



Advice to the Secretary of State on unitary local government in Devon

December 2009

Translations and other formats

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The Electoral Commission GD03114G 2009

Contents

What is the Boundary Committee for England?

Summary

1	Introduction	1
2	The Committee's approach to the request	5
3	Overview of the two patterns	15
4	The alternative proposal	17
5	The two-unitary pattern	27
6	What happens next?	35

Appendices

	Appendix A – Analysis of representations	37
	Appendix B – Other considerations	45
	Appendix C – Mapping	46

What is the Boundary Committee for England?

The Boundary Committee for England is a committee of the Electoral Commission, an independent body set up by the UK Parliament. The Committee's main role is to conduct electoral reviews of local authorities in England with the aim of ensuring the number of electors represented by each councillor is approximately the same. Other duties include reviewing local authority boundaries and advising the Government on local authority bids for unitary status.

Members of the Committee are:

Max Caller CBE (Chair)

Jane Earl

Joan Jones CBE

Dr Peter Knight CBE DL

Professor Colin Mellors

During the course of the review, two other members served on the Committee:

Robin Gray (until 31 December 2008)

Professor Ron Johnston (until 8 July 2009)

Director: Archie Gall

Summary

On 6 February 2008 we were requested to advise the Secretary of State for Communities and Local Government on unitary structures of local government in Devon.

Specifically, we were asked to provide advice on whether there could be an alternative proposal, or proposals, of unitary local government – i.e. one or more councils providing all of the services currently provided by the county and district councils – that might be recommended for the county area as a whole. We were also asked to consider whether there should be any changes to the boundaries of the existing unitary councils of Plymouth and Torbay if they were essential to determining a unitary pattern of local government for the two-tier area of the county.

The Secretary of State asked whether there could be an alternative proposal, or proposals, that would, in aggregate, have the capacity to deliver the following outcomes: be affordable; be supported by a broad cross-section of partners and stakeholders; provide strong, effective and accountable strategic leadership; deliver genuine opportunities for neighbourhood flexibility and empowerment; and deliver value-for-money and equity in public services.

Before providing our advice we invited representations on two specific draft proposals:

- a county unitary authority
- a two-unitary pattern comprising Exeter & Exmouth and Rural Devon

We took into account all of the representations that we received on these draft proposals before providing advice to the Secretary of State.

We have now published our report *Advice to the Secretary of State on unitary local government in Devon*. The report outlines our alternative proposal to the Secretary of State, which we consider has the capacity to deliver the outcomes referred to above. The report is available on our website, at www.boundarycommittee.org.uk.

Our alternative proposal for Devon is:

- a unitary county comprising the whole of the existing two-tier area of Devon, on the basis of the arrangements set out in our report

We are not proposing any boundary changes to the existing councils of Plymouth and Torbay, as we do not consider they are essential to our alternative proposal.

We carefully examined whether our other draft proposal for two unitary authorities could have the capacity to deliver the outcomes specified by the

Secretary of State's five criteria. We took into account views submitted to us before deciding whether to put it forward as an alternative proposal.

We considered that this pattern had some merit, specifically in relation to the Exeter & Exmouth authority. However, there was also strong opposition to removing Exeter from the rest of the county for local government purposes. In our judgement this pattern is unlikely to have the capacity to deliver all the outcomes specified by the Secretary of State's criteria. We do not believe that it is likely to be supported by a broad cross-section of partners and stakeholders in Devon.

The original proposal

As part of our advice to the Secretary of State, we have recommended that the original proposal for unitary status from Exeter City Council should not be implemented. This recommendation is made on the basis of the Secretary of State's previous concerns about such an authority's ability to meet the affordability criterion, which was not displaced by any evidence received by us during this review, all of which we took into account.

What happens next?

The Committee has now provided advice to the Secretary of State on unitary local government in Devon. It is now for the Secretary of State to take a decision on whether:

- to implement the original (i.e. Exeter City Council's) proposal, with or without modification
- to implement our alternative proposal, with or without modification, or
- to take no action

It is also open to the Secretary of State to request further information or advice from us. Before taking his statutory decisions there will be a period for representations to be made to the Secretary of State about either our alternative proposal or the original Exeter proposal. This period will run from 8 December 2009 until 19 January 2010. You can make representations on these proposals by emailing DevonStructures@communities.gsi.gov.uk or by writing to:

Unitary Structures Team
Department for Communities and Local Government
Zone 3/J1, Eland House
Bressenden Place
London SW1E 5DU

More information on the review process in general, including the Secretary of State's intended approach to taking his statutory decisions, can be found on the Department for Communities and Local Government's website, at www.communities.gov.uk/localgovernment/restructuring/boundarycommittee

1 Introduction

Background

1.1 In October 2006, the then Secretary of State for Communities and Local Government issued an invitation to two-tier principal local authorities (district and county councils) in England to submit proposals for a change to unitary or single-tier status¹. The invitation set out five criteria by which any proposals received would be judged. It stated that any proposal must:

- be affordable
- be supported by a broad cross-section of partners and stakeholders
- provide strong, effective and accountable strategic leadership
- deliver genuine opportunities for neighbourhood flexibility and empowerment
- deliver value-for-money and equity in public services

These criteria are discussed in more detail in chapter two.

1.2 In response to the Secretary of State's invitation, 26 proposals were received for the creation of new unitary authorities. These included a bid from Exeter City Council (Exeter) for unitary status on its existing boundaries. Under Exeter's original proposal, the remainder of the county would continue to be served by the existing county and district councils.

1.3 In December 2007 the then Secretary of State announced that, in her judgement, there was not a reasonable likelihood of Exeter's proposal achieving all the outcomes specified by the five criteria. In particular, she voiced concern over the financial case set out in Exeter's bid. She also indicated that she would be referring Exeter's bid to the Boundary Committee for advice.

The Secretary of State's request for advice

1.4 We were asked by the Secretary of State under section 4 of the Local Government and Public Involvement in Health Act 2007 (the Act) to provide advice² on whether there could be an alternative proposal, or proposals, for a single-tier of local government for Exeter, and the whole or part of the surrounding Devon county area, that would, in aggregate, have the capacity, if implemented, to deliver the outcomes specified by the five criteria.

¹ *Invitation to Councils* (Communities and Local Government, October 2006).

² *Request to the Boundary Committee to advise* (Communities and Local Government, 6 February 2008), www.boundarycommittee.org.uk.

1.5 In relation to Devon, we were asked to consider boundary changes to the city of Plymouth and borough of Torbay only if, on the basis of any evidence received, we considered that they were essential if there was to be an alternative proposal that would provide a pattern of unitary authorities across the county which had the capacity, if implemented, to meet the five criteria. In any case, the Secretary of State stated that the 'concept' of the city and borough must be retained. There were a number of changes to the date by which we were asked to provide advice, the most recent being 8 December 2009.

1.6 Accompanying the request for advice in February 2008 the Secretary of State issued guidance to which we have had regard.³ In December 2008, she issued further guidance which she stated was to clarify part of the request relating to assessing patterns 'in aggregate'⁴. Throughout the process we have had regard to all of the Secretary of State's guidance in reaching conclusions on what, if any, advice to provide.

The review process

1.7 In February 2008, we accepted the request for advice and began a review to establish whether there could be patterns of unitary local government that might have the capacity to deliver the outcomes specified by the Secretary of State's five criteria, and which we were prepared to make to as an alternative proposal.

1.8 On 3 March 2008 we wrote to all the local authorities in Devon, inviting them to submit to us broad concepts for patterns of unitary local government in the county. We met with all local authorities and other local government partner organisations in order to understand fully the concepts that were being put to us. We conducted thorough assessments of all the concepts we received against the criteria. We used all the information we gained during this time to formulate a draft alternative proposal for a unitary county of Devon.

1.9 We published a report outlining our draft alternative proposal for consultation in July 2008. Although we only put forward one draft proposal, in the same report we stated that we saw merit in another pattern of unitary local government, comprising two unitary authorities: an Exeter & Exmouth authority and a Rural Devon authority.

1.10 The consultation ran for 12 weeks. During this time we received over 21,000 representations, of which over 16,000 were pre-paid postcards issued to residents by a district council. We also met with local authorities and local government partner organisations. In addition, we held a number of roundtable listening events, to which we issued wide invitations to the business, voluntary and public sector organisations in the county.

³ *Request to the Boundary Committee to advise* (Communities and Local Government, 6 February 2008), www.boundarycommittee.org.uk.

⁴ *Guidance from the Secretary of State*, issued 5 December 2008, www.boundarycommittee.org.uk.

1.11 During the autumn and winter of 2008 and spring of 2009, legal challenges were brought against the Committee by some local authorities in all three counties. As a result of judgments handed down by both the High Court and the Court of Appeal, we adapted our process in order to improve consultation on the affordability aspects of the proposals. We also adapted our approach to the consideration of whether a pattern met the criteria in aggregate as a result of new guidance provided by the Secretary of State.⁵

1.12 We re-assessed all concepts in the light of the representations we had received by February 2009. On 19 March 2009, we published two further draft proposals for consultation which, we considered, would be reasonably likely to deliver the outcomes specified by the five criteria and which, subject to representations, we would be prepared to make to the Secretary of State as alternative proposals. These proposals were the same as the two patterns contained in our July 2008 report. We consulted on these for a further eight weeks.

1.13 A new legal challenge was brought against the Committee's further draft proposals for Suffolk in the summer of 2009. This challenge stopped us from providing advice in Suffolk and also Norfolk and Devon by the date the Secretary of State requested (15 July 2009). A later Court of Appeal hearing overturned the original court decision thereby allowing us to provide our advice in all three counties by the new deadline set by the Secretary of State (8 December 2009).

