed good practice. By extending Plymouth's boundary, we will create greater consistency in children's services across what is functionally a single community. The expanded boundary will support better early help provision by enabling a more unified approach to family hubs and preventative services, addressing one of the key improvement areas identified by Ofsted.

#### **Adult Social Care**

3.32 Plymouth has demonstrated commitment to innovative approaches in adult social care, including well established Local Care Partnership arrangements underpinned by effective joint commissioning, close working with VCSE and community interest partners in the delivery of adult social care and a strong focus on partnership support to enable timely and successful hospital discharge and admission avoidance to help people to be able to live independently as long as possible. We aim to build on our 'locality' or neighbourhood networks of services, aligned to our Wellbeing Hubs and Family Hubs and other community spaces where people feel safe and welcome, to embed a 'no wrong door' approach to meeting need and focusing on prevention. The boundary change will enable more effective integration for social care and health services across a natural community area.

#### **SEND Provision**

3.33 Plymouth is currently implementing its SEND Strategic Improvement Plan following inspection in 2023. The boundary change would enable more efficient planning of SEND provision across the natural catchment area, eliminating boundary issues that currently complicate provision. The expanded council would be able to make more strategic decisions about specialist placement sufficiency, creating opportunities to reduce high-cost out-of-area placements and reduce expensive Home to School Transport provision. This approach supports Plymouth's commitment to develop "sufficient high quality and value for money education and short breaks provision to meet local need."

#### **Homelessness Provision**

3.34 Plymouth has experienced a 162% increase in demand for temporary accommodation in recent years, reflective of national trends. The City Council has developed a comprehensive Homelessness Recovery Programme with seven dedicated action plans. The boundary change would allow for a more coherent approach to homelessness prevention and housing supply across the functional housing market area. It would facilitate better coordination of supported accommodation and enable more strategic planning of affordable housing supply to meet needs across the natural community area. Benefits would include the ability to implement Plymouth's successful housing delivery frameworks across the expanded area. The Plan for Homes 4 programme demonstrates Plymouth's commitment to tackling homelessness through increased delivery of affordable housing. Since 2023, 78 new units of temporary accommodation for homeless families have been delivered, with a further 95 in the pipeline.

#### **Accelerated Housing Delivery**

3.35 Plymouth has developed an award-winning approach to accelerating housing delivery under its Plan for Homes initiatives. Over the full nine years of the Plan for Homes Programme we have delivered 7,581 homes (gross) of which 1,980 (26%) have been provided as affordable homes (65% rented and 35% low cost homeownership). As part of the innovative approach to date we have released 50 council owned sites that are planned to deliver 1,543 new homes of which 1,015 are to be affordable homes (66%). Of these, 34 sites have been completed delivering 1,117 homes of which 692 are affordable (62%). We believe applying the Plan for Homes approach over the wider geography of the extended Plymouth boundary area will support an acceleration of housing delivery.

Criterion 4: Proposals should show how councils in the area have sought to work together in coming to a view that meets local needs and is informed by local views.

3.36 Leaders and Chief Executives have maintained regular dialogue since the publication of the White Paper, demonstrating a commitment to

collaborative governance. The strategic approach to local government reorganisation has been characterised by both progress and challenges. The upcoming local elections introduce an additional layer of complexity to the reorganisation process and changes in political administration in Devon could potentially reshape priorities for local government reorganisation. In this scenario this would introduce new perspectives on future inter-authority partnerships.

- 3.37 A significant milestone has been the agreement between Plymouth, Devon, and Torbay to move forward with devolution and the development of a Strategic Authority. This collaborative approach represents a proactive step in addressing regional governance needs, while remaining aware of potential political shifts. While Cornwall has not joined the current strategic authority proposal, the partners have deliberately left the door open for future participation.
- 3.38 Plymouth has maintained a pragmatic approach, recognising the distinctive characteristics of different local areas and the potential for political transition. We acknowledge and indeed respect the significant differences between urban Plymouth and the rural heartlands of Devon. As a result, our approach will be to pursue more detailed discussions once the Government has indicated its preference for structures in Devon. In the meantime we maintain a willingness to discuss collaborative arrangements.
- 3.39 As we approach the detailed proposal in November 2025, we intend to work closely with neighbouring authorities', parishes, and communities to collaborate in creating a comprehensive proposal. We are committed to an inclusive approach that values the perspectives and needs of all local authorities in the region, with the aim of creating a strategic framework that can effectively serve our communities.

