

Cabinet



Date of meeting: 19 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)

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Your Reference: PWB/LGR/DEVO/250319

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 (Minute 51 refers) resolved as follows:

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 proposals by 28 November

2025. On 17 March 2025 the City Council considered the Plymouth Local Government Reorganisation Interim Plan.

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

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.

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

Recommendations and Reasons That Cabinet:

- 1. Agrees and supports the local government reorganisation principles set out in the report.**

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

- 2. Approves and agrees Option 1 as the preferred approach to an extension of the boundaries of the city as the preferred approach for submission to government.**

Reason: 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. Approves and agrees the submission to government of the Plymouth Local Government Reorganisation Interim Plan.**

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

- 4. Delegates authority to make any final changes to the Plymouth Local Government Reorganisation Interim Plan to the Leader.**

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

Reason: 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. Instructs 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.

Reason: 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 health 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 has been rejected.

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 this 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 Local Government Reorganisation 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 the local government reorganisation discussions with government. It will also mean that more in-depth discussions can be held with key stakeholders, especially Parish Councils included within Option 1.

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 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:

** When considering these proposals members have a responsibility to ensure they give due regard to the Council's duty to promote equality of opportunity, eliminate unlawful discrimination and promote good relations between people who share protected characteristics under the Equalities Act and those who do not.*

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 align 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 City Council. 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 January 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 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	Exemption Paragraph Number (if applicable) <i>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.</i>						
		1	2	3	4	5	6	7
A	Plymouth Local Government Reorganisation Interim Plan Briefing Paper							
B	Plymouth Local Government Reorganisation Interim Plan (March 2025)							

Background papers:

Title of any background paper(s)	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 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.						
	1	2	3	4	5	6	7
Government White Paper							

Sign off:

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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 for Children’s Services (as Acting Chief Executive), 06 March 2025											
Cabinet Member approval: Councillor Tudor Evans, Leader											
Date approved: 07 March 2025											