1.14 The planned timetable for the review was challenging, both for those who have participated in the review and for the Committee. The subsequent extensions to the timetable imposed further burdens on local authorities in the county. The review itself was for most of them unexpected and, in light of this, we are grateful to those authorities who contributed constructively and assisted us in completing the task the Secretary of State asked us to undertake. Local government reorganisation is a controversial process and we understand the general and specific concerns that have been expressed to us, both in correspondence and in meetings, throughout the review process. In formulating our advice, we have taken into account all representations received since the start of the review in March 2008 but have been assisted especially in our analysis by those participants who provided evidence in support of their submissions to us.

1.15 We are grateful to all stakeholders in Devon, the county and district councils, parish and town councils, and the public, private and voluntary sectors, for their assistance and views on the structure of local government in their county. We would also like to express our gratitude to the staff supporting the Committee in conducting the review of Devon.

⁵ These aspects are explained further in our 19 March 2009 report, *Further draft proposals for unitary local government in Devon*, www.boundarycommittee.org.uk.

2 The Committee's approach to the request

The five criteria

2.1 In the request for advice, the Secretary of State asked whether there could be an alternative proposal or proposals for unitary local government that would, in aggregate, have the capacity, if implemented, to deliver the outcomes specified by the five criteria. These criteria and our approach to them are outlined below.

Affordability

2.2 Any unitary arrangements, if implemented, should be reasonably likely to be affordable, i.e. the change should represent value-for-money and be met from councils' existing resources. There are five sub-criteria that make up the Secretary of State's affordability criterion:

- a. Transitional costs overall must be more than offset over a period ('the payback period') by savings.
- b. The 'payback period' must be no more than five years.
- c. In each year, capital transition costs incurred are to be financed through revenue resources, or the normal process of prudential borrowing or the use of capital receipts.
- d. In each year, the other (i.e. revenue) transitional costs incurred are to be financed through a combination of the following:
 - In-year revenue savings arising as a result of restructuring.
 - Other in-year specified revenue savings that are additional to annual efficiencies (e.g. Gershon savings) which local authorities are expected to make.
 - Drawing on available revenue reserves, subject to ensuring that satisfactory amounts remain to meet unforeseen pressures or other potential calls on reserves. Use of revenue reserves should be the final option considered, both because of the need to preserve a contingency to meet future pressures and because use of reserves adversely affects the fiscal aggregates in any given year, increasing spending but not receipts and so placing further pressure on the Government's fiscal rules.
- e. The use of capital resources to meet revenue costs will not be permitted.

In addition, all costs incurred as a result of reorganisation must be met locally without increasing council tax.

2.3 We commissioned independent financial consultants (IFCs) to undertake an analysis of the financial case in respect of our draft proposals. We asked them to consider the likelihood of our draft proposals achieving the outcomes set out by the Secretary of State.

2.4 The IFCs' task was to assess and provide advice to us on whether, in their judgement, our draft proposals for change from two-tier to unitary local government would be affordable in the Secretary of State's terms. It is to be noted that the Secretary of State did not ask us to:

- construct a budget for any new authority
- determine whether one draft proposal would be likely to be more affordable than another
- set out what the actual transitional costs associated with a move to a pattern of unitary local government would be, and any ongoing costs or savings that might be derived from such a change
- estimate the actual council tax level likely to be levied in any unitary authority

2.5 We issued workbooks to local authority financial officers to complete, based on the firm and published data for the financial year 2007-8, which all parties could verify. These constituted the most up-to-date published data at the time the IFCs were asked to prepare and conduct the review.

2.6 Local authorities were then asked to provide financial data in relation to our draft proposals, based on their assumptions in respect of the transitional and ongoing costs and savings.

2.7 Our IFCs reviewed, and tested these data and assumptions. The purpose of testing was to establish the robustness of the financial data provided by the local authorities, while allowing for the contingency of changed circumstances, for example, higher or lower levels of income and/or expenditure both generally and in relation to specific issues. Full details of the testing undertaken can be found in our IFCs' reports on our website.⁶ The IFCs' approach was applied consistently to our draft proposals for all three counties under review.

2.8 Once the IFCs had reviewed and tested the data, they presented to us an analysis of the information received, together with their view on the likelihood of each proposal being affordable in accordance with the Secretary of State's definitions.

2.9 We used the IFCs' analysis when considering whether or not our draft proposals were reasonably likely to deliver the outcomes specified by the affordability criterion.

⁶ www.boundarycommittee.org.uk

2.10 We also considered fully all the representations we had received on the affordability criterion, both general and specific.

2.11 We also noted that there could be a significant risk arising from the need to transfer balances between the Exeter & Exmouth and Rural Devon authorities in the initial stages of the existence of these authorities. Such transfers would be rare in local government. The IFCs' reports, presented to the Committee on 15 June 2009, laid out the issues regarding the transfer of financial reserves.

A broad cross-section of support

2.12 Any unitary arrangements, if implemented, should be reasonably likely to be supported by a broad cross-section of partners and stakeholders. The Secretary of State recognised that a change to a unitary structure:

'may not carry consensus from or within all sectors. While no single council or body...should have a veto; the change to a unitary structure, if it were to be made, should at least have a measure of support from a range of key partners, stakeholders and service users/citizens'.

2.13 Therefore, we have not simply weighed by numbers the views expressed in support of or opposition to a particular pattern. Similarly, in seeking comments on our draft proposals we did not undertake any public opinion surveys. We were anxious to let people express their views on what mattered to them and not be constrained by any structured questionnaire. We valued the large number of thoughtful, reasoned representations received.

2.14 Throughout the process of developing and consulting on our draft alternative proposals we sought to engage with and seek the views of a wide range of key local government partners and stakeholders, including parish and town councils, MPs, police and fire services, the primary care trust, local strategic partnerships, businesses and voluntary groups. Our discussions with local authorities, key partners and stakeholders, and the views we have received from residents, have informed and influenced our thinking.

Strategic leadership

2.15 Any unitary arrangements, if implemented, should be reasonably likely to provide strong, effective and accountable strategic leadership. The Secretary of State set out what she considered to be the characteristics of strategic leadership:

- a. strong, stable mandates, consistent with enabling local authorities to take a long-term, strategic view of the needs of their area, and how best to promote that area's prosperity, achieve economic development, and allow the taking of tough decisions where necessary
- b. an outward orientation, consistent with a growing need to represent the community in discussions and debates with organisations and parts of government at local, regional and national level e.g. through Local Area

Agreements

- c. clear and direct accountability, consistent with making powerful local leaders more responsive and responsible, and tackling disengagement and powerlessness by shortening the distance between governors and governed
- d. leaders with personal visibility, consistent with the need to bring coherence to an increasing complex landscape of local actors and partnerships

2.16 Strong, effective and accountable strategic leadership, in the sense that it reflects the needs and aspirations of communities, can and should operate at more than one level. It is linked to community identity and the confidence that citizens have that their democratic representatives understand the needs of their communities and have the influence to promote and defend their interests at local, regional, national and European levels.

2.17 It is recognised that there can be no guarantee that a particular unitary solution or executive model will deliver strong, effective and accountable leadership or that the outcome will be a leader with high personal visibility. Nevertheless, proposals for the implementation of a particular executive model should at least have the capacity to deliver a stable and accountable structure that seeks to facilitate effective decision-making, performance management and partnership working, thereby providing an environment in which quality services can be delivered to local people.

Neighbourhood empowerment

2.18 Any unitary arrangements, if implemented, should be reasonably likely to deliver genuine opportunities for neighbourhood flexibility and empowerment. The Secretary of State drew our attention to a number of recent papers that set out the case for the devolution of power to local communities so that they have the power and resources to influence the decisions that affect them in their localities, and hence improve their quality of life. The Secretary of State stated that any new unitary arrangements should be characterised by:

- a. a strong citizen focus, including how the authority will discharge the duty in section 138 of the Local Government and Public Involvement in Health Act 2007 to inform, consult, and where it considers it appropriate, for representatives of local persons to be involved in the exercise of its functions
- b. local people having the power to influence the decisions that affect their lives including the ability to shape service provision
- c. engaging all sections of the community and increasing the attractiveness of engagement to widen participation to all
- d. clear and accountable community (i.e. neighbourhood/parish)

governance arrangements which empower the frontline councillor to champion their community

2.19 The structures, systems and processes for engagement should be two-way, in order to allow individuals to participate in and influence decisions about service delivery and for the local authority to communicate, inform and consult with those individuals.

2.20 We believe that proposals for engagement and consultation with citizens, particularly those living in disadvantaged or remote neighbourhoods, need to identify clear and appropriate arrangements for effective communication, in order to best ensure that citizens' needs are met.

2.21 Effective empowerment of citizens and communities should, we believe, demonstrate evidence of:

- clarity of roles and responsibilities for the authority's leadership, councillors and staff
- governance structures that involve and engage with all residents
- community forums with real power to influence choice in local services
- area (or neighbourhood) arrangements that reflect community identities and that have appropriate capacity and levels of support in order to have an effective voice and to deliver devolved functions
- detailed role descriptions and adequate resources to enable councillors to represent their local communities effectively

2.22 We have had particular regard to the ways in which new unitary authorities could relate to town and parish councils (where they exist) and to the role that this tier of local government might play in relation to any local governance arrangements. Parish and town councils can provide clear and accountable arrangements for decision-making at community level. Their role can be further enhanced through schemes such as the Quality Parish Initiative.

2.23 The concepts we received in the initial stage of the review recognised that not all areas of the county are fully parished, or that all parish and town councils have either the capacity or the willingness to take on further responsibilities. Some concepts included a form of area-based community empowerment arrangements. These typically provided for complete geographic coverage of the areas under review, delegated decision-making, devolved budgets and recognition of existing structures such as parish networks based on market and coastal towns. Some concepts also addressed the roles and interaction with unitary councillors and the unitary council, partner and stakeholder involvement and the relationship with constituent parish and town councils.