## Criterion 5: New unitary structures must support devolution arrangements.

- 3.40 On 09 January 2025 Plymouth City Council resolved that:
  - I. The Government has clearly stated that large Strategic Authorities led by directly elected mayors represent their preferred path for devolution, viewing this model as the most effective way to transfer power and resources from Westminster to local regions. In response to this clear policy direction, Plymouth City Council strongly advocates for the establishment of a South West Peninsula Mayoral Strategic Authority. This proposed authority would encompass the combined geography of Cornwall, Devon, Plymouth, and Torbay.
  - 2. The necessity to expand the Council's administrative boundaries to achieve the scale required for future sustainability. This must be carefully balanced with preserving both Plymouth's distinctive identity and the identities of neighbouring communities. Work to develop appropriate options and a business case for this will now commence.

- 3.41 Our position therefore remains that the best way to ensure that the frameworks and outcomes for devolution in the south west is to create a South West Peninsula Mayoral Strategic Authority comprising Plymouth, Cornwall, Devon, and Torbay. This would create a strong growth alliance for the south west with a population of 1.8 million people and therefore be in accordance with the Government's guidance for the establishment of Strategic Authorities.
- 3.42 By expanding the boundary of Plymouth and reconfiguring the rest of Devon into 2 or 3 unitary councils, new structures for Devon would – alongside Cornwall Council and the Isles of Scilly - create a total of 5-6 unitary authorities as the potential constituent authorities for a South West Peninsula Mayoral Authority. Whilst the current regional landscape presents complexities: with Devon County Council and Torbay Council still developing their previously agreed "Level 2" devolution deal, and Cornwall resolving to not pursuing any cross-county Strategic Authority, Plymouth would have to consider establishing a single-authority "Foundation Level" Combined County Authority to ensure that no "devolution island" was created pursuant to the Government's ambition of "universal coverage in England of Strategic Authorities". As far as we are concerned, we see this as very much an interim measure should it not be possible to reach agreement on the Strategic Authority arrangements for the south west ahead of the English Devolution Bill receiving Royal Assent. As the Minister of State made clear once again in his evidence to the Commons Housing Communities and Local Government Committee on 25 February 2025, devolution cannot be held up local government reorganisation and local government reorganisation cannot delay devolution. We wholeheartedly agree with that: therefore, the early implementation of our proposal and the unitary proposals for the rest of Devon will help us all move towards a new consensus as to the appropriate arrangements for a Strategic Authority.

#### Criterion 6: New unitary structures should enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment.

3.43 We recognise that improving how we engage and consult with local people and increasing the opportunities people have to influence the design and delivery of services is a key requirement of local government today. We have some excellent performance to draw upon in this area, for example, in relation to housing stock transfer, local spatial planning, the Plymouth Plan and our climate emergency work. Furthermore, we have come to understand the importance of ensuring that people with lived and living experience are involved in the coproduction of services they care about. The use of Appreciative Enquiry and coproduction feature heavily in our community work and have been widely acknowledged as being innovative and effective.

- 3.44 Our 'Community Empowerment Programme: Working together for a Fairer, Greener, Healthier Plymouth' sets out how we intended to work with individuals, communities, and organisations to make Plymouth a fairer, greener, and healthier City. Alongside this we have an approved Community Empowerment Action Plan 2021 which renewed our approach to engagement and the principles that we operate under. We are committed to supporting local communities to do things for themselves, and to make their voices heard in shaping the services they use and the places they live. The five themes we have are: Community engagement, building resilient communities, supporting, and developing the voluntary community sector, Co-operatives, and social enterprises, helping people to do their bit to volunteer and the culture change in leadership to underpin this to enable it to happen. We work to the following principles:
  - <u>Democratic</u> We will provide strong community leadership and work together to deliver our common ambition. Engagement that
    - Exemplified by strong community leadership by elected members and residents.
    - Where community leaders are accountable to the communities they serve.
    - Based on honest and open sharing of issues and solutions.
  - Responsible We take responsibility for our actions, care about their impact on others and expect others to do the same. Engagement that
    - Champions community led initiatives.
    - Is outcome focused and is based upon a trauma informed approach to ensure we are sensitive to the needs of residents and communities.
    - o Is consistent, sustainable and builds relationships into the future.
    - Reflects an awareness of the climate emergency and the sustainability agenda.
    - Communicates any decisions resulting from our engagement activities.
    - Respects all views and maintains confidentiality (where appropriate).
  - Fair We will be honest and open in how we act, treat everyone with respect, champion fairness and create opportunities. Engagement that:
    - Is accessible, flexible, and inclusive.
    - Spans communities of identity, interest, and geography to create a voice for all.
    - o Is timely to fully involve residents, communities, or businesses throughout the decision-making process.
    - Is transparent and provides clarity about the scope of the engagement.
  - <u>Cooperative</u> We will work together as partners to serve the best interests of our city and its communities. Engagement that:
    - Is collaborative and works towards shared goals.