2.24 We have been interested in how proposed area-based structures have addressed the urban areas in the three counties under review. In our view, schemes for neighbourhood empowerment need to provide the necessary

focus – rural and/or urban – and have clarity in terms of the lines of accountability from the first level of community engagement through to the unitary council and its leadership. They also need to be clear about the extent of devolved functions, powers and responsibilities. Additionally, there is an imperative to ensure that, as far as possible, no individual citizen or community is disadvantaged by any move to unitary local government and that there is equality of opportunity to participate in local affairs, particularly those from less well represented sectors of the community.

Value-for-money services

2.25 Any unitary arrangements, if implemented, should be reasonably likely to deliver value-for-money and equity in public services. The Secretary of State characterised service delivery by a new structure of local government in terms of:

- a. value-for-money, offering public services that are efficient, effective and joined up, being delivered through maximising collaboration and technology
- b. being effective and responsive, best suited to meet the needs and preferences of local and business communities; ultimately ‘... services which people use because they value them, and not because they have no alternative’; these services should reflect consideration having been given to demand and other factors in the area including, for example, areas of deprivation, transport links and travel-to-work, shopping/leisure patterns
- c. communities playing an active role in influencing and shaping both their planning and delivery

2.26 Many of the concepts we received in the initial stage of the review emphasised the benefits of delivering services through partnerships or joint arrangements with other local authorities in some form or another. Many county and district councils already have such arrangements in place for the delivery of their current functions.

2.27 These arrangements can include partnerships associated with the delivery of major services or projects, for example between adult care services and health service providers, or the Local Strategic Partnership (LSP) – a non-statutory partnership that brings together the major service providers and stakeholders in a locality to develop shared views and coordinate service provision and policy development. In addition, there are contractual partnerships that cross the whole spectrum of local government functions, such as in the procurement of services.

2.28 This spectrum of methods of service delivery may involve ‘joint arrangements’ – such as when two or more local authorities arrange to deliver services jointly – or arrangements whereby authorities choose to deliver a

service in partnership with one or more non-local authority agencies (whether in the public, commercial or voluntary sectors).

2.29 These are all mechanisms for a local authority to secure the effective provision of a service for which it is responsible, and we are supportive of appropriate partnership working. At the same time, however, we are conscious that over-reliance on joint arrangements in the provision of a service increases the risk that lines of local accountability may be blurred. Also, if a major service, such as children's and young people's services, can only be delivered through joint arrangements, we are led to question the viability of that particular pattern of unitary local government.

2.30 Joint or partnership working between local authorities may provide an economic, effective and efficient means of providing services but in our view such arrangements should not be a prerequisite for the delivery of quality services. Instead, we have sought to arrive at unitary authorities of sufficient capacity to ensure that they have the maximum flexibility in deciding how local services will be provided, whether directly by the council concerned or through some other arrangement.

2.31 It is a matter of judgement for any new authority to what extent arrangements between authorities or groups of authorities might be part of service delivery mechanisms, and to what extent they would serve to cloud accountability. However, this is but one consideration and, as will be clear from this report as a whole, our conclusions are based on many other factors besides.

2.32 We had some difficulty in addressing the equity element of service delivery since little or no evidence was forthcoming from local authorities on this matter. Our approach therefore was to look for proposals that addressed equity in terms of access to services. In addition, we gave particular attention to those representations that addressed the issue of service standards across a county or unitary area and whether the arguments for consistency of service levels were properly weighed against the need for tailored services in order to meet particular local circumstances.

Assessment of the criteria 'in aggregate'

2.33 A particular facet of the Secretary of State's request was that any pattern we put forward as an alternative proposal should be reasonably likely to have the capacity, in aggregate, if implemented, to deliver the outcomes specified by the five criteria.

2.34 In December 2008 the Secretary of State provided us with new guidance which sought to clarify what was meant by the term 'in aggregate' in the request. The guidance stated that the term applies in particular to the affordability of any alternative proposal and might also be applicable to the broad cross-section of support criterion.⁷ In considering whether a pattern is

⁷ Paragraph 6, Guidance from the Secretary of State, issued 5 December 2008, www.boundarycommittee.org.uk.

likely to meet the criteria in aggregate we have had regard to the new guidance.

2.35 We had some reservations about recommending the establishment of a pattern of unitary local government in which one of the authorities is not likely to be affordable – in particular, any which only pass the affordability test by transferring savings or balances. Nevertheless, for the affordability and broad cross-section of support criteria we have duly assessed whether a pattern has the capacity to meet these criteria in aggregate, i.e. as a package, rather than assessing separately the capacity of each of the authorities within each pattern. Our approach is consistent with the new guidance which we were directed by the High Court to take into account.

The existing system of local government

2.36 During the course of the review, we heard from many people about the merits of the current system of local government in Devon: the existing county and district councils. It is clear that there is significant support for the existing system. We have taken all these representations into account when formulating our advice to the Secretary of State as they have a bearing on whether any pattern of unitary local government is likely to deliver the outcomes specified by the criteria, notably in relation to broad cross-section of support, affordability and value-for-money services.

2.37 However, we have not sought to undertake a blanket comparison of the existing system with any unitary structures. This was not, in our view, part of the request from the Secretary of State. The Court of Appeal confirmed our view that such a comparison was not required.

The original proposal

2.38 In December 2007, the then Secretary of State announced that there was not a reasonable likelihood of the original proposal from Exeter City Council for unitary status on its existing boundaries achieving the outcomes specified by the affordability criterion. We have not received any information to contradict that view.

2.39 Consequently, we recommend that the original proposal from Exeter City Council is not implemented.

Associated arrangements

2.40 The Secretary of State's guidance to us noted that, in making an alternative proposal, we have to reach a judgement about the capacity of particular unitary arrangements to deliver the outcomes specified by the five criteria. In the main, we have relied on the proponents of particular unitary patterns to advise us on what associated arrangements – such as political management structures and neighbourhood and community governance arrangements – might be most appropriate for that pattern.

2.41 In relation to our alternative proposal set out later in this report we have outlined such arrangements. We hope that this will serve as a guide for any new authority when considering what arrangements would work best for the citizens of Devon. It will be for any new authority, if established, to determine such matters.

Responses to our consultations

2.42 The evidenced views of those who live and work in Devon were crucial in helping us determine what pattern of unitary local government might be most appropriate for the county. We consider that those who are based in the area are best placed to understand the issues that affect the county as a whole. We have therefore sought to make this review as open and inclusive as we reasonably could and we met, and invited views from, a wide range of organisations, including local authorities, parish and town councils, local government partner organisations, voluntary and community groups and businesses. We are grateful for the effort and thought put into these representations, and to those who came to meet us and tell us what they thought.

2.43 In total, we received over 34,000 representations, of which over 25,000 were prepaid postcards advocating no change issued to residents by a district council. We also received a number of petitions. Appendix A of this report gives a statistical breakdown of the substantive representations we received, and the support for the different outcomes of the review.

2.44 When analysing all the representations received throughout the course of the review, we have paid particular attention to the levels of evidence and reasons given by respondents. Our approach throughout has been an evidence-based one, and we value enormously the many thoughtful representations we received which told us not only what people thought, but why. These were particularly useful to us in making decisions on the capacity or otherwise of our draft proposals in meeting the neighbourhood empowerment, strategic leadership and value-for-money services criteria.

2.45 We have also analysed the geographic spread of responses. We have taken into account the strength of feeling in different areas of the county for differing patterns of unitary local government, the retention of the existing two-tier structure, and the correlation of these responses with campaigns run by some of the district councils. We have considered fully the effect of these campaigns, and balanced them against the weight of evidence provided by others throughout the county.

Representations on the existing structure of local government

2.46 Of the responses we received (not including the prepaid postcards), 61% expressed support for continuing with the current two-tier structure of local government.

2.47 When considering these views, we were conscious always of the Secretary of State's guidance to us, that support for any change from two-tier

to unitary local government need not be from the majority of respondents, and that a measure of support from a range of key partners, stakeholders and service users/citizens is sufficient for any proposal to meet the criterion. In our view, as expressed in the next chapter, there was such a measure of support for a form of unitary local government in the county.

3 Overview of the two patterns

3.1 We have considered carefully all the representations and evidence on the two patterns on which we consulted in March 2009, and those we received throughout the review. We have also taken into account the valuable views expressed to us in meetings and roundtable discussions with local councils and public, private and voluntary organisations.

3.2 In our judgement, there is an alternative proposal to that submitted to the Secretary of State by Exeter City Council for unitary local government in the Devon county area:

- a unitary county of Devon, with no changes to Plymouth and Torbay

3.3 We consider that this pattern of unitary local government, and this pattern alone, has the capacity, if it were to be implemented, to deliver the outcomes specified by the five criteria. Chapter four sets out details of the judgements and assessments we have made in reaching our conclusions.

3.4 In making this proposal to the Secretary of State, we have been struck by the amount of work and thought that has gone into the proposals that underpin this pattern of unitary local government. In our view, the vision for a unitary Devon came across strongly in the representations that were made to us. In particular, the ideas for neighbourhood empowerment centred around Community Boards (discussed later) on which we base our proposal provide a well thought out approach to localisation. The devolution of services and more efficient forms of local service delivery would enable services to be delivered more appropriately and equitably across the county.

3.5 We believe that a unitary county will provide an opportunity for a change for the better to local governance in Devon and, with the right leadership and vision from the new authority, should build upon the associated arrangements we set out in the next chapter to deliver the changes desired by many of the citizens of Devon. We believe that innovative thinking from the new authority, were it to be established, would enable the outcomes specified by the criteria to be achieved, and we are confident that our proposal affords an excellent opportunity for it to achieve them.

3.6 In our March 2009 consultation report, we also put forward as a draft proposal a two-unitary pattern: one authority for Exeter & Exmouth, and one covering the remainder of the two-tier county of Devon. We felt at the time that it might have the capacity, if implemented, to meet the Secretary of State's criteria.

3.7 We have considered carefully all representations and evidence received throughout the review in assessing whether this draft proposal has the capacity to meet the criteria, and whether we would make it to the Secretary of State. On balance, for the reasons set out in chapter five, we do not consider that this pattern has the capacity to meet the five criteria set out by the Secretary of State.

3.8 While we heard many strongly-held views of the importance of Exeter being able to determine its own strategic view and run its own affairs, we also heard many powerful arguments in opposition to Exeter being removed from the county for local government purposes. Arguments were put to us about the detrimental effect on service delivery in particular, and about the remaining Rural Devon authority not having sufficient focus and capacity. Our views on these matters are discussed in chapter five.

3.9 The Rural Devon authority has not enjoyed the benefit of any local authority acting as its champion. This factor has made our judgements on whether this proposal would have the capacity to meet the five criteria more complex. Our consideration, in particular of the strategic leadership and value-for-money criteria in relation to the Rural Devon authority, has been affected by the lack of evidence we received. However, we have accepted on balance that, by adapting some of the arrangements laid out for a county unitary authority, it is reasonably likely that these two criteria would be met under this pattern, given the right conditions and leadership.

3.10 However, it has become clear to us that there is very little support for the Rural Devon unitary authority. In our further draft proposals we stated that we believed, at the time, that this proposal had the capacity to attract a measure of support from a broad cross-section of partners. As we explain in chapter five, we no longer believe that to be likely. We also discuss our views on the viability of a Rural Devon authority.

4 The alternative proposal

4.1 We consider that a county unitary authority would have the capacity, if implemented, to deliver the outcomes specified by the Secretary of State's five criteria. We consider that there is a clear vision for this authority and that, if established, it would have the scale and capacity to promote the county's interests and be able to take a strategic approach to the delivery of services and to county-wide projects to deliver outcomes that improve opportunities for the county's residents.

Affordability

4.2 The Secretary of State indicated that any unitary arrangements should be reasonably likely to deliver value-for-money and be self-financing.

4.3 Our Independent Financial Consultants (IFCs) considered the capacity of a Devon unitary county to meet the affordability criterion, based on the data provided by the finance officers from the county and district councils. In the IFCs' considered opinion, a county unitary authority for Devon is likely to meet the affordability criterion and carries low risk in terms of the margins by which the proposal is likely to achieve the individual sub-criteria within the affordability assessment, as set out by the Secretary of State.

4.4 We have considered carefully the advice of our IFCs and all representations received in relation to the affordability criterion.

4.5 We are satisfied, on the basis of the financial data provided to us by local authority finance officers, our IFCs' conclusions on them (which we accept), and the representations we have received, that a move from the current two-tier structure to a single unitary authority for the area will be reasonably likely to generate savings. Part of considering the affordability criterion involves an assessment of whether a proposal has the capacity to deliver savings against the existing system.

4.6 We consider that a county unitary authority, if it were to be implemented, would be reasonably likely to deliver the outcomes specified by the affordability criterion.

4.7 A copy of our IFCs' analysis is available on our website at www.boundarycommittee.org.uk.

Broad cross-section of support

4.8 The Secretary of State indicated that any unitary arrangements should be reasonably likely to be supported by a broad cross-section of partners and stakeholders.

4.9 We received over 34,000 (including 25,000 prepaid postcards) responses during our review process and we have taken them all in to account when considering whether a county unitary authority is likely to attract a measure of support, if implemented. We note that in Devon there was a

strong level of support for retaining the current local government arrangements.

4.10 Supporters of a Devon county unitary authority said it would be better able to provide strategic leadership in tackling the social and economical challenges facing Devon. Many respondents supporting this pattern considered that such an authority would be large enough to provide economies of scale and value for money services. Local organisations that provide services within the area said that a Devon county unitary authority would reduce bureaucracy and the number bodies with which they had to undertake negotiations, enabling them to concentrate more on service provision.

4.11 A number of the county-wide statutory bodies, such as Devon and Cornwall Constabulary and Police Authority, Devon Primary Care Trust (PCT) and Devon and Somerset Fire Authority, supported a unitary county. They argued that a county-wide unitary would offer the most effective strategic leadership. They also said that it would be more complex to relate to two or more unitary authorities.

4.12 A unitary county also received the support of a number of groups associated with the delivery of education in the county. Devon Association of Governors, Devon Association of Secondary Headteachers, Devon branch of the Association of School and College Leaders and some schools supported a county unitary authority. They considered that anything other than one unitary authority would duplicate a number of educational organisations, which would weaken the strategic leadership of education services.

4.13 We also received representations from businesses in support of a unitary county. They considered that it would have the ability to provide the most effective strategic direction on issues such as transportation and economic growth. Voluntary organisations in favour of this proposal welcomed being able to continue their existing relationship with Devon County Council and considered the proposal would be more cost effective than the current structure.

4.14 Support for a county-wide unitary authority also came from across the county. We received a variety of reasons from members of the public in support of change, including:

- increased efficiency and quality of services
- overall reduction in administrative costs
- local government in Devon needed reform

4.15 A number of parish and town councils supported a county-wide unitary authority and a stronger place-shaping role for parish and town councils, based on devolved functions with appropriate budgetary and decision-making powers. However, some considered that any new unitary authority would need to consult with parish and town councils in determining the parish tier's capacity to accept additional responsibilities.

4.16 In response to the consultations some respondents expressed concern that a single authority for the county would lead to a reduction in the number of elected representatives which would be detrimental to local democracy. Some were concerned with the structure and accountability arrangements of the envisaged neighbourhood empowerment model. Others were sceptical about possible cost savings and the reduction in council tax that might be achieved.

4.17 We note that the majority of respondents in favour of a unitary pattern of local government in Devon supported a single unitary authority for the whole county. We also note the cross-section of supporters for the proposal, from parish and town councils, statutory bodies, voluntary and community organisations, businesses and members of the public.

4.18 We consider, therefore, that a county unitary authority, if it were to be implemented, would be reasonably likely to deliver the outcomes specified by the broad cross-section of support criterion.

Strategic leadership

4.19 The Secretary of State indicated that any unitary arrangements should be reasonably likely to provide strong, effective and accountable strategic leadership.

4.20 We believe that our proposal provides an opportunity for an authority with a strong vision for the county area to have the capacity at local, regional, national and European levels to represent the county's best interests.

4.21 The new authority would need to ensure that it provides strategic direction in addressing the differing needs and aspirations of differing communities in Devon: the City of Exeter; the market and coastal towns, and rural Devon. We consider that this direction could be provided in a variety of ways, which emerged during our review. These include strengthening and enhancing the Devon Strategic Partnership (DSP) to reflect more fully Exeter's key role, the creation of an assembly which could bring together key representatives from Devon, including MPs and chairs of Community Boards, and the creation of three economic and spatial boards, based on functional economic and travel-to-work areas. We envisage the boards would cover Exeter & Eastern Devon, Northern Devon and Southern & West Devon.

4.22 This new authority must have the necessary leadership arrangements and a strong and stable mandate which enable it to act strategically. We indicated in our July 2008 and March 2009 consultation reports that in our opinion the leader and cabinet model of political management could provide the new authority with opportunities for extensive delegation to the executive members. We remain of the view that the leader and cabinet model would be sufficiently robust and provide a stable mandate for the local governance of Devon.

4.23 An important aspect of 'strategic leadership', as defined by the Secretary of State's request, is that the new unitary authority's leader and executive

should be personally visible. We see considerable merit in the proposal that the leader and executive should attend community question time events and for executive meetings to be held away from the unitary council's headquarters building. We consider that a single, transparent unitary authority could provide the necessary means for the leader and executive to be held to account under compulsory scrutiny arrangements, as necessary, but also enhance participation in local democracy.

4.24 An important feature of this criterion, and that of neighbourhood empowerment, is that a new authority will need to ensure that there are significant linkages between elected members and the community. Unitary councillors should be directly involved with the community empowerment model and members of the executive should have an oversight of a group of Community Boards (as discussed under neighbourhood empowerment, below). We consider that this could provide representatives on community boards, including parish and town councils, with the opportunity to directly influence the executive of the unitary authority.

4.25 We consider that a county unitary authority, if it were to be implemented, would be reasonably likely to deliver the outcomes specified by the strategic leadership criterion.

Neighbourhood empowerment

4.26 The Secretary of State stated that any unitary arrangements should be reasonably likely to deliver genuine opportunities for neighbourhood flexibility and empowerment.

4.27 We said in our further draft proposal report that, although ensuring effective neighbourhood empowerment in a large unitary authority would be challenging, a county-wide authority would have the capacity to do so. We considered that the creation of Community Boards based on market and coastal towns, with one City Board for Exeter, would form a good basis for an effective model of community empowerment. Among other things, the roles of these boards would be to:

- develop and hold the 'vision' for the area
- develop and implement a community action plan that addresses priorities for the areas
- influence budget allocations
- direct additional resources to people and places where they are most needed
- promote community cohesion
- hold the unitary authority and other public service providers to account for the quality of the services provided with the Board's area
- allocate funding, from the Board's development budget, towards local projects and initiatives that contribute to the action plan's priorities
- shape the development of local planning policy
- respond to consultations and act as a sounding board for the unitary council

- debate issues of local/topical interest

4.28 We have pointed out in our reports that we felt there were some issues with the Community Board model, such as parish and town council representation and involvement in the structure, which needed further thought. We received representations that addressed the issues highlighted in our reports, as well as representations that were concerned about the 'democratic' aspects of the Community Board model.