- Is informed by shared intelligence to support community led decision making.
- Supports people to have the power and confidence to influence decisions that affect them.
- Listens, acknowledges, explores, and responds.
- 3.45 Plymouth's current administrative area is made up of 39 neighbourhoods, complementing the pattern of parishes in the surrounding area. The neighbourhoods are based on the lower super output areas set out in Plymouth's 2012 Joint Strategic Needs Assessment. The introduction of locality working was agreed by Plymouth City Council on 01 February 2010. Several of Plymouth's neighbourhoods have long-established neighbourhood infrastructure organisations, with robust examples of good engagement with communities around local improvement and service delivery. Many of these relate to government initiatives such as the New Deal for Communities and the Towns Fund.
- 3.46 In some neighbourhoods, neighbourhood management is bringing residents and service providers together to improve the quality of life for people, ensuring public service providers are more responsive to neighbourhood needs and service delivery. There is much scope for developing this model of management further, improving our ability to 'place shape' through securing the views of a broader cross-section of people. This is vital if we are to fully understand needs of local people and to enable them to influence the design and delivery of services.
- 3.47 Our strategic approach to community cohesion and diversity is developing very positively. This is particularly significant if the city is to achieve the population growth it aspires to in its overall vision. We are working hard to improve how we engage all communities including 'seldom heard' groups. Our Community Builders Programme funds 13 community builders working within seven geographical communities (neighbourhoods) and seven communities of identity and interest to take an Asset Based Community Development approach to tackling health inequalities and bring about greater community cohesion. Whilst we have growing skills and knowledge to offer in respect of working with diverse communities, we stand to learn much from the work of surrounding areas in reaching the communities in the settlements immediately close to the city within our proposal. The requirement to renew the Council's Equality Objectives by March 2029 will provide the opportunity to further explore, engage and gather information about the communities in the expanded area and ensure we are taking account of the demographics of the wider area in our decision making. Our view is that this is best done by working collaboratively with the Parish Councils when preparing our detailed business plan in November 2025.

- 3.48 Population data suggests a growing, older population in Plymouth and its surrounding areas. As part of our improved approach to engagement and consultation, we are challenged to empower older people to become active citizens, enabling them to influence issues outside health and social care. An expanded Plymouth authority area will shed new light on the needs and issues for this significant part of our population, enabling improved service planning supported by joint commissioning. Our infrastructure for adult social care is strong and extendable to a wider sub regional context because our Older Persons Strategy incorporates issues and actions in relation not only to adult social care but also housing, leisure, social inclusion, and transport issues. We also have a strong reputation in our safeguarding role for vulnerable adults but more widely in terms of older person's services through our work to deliver extra care housing in partnership with local Registered Providers. "A Bright Future," our children and young people's plan proposes the development of a locality delivery structure to enable all universal and some specialist and targeted services to be delivered locally through colocated multi agency teams. One of the models driving our aspirations is "iThrive," an approach which focuses on resilience and recognising when needs may change and is increasingly used in Plymouth as part of the design of service. It is a concept that has a strong relevance for a wider area than just the existing administrative area and is eminently transferable to the wider Plymouth Growth Area.
- 3.49 The ever changing and increasing role of local councillors is crucial in this context. Building upon this track record of stakeholder and community engagement, we are therefore keen to explore with Government how we can develop further inclusive governance models so that local people can work more effectively with their elected councillors to get things done that are important to them. We are keen to explore the roll out of an integrated structure of neighbourhood empowerment which also builds upon existing structures in place within the city's hinterland.
- 4.0 Question C: Include indicative costs and arrangements in relation to any options including planning for future service transformation opportunities.
- 4.1 Initial, indicative estimates for the costs of transitioning to the new Plymouth Growth Area geographical footprint are set out in the table 3. For the purposes of this Interim Plan, we have focussed on the costs of the Plymouth Growth Area proposal alone i.e. the costs of consolidating services and assets across an expanded area, and any one-off investment required to deliver ongoing efficiency savings. We have not attempted to cost the transition to new local authority structures in other parts of Devon, nor (at this stage) have we set out cost estimates for the financing of future transformation.