4.29 A number of these criticisms were made on the basis that we had not provided enough detailed information on how these Community Boards would be constituted, resourced and what their responsibilities would be. It is not for us to establish the exact configuration and precise roles of individual Boards; this will be for the democratically-elected new authority, if established. What we would wish to see from the establishment of these Boards is the capacity to improve services, and bring them closer to the citizens who use them, and the opportunity for citizens to have their say in the design and commissioning of any means to deliver services more effectively.

4.30 We consider that the new authority should undertake a thorough consultation with all stakeholders who may be involved with Community Boards to ensure that they are representative of the communities they cover and have some tailored functions in order to address specific issues of communities.

4.31 We believe that Community Boards should not be service delivery bodies but be a focus for leadership and governance for their area, have delegated decision-making and budgetary responsibility for local priorities. We note from the financial workbooks completed for this model of unitary authority that the responsibilities of Community Boards would be supported by significant devolved budgets.

4.32 Community Boards should play an integral part in the accountability and scrutiny process. It would be for the new authority to determine the Boards' exact involvement in this process, but we consider they should have the means to hold the unitary authority to account. It should also be a priority for the new authority to ensure that these Boards have legitimacy and are accountable to the area they serve.

4.33 It is encouraging to note that the Community Board model is in the early stages of being piloted in Devon and that a number of parish and town councils have expressed an interest in being involved with the project. We heard positive views on these pilots when we spoke with representatives of the Devon Association of Local Councils. We consider that the pilot scheme will allow for the concept of Community Boards to be tested and lessons learnt before any new unitary authority rolled the concept out across the county.

4.34 We would like to see parish and town councils take on devolved powers where they have that capacity and wish to do so, as we believe this would lead to better and more focused local decision-making. While we accept that a number of parishes would not at this stage have capacity to play such a full

number of parishes would not at this stage have capacity to play such a full role, we believe it should be a priority for the new authority to ensure that the chosen model of neighbourhood empowerment has sufficient flexibility to support those parish councils.

4.35 We proposed in our further draft proposal report that public engagement and participation in local democracy could be achieved through the creation of Community Forums, that would provide residents with the opportunity to question the workings of Community Boards. We consider that Community Forums would enhance participation in local democracy and also provide a further means for transparent and accountable leadership.

4.36 We have noted potential difficulties in a county-wide unitary authority providing for the effective neighbourhood empowerment for the unparished urban area of Exeter. We believe that if a single unitary pattern is created then a Community Governance Review of Exeter should be undertaken in order to determine whether there is public support for establishing one or more parish councils across the city.

4.37 This is an issue on which we heard many views. We say more about the importance of the City of Exeter, and our view on how its 'voice' might be retained within any new unitary authority, towards the end of this chapter.

4.38 We consider therefore that a county unitary authority, if it were to be implemented, would be reasonably likely to deliver the outcomes specified by the neighbourhood empowerment criterion.

Value-for-money services

4.39 The Secretary of State indicated that any unitary arrangements should be reasonably likely to deliver value-for-money and equity in public services.

4.40 We judge that a Devon county unitary would have the ability to strengthen the existing services provided by the County Council, while having capacity to ensure that services currently provided by the district councils are delivered efficiently, equitably and to a consistently high standard throughout the county. Supporters of a single county unitary have argued that it would remove the need for duplication for the delivery of services across the area. It would, in our judgement, have the maximum flexibility in deciding how local services should be provided, whether directly by the authority itself or through some other arrangement.

4.41 The new authority should ensure it provides integrated access and transactional service delivery points, as set out in our further draft proposals report, in each of the community board areas and in Exeter. This would ensure that citizens would not need to visit the nearest council offices when seeking access to or information about their services.

4.42 As discussed under the neighbourhood empowerment criterion, Community Boards would influence service planning and delivery, and would have mechanisms whereby they can hold to account the unitary authority's

provision of services. Community Boards would also be able to utilise their respective budgets to meet local needs. We have also considered whether the services delivered in an alternative proposal would have the capacity to be as good as, or better than, those presently provided.

4.43 We consider therefore that a county unitary authority, if it were to be implemented, would be reasonably likely to deliver the outcomes specified by the value-for-money and equity in public services criterion.

The role of Exeter

4.44 We have heard strong views from across the county that Exeter is an integral part of the wider county of Devon and that this needs to be recognised in any county unitary pattern of local government. We understand the concerns expressed to us that, in a county-wide unitary structure, there is a danger that the county town could feel it has lost its 'voice' and, therefore, the means of effective representation. Ultimately, much will depend on how leadership of any new council operates. Also, the precise boundaries used in defining 'urban interests' may vary from issue to issue. Nevertheless, we believe that this concern should be taken into account.

4.45 We recognise that in some other county areas, notably Cheshire, County Durham and Wiltshire, steps have been taken to preserve the historic and ceremonial traditions of the principal towns. We welcome this approach. However, the current economic influence and visibility of Exeter within both its county and its region is significantly greater than that of Chester, Durham or Salisbury. Accordingly, we believe that if a county unitary pattern of local government is to be established in Devon, the Secretary of State should urge the new authority to give serious consideration to the following associated arrangements:

- Powers are used under the Local Government and Public Involvement in Health Act 2007 to conduct a community governance review of the city, so that the citizens of Exeter have the same opportunity to be democratically represented as those in the rest of the county, and the right to choose the form that those governance arrangements should take.
- A Protocol (possibly appended to the Constitution of any new authority) would set out the key responsibilities to ensure that the new arrangements would, among other things:
 - ensure that Exeter's 'voice' is heard in all appropriate internal and external relationships and that the visibility of the county town is maintained and developed, particularly in those areas such as economic development and planning where the identity and image of Exeter are a key magnet for inward investment to the County

- provide for economic and spatial planning strategies and policies being developed by the new authority to take account of the needs of the county town
- Powers are used under the Local Government and Public Involvement in Health Act 2007 to protect and retain Exeter’s ceremonial traditions and privileges.

Plymouth and Torbay

4.46 A particular aspect of the Secretary of State’s request was in regard to the need for any boundary changes of Plymouth and Torbay. The Secretary of State, in the request, asked whether there could be an alternative proposal for Devon with existing or, if necessary changed, boundaries of the current unitary authorities of Plymouth City or Torbay Borough. The Secretary of State clarified in the request that such boundary changes were to be considered necessary only if we considered them to be essential if there was to be a pattern of unitary authorities across the county which had the capacity to meet the five criteria. In any case, she stated that such boundary changes should be considered only to the extent that they maintain the ‘concept’ of the city and borough.

4.47 In our further draft proposal report we considered that changes to the boundaries of Plymouth and Torbay were not essential in order to facilitate a pattern of unitary local government across the county as a whole. However, we did highlight that some boundary adjustments might be advantageous to the authorities concerned and that these could be considered as part of a review under section 8 of the 2007 Act. We note that both authorities have formally requested boundary reviews.

4.48 In light of our conclusions in relation to Plymouth and Torbay, we received further representations both in support and against boundary changes to these areas. Plymouth City Council, Torbay Borough Council and some respondents, including members of the public, set out their views on why the boundaries of either or both of Plymouth and Torbay should be changed. Some respondents considered that, in the absence of significant boundary changes, the creation of one or more unitary authorities in two-tier Devon would have an adverse effect on the existing unitary authorities. These concerns included the impact of a single unitary authority on the provision of transport projects on the outskirts of the City of Plymouth and Borough of Torbay’s boundaries, economic development of the existing unitary authorities and the impact of a county-wide unitary authority on their strategic significance and functions as two areas identified by the Sub National Review (SNR).

4.49 Respondents opposed to changes to Plymouth and Torbay’s boundaries raised concerns about the possible detrimental effects of city expansion into more rural areas.

4.50 Having considered all the representations and evidence received, we remain of the view that changes to the boundaries of Plymouth and Torbay are not essential to our alternative proposal.

5 The two-unitary pattern

5.1 In our March 2009 consultation report, we put forward as a draft proposal a two-unitary pattern: one authority for Exeter & Exmouth, and one covering the remainder of the two-tier county of Devon. We felt at the time that it might have the capacity, if implemented, to meet the Secretary of State's criteria.

5.2 We have considered carefully all of the representations and evidence received throughout the review in assessing whether this draft proposal has the capacity to meet the criteria, and whether we would make it to the Secretary of State. On balance, for the reasons set out in this chapter, we do not consider that this pattern has the capacity to meet the five criteria set out by the Secretary of State.

5.3 In reaching our conclusions, we have been mindful that, unlike the other areas under review, Devon has already been subject to considerable structural change, with both Plymouth and Torbay in the south of the county achieving unitary status in the late 1990s. Additionally, in its second structural review of Exeter in 1995, the Local Government Commission for England highlighted its view that 'the interests of Exeter are...inter-dependent with those of the rest of the county'. The Commission went on to comment that 'Exeter's centrality within Devon is of critical importance to the decision on structure, and that...inter-dependence is a stronger principle than separation'.

5.4 Those observations were made in the context of a district-based structural review in which, had Exeter achieved unitary status, the remainder of the county (less Plymouth and Torbay) would have remained two-tier. We believe they remain valid today. As discussed earlier in this report, we heard much about Exeter being integral to the wider Devon area, and concerns that its removal from the county would be detrimental to service delivery in a Rural Devon authority, which would not have sufficient focus and capacity. We agree with that view, particularly given that Plymouth and Torbay no longer form part of the administrative county.

5.5 Accordingly, notwithstanding our conclusions below in relation to the Secretary of State's criteria, we do not believe that the rural element of a two-unitary pattern of local government for Devon would in practice be viable (in the widest sense) in the medium to long term. We also consider that were Exeter alone to become a unitary authority on existing boundaries, and the remaining area of the county to stay two-tier, there would be serious questions over the ability of the two-tier area to function effectively as a unit of local government.

Affordability

5.6 The Secretary of State indicated that any unitary arrangements should be reasonably likely to deliver value-for-money and be self-financing. The Secretary of State's guidance states that where a unitary local government

solution consists of two or more authorities we should consider whether a pattern, as a whole, has the capacity to meet this criterion 'in aggregate'.

5.7 Our Independent Financial Consultants (IFCs) considered the capacity of an Exeter & Exmouth unitary authority and a Rural Devon unitary authority to meet the affordability criterion, in aggregate, based on the data provided by the finance officers from the county and district councils.

5.8 Our IFCs assessed the ability of this pattern to achieve the affordability criterion under two methods: method A⁸ and method B⁹. They consider that this pattern is likely to meet the affordability criteria, in aggregate, under both methods. The IFCs considered that under 'method A' the pattern was low risk in terms of the marginality of meeting the affordability criteria. Under 'method B' the Exeter & Exmouth authority was assessed as low risk whereas the Rural Devon authority was assessed as medium risk. We note, however, that this pattern relies on the transfer of balances and savings between the two authorities.

5.9 A copy of our IFCs' analysis is available on our website at www.boundarycommittee.org.uk.

5.10 We have considered carefully the advice of our IFCs and all representations received in relation to affordability. In particular, we are conscious of the many representations we received commenting on both the 'in aggregate' approach to affordability (in light of the transfer of balances and savings needed between these two authorities) and the levels of risk the consultants judged the Rural Devon authority to hold. Part of considering the affordability criterion involves an assessment of whether a proposal has the capacity to deliver savings against the existing system.

5.11 However, notwithstanding our concerns, voiced above and in chapter two, regarding the risks involved in transferring balances and savings between authorities, we consider that this pattern would be reasonably likely to deliver the outcomes specified by the affordability criterion in aggregate.

Broad cross-section of support

5.12 The Secretary of State stated that any unitary arrangements should be reasonably likely to be supported by a broad cross-section of partners and stakeholders. The Secretary of State's guidance states that where a unitary local government proposal consists of two or more authorities we should

⁸ Method A – 'effectively the two submissions in each pattern have been added together in total, as modelled, and then applied to the risk matrix', IFCs, *Report Overview*, 20 January 2009.

⁹ Method B – 'recognises that in the new Guidance, the Secretary of State has made no mention of the amalgamation of base budgets, external finance, Council Tax bases or Council taxes. It attempts therefore to keep each of the two submissions which make up the relevant patterns separate and to identify – if possible – what transfer of either transitional net savings, or unallocated balances, or both, are necessary to move', IFCs, *Report Overview*, 20 January 2009.

consider whether the pattern as a whole has the capacity to meet this criterion in aggregate.

5.13 We received a number of representations during the review supporting some form of unitary status for Exeter. Some supported a unitary Exeter & Exmouth, as discussed in our further draft proposal report. Others supported a greater unitary Exeter without Exmouth and some a unitary Exeter based on its current boundaries. The City Council argued most strongly the case for an Exeter on expanded boundaries. Those respondents who supported some form of greater Exeter unitary authority generally suggested the expansion of the city's boundaries to include the airport, Cranbrook new community and other areas of development to the east of the city.

5.14 This pattern received some support from stakeholders located within the Exeter & Exmouth boundaries including the University of Exeter, Exeter Chamber of Commerce and Industry, Age Concern Exeter, Exeter Senior Voice and residents associations. It also received support from members of the public, the majority of whom were based in Exeter, with some from Exmouth. Support for this pattern outside Exeter & Exmouth was mainly confined to members of the public.

5.15 It was particularly significant to us that a number of parishes that would be inside the boundaries of the Exeter & Exmouth unitary authority opposed this proposal. Indeed, none of the parishes in the whole county supported the two-unitary authority proposal.

5.16 Those in support of this pattern of unitary authorities indicated that it would maintain Exeter's pivotal role in providing economic focus to the region and would provide focus on the development of the city. The small number of representations in support of a Rural Devon unitary authority suggested that such an authority might provide focus for the communities with common interests and challenges that it would represent.

5.17 We received many representations commenting on the negative impacts of Exeter being granted unitary status. Many respondents considered Exeter to be the 'heart of the county' and that it was the centre for communication, transport and economic prosperity. These messages were a common theme at the roundtable events we organised, where many organisations expressed strong views that Exeter was integral to the success of the county as a unitary authority.

5.18 Many key partners and stakeholders, including Devon & Cornwall Police Authority and Constabulary and Devon PCT, who would have to find means to work with this pattern if implemented, expressed strong opposition to it.

5.19 We have considered carefully the representations received in relation to this two-unitary pattern. In our view, the support for the pattern is limited, and has come almost exclusively from organisations and individuals in Exeter. We heard far more from key stakeholders, partners, parishes and residents who, while supportive of the unitary concept, held strong views on the negative effect a unitary Exeter & Exmouth would have on local government in the

county. Given the specific, explicit opposition to this pattern, we cannot provide evidence that the two-unitary authority pattern has attracted support from a cross-section of stakeholders, given the lack of support from the parish and town council sector, and the other key statutory bodies.

5.20 We are mindful of the guidance from the Secretary of State that in considering whether there is ‘a measure of support’ for a unitary pattern we need to consider the evidence in aggregate. The Secretary of State’s guidance also says that ‘if there was very strong support in one part of an area for it to become unitary, minority support for the remaining area might be considered sufficient’.

5.21 In light of all the information available to us, we do not consider that the level of support for this pattern can be said to be strong in any part of Devon – indeed we have heard much opposition to this pattern – or that it has a measure of support from a range of key partners, stakeholders and service users/citizens. Therefore, from the views we have received, we consider that this pattern would not be reasonably likely to deliver the outcomes specified by the broad cross-section of support criterion, in aggregate.

Strategic Leadership

5.22 The Secretary of State indicated that any unitary arrangements should be reasonably likely to provide strong, effective and accountable strategic leadership.

Exeter & Exmouth

5.23 We considered in our further draft proposal report that an Exeter & Exmouth unitary authority would be likely to provide strong and effective strategic leadership to this authority as it would have a clear vision, centred on the city and its immediate surrounding area.

5.24 As with a county-wide unitary authority, we considered that this authority would benefit from a leader elected by the Council, together with an Executive (the leader and cabinet executive model). We have received no evidence that a mayoral model would provide better strategic leadership for this authority or that it is desired.

5.25 We suggested in our further draft proposal report that the current Local Strategic Partnership – the Exeter Vision Partnership – could be extended across Exeter & Exmouth authority and be adapted in order to deliver the Local Area Agreement. We understand that the parishes included with an Exeter & Exmouth authority could form different clusters which could provide for effective representation on the Exeter Vision Partnership, as proposed by the City Council during the last consultation stage of the review.

5.26 We believe that an Exeter & Exmouth unitary authority should have the focus necessary for strategic leadership, and this has come across in the evidence provided by, in particular, the City Council, albeit centred around the city of Exeter itself rather than the whole of the proposed unitary authority. We

are also concerned at the lack of thought given by proponents to the strategic leadership of the remainder of the county, as we discuss later.

5.27 We consider therefore that an Exeter & Exmouth unitary authority would be reasonably likely to deliver the outcomes specified by the strategic leadership criterion.

Rural Devon

5.28 In our further draft proposal report we indicated that some of the arrangements we outlined for a county-wide unitary authority could be applied to a Rural Devon unitary authority, but with necessary redesigning. For example, we proposed a leader and cabinet executive, and that the Devon Strategic Partnership (DSP) and could be linked with the Devon Rural Network.

5.29 We also indicated in our further draft proposal report that this pattern would benefit from the creation of an assembly, with membership drawn from both authorities, and including local MPs. The creation of an assembly under a two-unitary pattern could provide the basis for joined-up approach, ensuring that the two authorities provided strategic direction for the challenges facing the county as a whole.

5.30 This new authority would need to ensure that it encouraged the participants to be involved in the assembly so it could shape their regional, national and European agendas. We also consider a key aspect of this pattern of unitary authorities would be collaboration and partnership working in order to promote the development of both authorities.

5.31 We believe that this authority would have a less coherent identity than the Exeter & Exmouth authority and would lack a 'centre of gravity'. The removal of the focus that the City of Exeter provides raises particular challenges for the remaining county area. As we stated in chapter three, we are far from convinced that a vision for the Rural Devon authority has been thought through by any of the local authorities, or key partners in the county.

5.32 However, on balance and in light of the fact that many of the arrangements for the county-wide authority could be implemented under the Rural Devon authority, we consider that this authority, given the right conditions and leadership, could provide strong, effective and accountable strategic leadership. We therefore conclude that a Rural Devon authority would be reasonably likely to deliver the outcomes specified by the strategic leadership criterion.

Neighbourhood empowerment

5.33 The Secretary of State indicated that any unitary arrangements should be reasonably likely to deliver genuine opportunities for neighbourhood flexibility and empowerment.

Exeter & Exmouth

5.34 In our further draft proposal report we discussed the proposed neighbourhood empowerment arrangements for the Exeter & Exmouth authority. We noted that the area of Exeter City Council is currently unparished and considered that it should be represented by one or more parish or town councils.