- 4.2 We have assumed that a continuing authority model will apply using the existing Plymouth City Council as an 'anchor' entity for the new Plymouth Growth Area council. We would emphasise that this continuing authority approach is essential to manage the significant risks to service delivery during the transition to a new council area; and also, to secure best value by minimising the cost of transition. It will be far less expensive to expand existing unitary infrastructure than it will be to launch new systems and structures across what is a modest boundary change.
- 4.3 We hope to be able to collaborate with partner authorities in Devon to produce a detailed, costed transition plan for inclusion in a final business case submission in November 2025. At this point, we envisage that a continuing authority model of transition to a new Plymouth Growth Area would involve:
  - An executive function, supported by a programme structure and with appropriate democratic accountability across the new functional area, which is able to plan and take decisions for the expanded council whilst remaining the employer and accountable body for the current Plymouth City Council entity.
  - Transitional agreements with South Hams District Council, Devon County Council, and new successor councils in other parts of Devon to ensure a smooth transfer of the data, staff, and assets required to support service delivery.
  - Use of existing Plymouth City Council policies, systems, and infrastructure as a backstop through the transitional period; with implementation work focussing on the smooth transfer of service delivery, assets, and data across to existing unitary structures, within a continuing authority model.
- 4.4 The table below makes a series of planning assumptions based on high level modelling with reference to other local government reorganisation business cases. Further work will be undertaken to develop a fuller cost model for inclusion in the final business case.

Table 3: Initial Indicative Implementation Costs for the Plymouth Growth Area Proposal

Year/Estimated	2026/2027	2027/2028	2028/2029	Total
<b>Implementation Costs</b>	(£m)	(£m)	(£m)	£m
Higher Range Estimate	1.6	4.7	5.4	11.7
Lower Range Estimate	1.5	3.3	2.6	7.4

4.5 We are at the early stages of considering how transition costs might be funded. Use of flexible capital receipts, rather than revenue reserves, will be important to maintain financial resilience.

- 4.6 In relation to planning for future service transformation opportunities we intend to utilise specialists to supplement the Plymouth Devolution and Local Government Reorganisation Team in order to be able to research and explore where the biggest benefits to service efficiencies in the expanded area can be achieved. This work is currently at an early stage and will be developed further in the run up to submission of a full business case.
- 5.0 Question 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 the Local Government Boundary Commission for England guidance.
- 5.1 The 13 parishes that make up the Plymouth Growth Area preferred option align to six ward boundaries in South Hams District Council. The boundaries of the 13 parishes are co-terminus with the ward boundaries for the district council of which there are a total of 20 wards. Within the extended area there are currently 10 district councillors representing the six wards and 29,000 people.
- 5.2 Within the Plymouth unitary council area, there is recognition that in order to maintain broad compatibility of around 3,500 registered voters for each councillor that a boundary review of the wards in the city was long overdue. The initial work that had been undertaken in 2024 for the planned boundary review indicated that the number of councillors within the city should increase from 57 to 60, a view which has been supported by the Local Government Boundary Commission for England. The boundary review is currently paused and it is our view that any ward boundary changes within Plymouth should take place at the same time as a local government reorganisation boundary review.
- 5.3 As we consider governance for an expanded Plymouth unitary authority, we propose a process of engagement, collaboration, and co-design with communities and parishes to develop appropriate new structures.
- 5.4 For the existing urban areas of Plymouth, we suggest exploring area-based arrangements that could enhance local representation. The exact configuration, functions, and delegations would emerge through dialogue with residents and existing ward councillors.

- 5.5 We envisage a collaborative process that brings together stakeholders from across the expanded Plymouth area to co-create a governance framework that balances local representation with strategic coherence. This collaborative approach would ensure the resulting structures reflect community preferences, address practical needs, and create meaningful opportunities for democratic participation. Our initial view therefore is that any council covering Plymouth and the extended area will have 70 councillors, upon completion of a boundary review.
- 5.6 We offer these initial thoughts not as fixed proposals but as conversation starters for a genuine co-design process that respects the knowledge, preferences, and democratic traditions of all communities within the expanded Plymouth area.