5.35 We also discussed in our further draft proposals report that neighbourhood arrangements for the city would need to bring together local residents, councillors and local agencies. As with Community Boards in the single county unitary, each neighbourhood would require a devolved budget and residents should have the opportunity to influence how this money is used in addressing local priorities.

5.36 Representations received from the parish and town councils located within the boundaries of an Exeter & Exmouth unitary authority referred to concerns they had that under this pattern their voices would be lost, as the authority would be dominated by the city. We raised this as a concern in our further draft proposal report. Exeter City Council suggested that the indicative model of creating six neighbourhood areas would enable effective representation on the Exeter Vision Partnership. These neighbourhood areas would be primarily based on current police neighbourhoods.

5.37 Having considered all the representations received during the review, we consider that an Exeter & Exmouth unitary authority would be reasonably likely to deliver the outcomes specified by the neighbourhood empowerment criterion.

Rural Devon

5.38 As with the strategic leadership criterion, we indicated in our further draft proposals report that some of the arrangements outlined for a county-wide unitary authority could be applied to a Rural Devon unitary authority, but again with necessary reconfiguration.

5.39 In response to our further draft proposals, we received some representations explaining the implications of excluding Exeter & Exmouth from the Community Board model, and the consequential impact on the delivery of neighbourhood empowerment in the Rural Devon authority. Others argued, however, that the removal of Exeter & Exmouth would simplify the Community Board model as their exclusion would mean that the model is not over-burdened with governance for the City.

5.40 Our over-arching concerns over the viability of this authority remain pertinent for the delivery of this criterion. Again, we have heard no commitment to the success of this authority, nor to any model of neighbourhood empowerment other than that which we propose for the unitary county. However, given the potential for the Rural Devon authority to adopt this model we consider it would be reasonably likely to deliver the outcomes specified by the neighbourhood empowerment criterion.

Value-for-money services

5.41 The Secretary of State stated that any unitary arrangements should be reasonably likely to deliver value-for-money and equity in public services.

Exeter & Exmouth

5.42 In our further draft proposals report, we acknowledged that the creation of two unitary authorities would require the aggregation and disaggregation of services that could make the delivery of services more complex and costly than under a single unitary arrangement. However, this does not mean that any two-authority pattern for a county is unable to deliver value-for-money services, especially when compared with current two-tier arrangements.

5.43 In the case of Devon, we do have some concerns that the two-unitary model would have implications for potential costs, both financially and in terms of disruption to service users, through the splitting up the provision of key services including Children's and Adult Services. We also have concerns over whether this authority would have the capacity to deliver specialist services most efficiently and cost-effectively, without recourse to formal joint arrangements.

5.44 Notwithstanding those concerns, we consider that, over a longer timeframe, there may be opportunities for economies of scale and for developing consistent service standards.

5.45 We also believe that each authority would need to have the ability to allocate resources as necessary in addressing the different economic and social challenges facing them. Arguments have been made to us that separate authorities would be better suited to address these challenges. We have also considered whether the services delivered in an alternative proposal would have the capacity to be as good as, or better than, those presently provided.

5.46 On balance, and after assessing all the evidence received, we believe that an Exeter & Exmouth unitary authority would be reasonably likely to deliver the outcomes specified by the value-for-money services criterion.

Rural Devon

5.47 In our further draft proposal report we indicated that a Rural Devon unitary authority could have sufficient capacity to provide an effective range of unitary local government services. However, we highlighted our concerns over this authority's ability to provide equally high levels of service to all parts of the authority, without Exeter & Exmouth. The lack of a champion for this authority is a highly relevant factor in this respect.

5.48 The concerns raised with this criterion for Exeter & Exmouth can also be applied to the Rural Devon authority. These risks included the need for an aggregation and disaggregation of services which may have a transitional impact on service delivery would require joint arrangements and would require the dismantling of integrated service delivery. However, as with an Exeter & Exmouth authority, we consider that over a longer time-frame a Rural Devon

unitary authority should have opportunities for economies of scale and for developing consistent service standards.

5.49 We have also considered whether the services delivered in an alternative proposal would have the capacity to be as good as, or better than, those presently provided.

5.50 After assessing all the evidence received, we consider that a Rural Devon unitary authority would be reasonably likely to deliver the outcomes specified by the value-for-money services criterion.

Plymouth and Torbay

5.51 As with our unitary county proposal, we remain of the view that changes to the boundaries of Plymouth and Torbay would not be essential in this proposal.

6 What happens next?

6.1 The Committee has now provided advice to the Secretary of State on unitary local government in Devon.

6.2 Now that we have provided our advice, it is up to the Secretary of State to take a decision on whether:

- to implement the original (i.e. Exeter City Council's) proposal, with or without modification
- to implement our alternative proposal, with or without modification, or
- to take no action

It is also open to the Secretary of State to request further information or advice from us.

6.3 Before taking his statutory decisions there will be a period for representations to be made to the Secretary of State about either our alternative proposal or the original Exeter proposal. This period will run from 8 December 2009 until 19 January 2010. You can make representations on these proposals by emailing DevonStructures@communities.gsi.gov.uk or by writing to:

Unitary Structures Team
Department for Communities and Local Government
Zone 3/J1
Eland House
Bressenden Place
London SW1E 5DU

6.4 More information on the review process in general, including the Secretary of State's intended approach to taking his statutory decisions, can be found on the Department for Communities and Local Government's website, at www.communities.gov.uk/localgovernment/restructuring/boundarycommittee

Appendix A – Analysis of representations

The pie charts in this appendix show our analysis of the views contained within the responses we received during the periods of consultation that we undertook in summer 2008 and spring 2009. As we have stated before, we have not looked at this structural review as a quantitative exercise in counting the number of supporters of, or opponents to, any proposal. Rather, reasoned arguments have been most important to us in informing our considerations in this process. The Committee read and considered every response it received. We thank all those who responded to our consultation.

We have provided separate analyses of the responses that were received for the two rounds of consultation that we undertook. In the pie charts that follow, 'July 2008' contains analysis of the views received during the consultation that began on 7 July 2008 when we published our original draft proposal report. 'March 2009' contains analysis of the views received during the consultation that began on 19 March 2009 when we published further draft proposals. The analyses include representations received after the relevant consultation periods formally ended, up to 3 June 2009. The Committee has considered all further representations received since that date. All representations are available for viewing on our website at www.boundarycommittee.org.uk.

One of the key issues in Devon was the support for the existing system of local government. We have noted that support and it is demonstrated in the first two pie charts in the appendix.

The following pie charts are made up of data drawn from the substantive responses we received at each stage. As detailed in the report, we also received a number of pre-paid postcards during the review, which do not form part of these statistics. The Local Government and Public Involvement in Health Act 2007 required us to consider all the responses to this review that we received. We took into account all representations throughout the review when coming up with our final advice, including the c.25,000 prepaid postcards, and also took in to account submissions received after the consultation periods formally ended in order to ensure we considered as many views as possible.

In the charts containing the phrase 'unitary preference' in their title we have included data from the responses which contain a unitary pattern as their first preference. We received some responses that indicated that, while they wished to retain the existing structure of local government in Devon, they also had a preference for a pattern of unitary local government. Therefore, we have included data from these responses, and noted which unitary pattern they preferred.

Charts one and two indicate the views of those who expressed a preferred outcome, including a preference for retaining the existing structure.

1. Response to draft proposal report, July 2008 – preferred outcome

2. Response to further draft proposals reports, March 2009 – preferred outcome

Charts three and four capture the views of those who indicated which unitary pattern of local government they preferred. Where respondents have indicated that their first preference is to retain the existing structure but they have also indicated a unitary structure that they prefer, this unitary structure is indicated.

3. Response to draft proposal report, July 2008 – all responses containing unitary preferences
4. Response to further draft proposal report, March 2009 – all responses containing unitary preferences

Charts five to ten display similar data to charts three and four, but this data has been broken down to show the first unitary preference of different categories of respondents.

5. Response to draft proposal report, July 2008 – unitary preference of members of the public
6. Response to further draft proposals report, March 2009 – unitary preference of members of the public
7. Response to draft proposal report, July 2008 – unitary preference of parish and town councils
8. Response to further draft proposals report, March 2009 – unitary preference of parish and town councils
9. Response to draft proposal report, July 2008 – unitary preference of organisations
10. Response to further draft proposals report, March 2009 – unitary preference of organisations

Under the category of ‘organisations’ we have included, national organisations, county-wide partnership organisations, local businesses, charities, and voluntary groups. We did not create pie charts for the categories of local authorities and locally elected members, MPs, Peers and political organisations because we did not consider that the numbers were large enough for an informative chart.

The key to pie charts can be interpreted as follows:

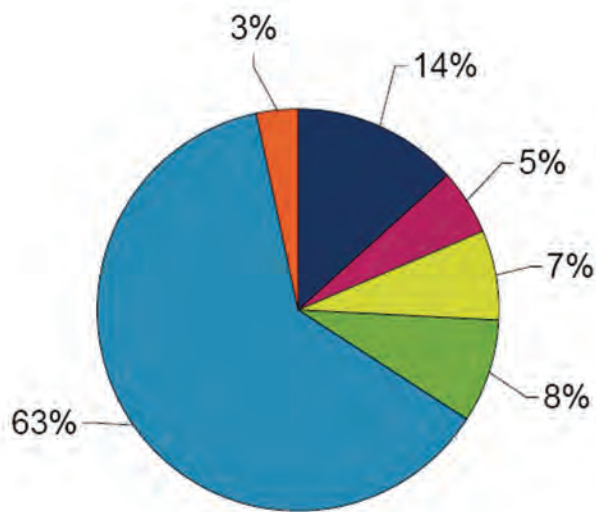
- Other unitary pattern – responses included in this category supported other patterns of unitary local government such as an authority including a Northern Devon unitary authority, Rural South Devon & Dartmoor unitary authority, patterns which included changes to the boundaries of Plymouth City and Torbay Borough, or other multiple unitary patterns. Such patterns received minimal support and so were not represented on the pie chart separately. We also received some responses which mentioned a preference for a unitary authority, or authorities, but did not provide detail on what they would have liked to see in terms of a pattern for the county

- No preference expressed – this category of responses includes those responses which have not specified a preference for a particular pattern of unitary local government, but have commented on other aspects of the review or local government in general.