## 6.0 Question E: Include early views on how new structures will support devolution ambitions.

- 6.1 We have a strong track record in partnership working and delivering strategic leadership for the Plymouth sub-region. Furthermore, we have worked effectively with Devon County Council and, where relevant, Torbay Council for many years on key strategic initiatives such spatial planning, strategic transport, waste management, the Freeport and various funding programmes with cross-border implications.
- 6.2 The creation of unitary structures for local government in Devon, Torbay with an extended Plymouth boundary, as advocated in this Interim Plan, would make our relationship with the adjoining authorities more effective because of removing the complication of dealing with a two-tier structure in which priorities often differ between the view of the county council versus that of individual district councils. It would also properly acknowledge the key strategic leadership role that we already play. The strong partnerships that we have built to lead the city embrace partners and stakeholders with a sub-regional and strategic remit. This will enable us to bring our track record of engaging with key agencies to improve services to our proposed extended area.

# 7.0 Question 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.

#### Engagement approach and activities undertaken

7.1 Plymouth City Council has implemented a structured, two-stage engagement approach for developing this Interim Plan, focusing on priority stakeholders identified through comprehensive stakeholder mapping. This approach recognises both the condensed timescale for the interim submission and the need to build meaningful, collaborative relationships with affected communities and organisations.

#### **Stage One: Initial Engagement**

- 7.2 Following receipt of the ministerial letter we immediately commenced our engagement programme with priority stakeholders. This initial phase focused on understanding their perspectives, concerns, and aspirations without presenting detailed proposals. Key engagement activities have included:
  - One-to-one meetings with clerks and chairs from all 13 parish councils within our proposed boundary area, including Bickleigh, Shaugh Prior, Sparkwell, Brixton, Wembury, Cornwood, Harford, Ugborough, Ivybridge, Ermington, Yealmpton, Holberton, and Newton and Noss.
  - Strategic discussions with Devon MPs whose constituencies include areas within our proposed boundary change.
  - Targeted engagement with key strategic stakeholders including the Police and Crime Commissioner, NHS Devon, and Dartmoor National Park Authority.
  - Internal briefings for Plymouth City Council staff and all councillors.
- 7.3 These conversations have yielded valuable insights regarding local priorities, specific concerns around identity preservation, and opportunities for enhanced service delivery. Parishes have particularly emphasised the importance of maintaining their unique rural character while welcoming the potential benefits of more integrated service provision and strategic planning.

#### Stage Two: Proposal Discussion (Early March 2025)

- 7.4 The second stage of our engagement has involved more detailed discussions based on our emerging preferred option. We have:
  - Revisited key parish councils to discuss specific implications and potential benefits.
  - Engaged with strategic partner organisations to discuss cross-boundary service delivery opportunities.
  - Held a comprehensive all-councillor briefing session at Plymouth City Council.
- 7.5 This more focused engagement has enabled us to refine our proposals based on local input and address specific concerns that emerged during initial discussions.

#### Key themes from Engagement

- 7.6 Several consistent themes have emerged from our engagement activities:
  - 1. **Local identity and representation** Stakeholders have expressed strong desire to maintain local parish identities and ensure effective democratic representation within any new arrangements.
  - 2. **Service improvement** There is recognition of potential benefits from more integrated service delivery, particularly around transport, housing, and economic development.
  - 3. **Strategic alignment** Stakeholders acknowledge the functional economic relationship between Plymouth and surrounding areas, with scope to strengthen this through formal arrangements.
  - 4. **Rural-urban balance** Parish councils have highlighted the importance of respecting the distinct rural character of communities while benefiting from proximity to Plymouth's urban services and facilities.
  - 5. **Transition concerns** Questions have been raised about practical aspects of any transition, including council tax harmonisation, service continuity and staff arrangements.

#### **Future Engagement Plans**

- 7.7 Building on this initial engagement, we will implement a comprehensive engagement programme to support development of our final proposal by November 2025. This will include:
  - Establishment of a Parish and Town Council Advisory Group to enable co-design and collaboration.
  - Public engagement sessions in communities across the proposed boundary area.
  - Dedicated engagement with business groups and voluntary sector organisations.
  - Regular stakeholder briefings and updates via dedicated communication channels.
  - Themed working groups focusing on key service areas and transition planning.
  - Discussions with current neighbouring authorities.

- 7.8 We have committed to transparency throughout this process, ensuring stakeholders are kept informed of developments and have meaningful opportunities to shape our proposals. This approach reflects our recognition that successful boundary change requires genuine partnership with affected communities from the outset.
- 8.0 Question G: Set out indicative costs of preparing proposals and standing up an implementation team as well as any arrangements proposed to coordinate potential capacity funding across the area.
- 8.1 The table below sets out our current plans for funding an implementation team during the 2025/2026 financial year. This would cover the preparation of a detailed business case, implementation planning and data collection, and any costs associated with engagement and consultation exercises. For implementation cost estimates for 2026/2027 and beyond see section 4 above.

Table 4: Initial Indicative Local Government Reorganisation Implementation Team Costs arising from the Plymouth Growth Area Proposal

Estimated costs of preparing a business case, mobilising an LGR implementation team and supporting further consultation and engagement	2025/2026 (m)
Higher Range	£0.5
Lower Range	£0.4

8.2 These costs will be built into budgets for 2025/2026 following a review of the current year outturn position; resources will be a mixture of external consultancy support and internal capacity developed through back-filling. Preparing a business case for local government reorganisation on top of continuing service delivery and development, as well as continuing to drive transformation will stretch capacity across all Devon local authorities, including Plymouth. Early feedback from Government on the various proposals put forward, together with timely decision making to rule out and rule in options, will help to focus scarce capacity more productively.

- 9.0 Question H: Set out any voluntary arrangements that have been agreed to keep all councils involved in discussions as this work moves forward 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.
- 9.1 Because our preferred option is based upon the principle of using existing parish councils as the building blocks, we have already met with the clerks of the parish councils to listen to and understand their views and perspectives regarding the Government's devolution White Paper. We followed up initial meetings held between 26 February and 14 March 2025 to explain our preferred option before it was endorsed by the City Council on 17 March 2025. Whilst recognising that the limited period to submit to Government our proposal has meant discussions are at a very early stage, however we have made a clear commitment to co-author our future governance and engagement section of the full business case in November 2025 with the Parish Councils together.
- 9.2 As a continuing authority with a slightly revised boundary, we are confident that day-to day services within Plymouth can be maintained without any undue impact from the implementation of our preferred option which we hope can be supported as the best option for local government reorganisation in this part of the country.
- 9.3 At this stage we are still working to establish the precise collaboration arrangements with the other Devon authorities.

#### 10.0 Conclusions

10.1 In order to accelerate growth and create modern structures of local governance that are optimised for future generations, Government needs to consider 'right-sizing' the boundaries of the medium-sized regional cities of England. Plymouth – along with other similar-sized cities – has already long outgrown a boundary that was established 58 years ago. Many of the current, historic boundaries in England do not represent sensible geographies for our cities in a modern economy. We therefore strongly support Government in expanding city boundaries as a lever to accelerate economic growth and meet the housing supply and employment needs for local people in the decades to come.

- 10.2 Government must also consider right-sizing city government by creating authorities that are focussed on delivering economic opportunity and growth in medium-sized urban areas. For a key city like Plymouth, an unduly extensive, largely rural area would result in a geography and character that creates more problems than it solves. Our current sector-leading focus on growth and regeneration would become diluted across a larger geographical footprint. We urge Government to recognise that for Plymouth and other Key Cities retaining a logical geography and a predominantly urban character is a key requisite for maximising economic potential. Inevitably a more subtle reorganisation using parishes as the building blocks necessitates the splitting of districts (which will be abolished anyway and therefore should not be given great weight in relation to balancing the various criteria for unitisation).
- 10.3 We believe Government should consider how a continuing authority model can provide an essential 'anchor' across the transition period to reduce implementation costs and the risks of disaggregating critical services. The Plymouth Growth Area proposal will cause the least disruption to on-going service delivery as the City Council already manages all the upper and lower tier services as a continuing unitary authority. The proposal is also most likely to result in the lowest implementation costs because of the simplicity of the boundary change reflecting existing functional linkages between the city and the nearby settlements. It is also a proposal that most likely will fit most easily within the pattern of local government reorganisation for rest of Devon.
- 10.4 The Plymouth Growth Area proposal represents the fastest way to move to a sustainable model for Plymouth and we stand ready to work with Government to drive the implementation of this exciting proposal at the earliest opportunity.