The data used for the pie charts does not include petitions or postcard campaigns which we received during the consultation periods.

Appendix A (continued)

Chart 1: Response to draft proposal report, July 2008 – preferred outcome

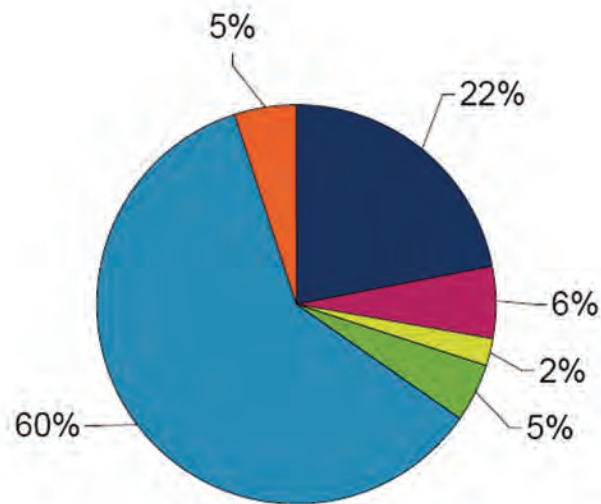


Base: 6,138 responses

Key for charts 1 and 2

- County unitary authority ■
- Exeter & Exmouth and Rural Devon unitary authorities ■
- Some other form of unitary authority for Exeter ■
- Other unitary pattern ■
- Existing structure ■
- No preference expressed ■

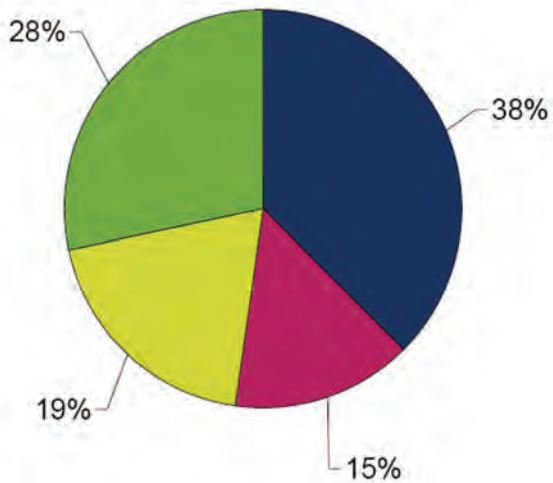
Chart 2: Response to further draft proposals report, March 2009 – preferred outcome



Base: 1,327 responses

Appendix A (continued)

Chart 3: Response to draft proposal report, July 2008 – all responses containing unitary preferences

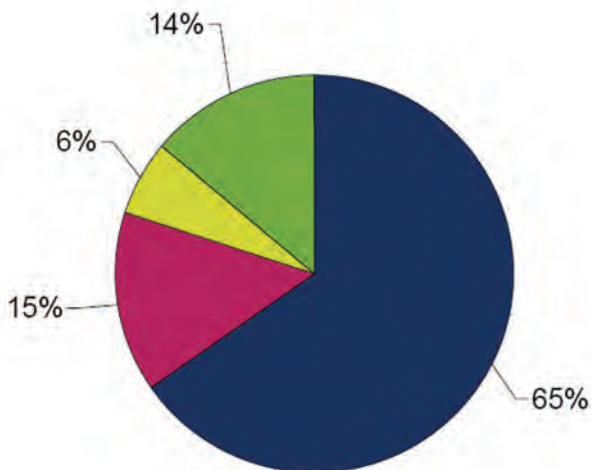


Base: 2,344 responses that expressed a unitary preference

Key for charts 3 and 4

- County unitary authority
- Exeter & Exmouth and Rural Devon unitary authorities
- Some other form of unitary authority for Exeter
- Other unitary pattern

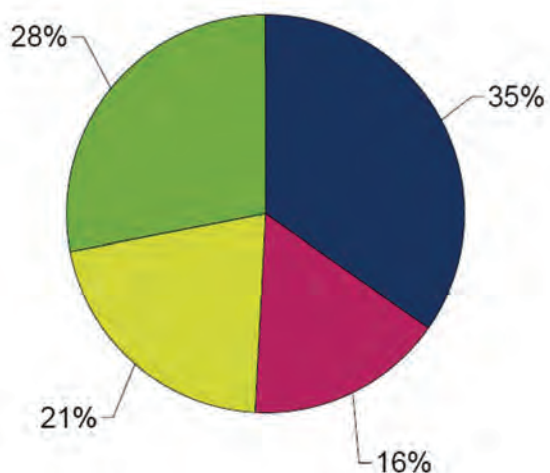
Chart 4: Response to further draft proposals report, March 2009 – all responses containing unitary preferences



Base: 538 responses that expressed a unitary preference

Appendix A (continued)

Chart 5: Response to draft proposal report, July 2008 – unitary preference of members of the public

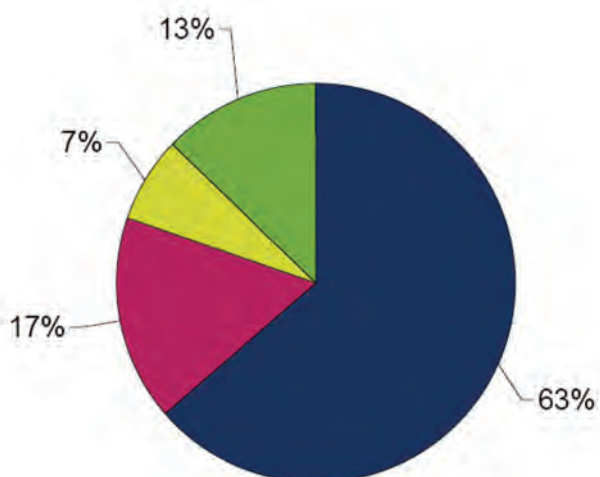


Base: 2,050 responses that expressed a unitary preference

Key for charts 5 and 6

- County unitary authority
- Exeter & Exmouth and Rural Devon unitary authorities
- Some other form of unitary authority for Exeter
- Other unitary pattern

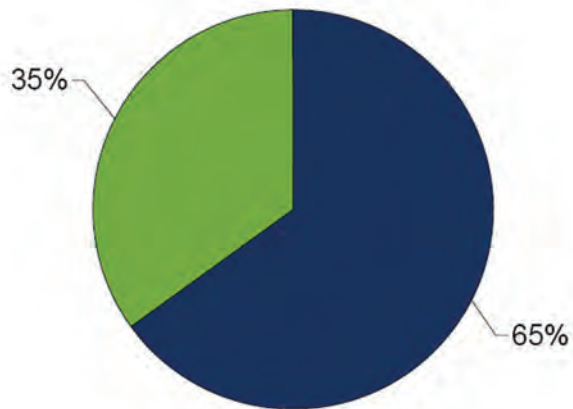
Chart 6: Response to further draft proposals report, March 2009 – unitary preference of members of the public



Base: 411 responses that expressed a unitary preference

Appendix A (continued)

Chart 7: Response to draft proposal report, July 2008 – unitary preference of parish and town councils



Base: 111 responses that expressed a unitary preference

Key for charts 7 and 8

County unitary authority

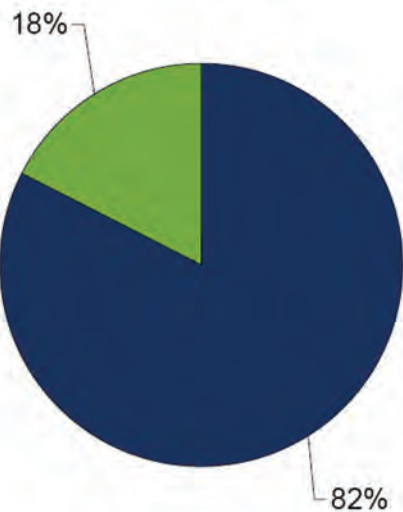


Other unitary pattern



Note: no parish and town councils supported an Exeter & Exmouth and Rural Devon unitary authorities

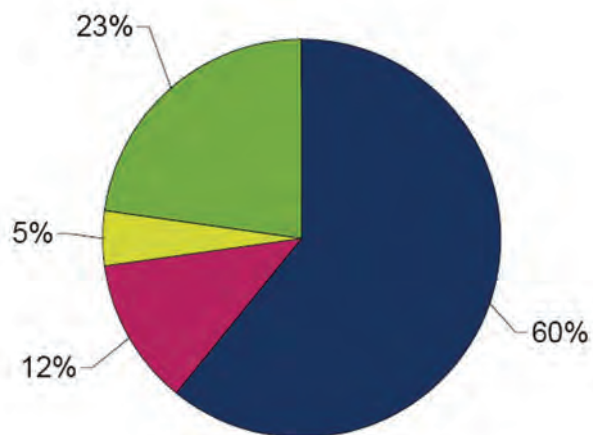
Chart 8: Response to further draft proposals report, March 2009 – unitary preference of parish and town councils



Base: 57 responses that expressed a unitary preference

Appendix A (continued)

Chart 9: Response to draft proposal report, July 2008 – unitary preference of organisations



Base: 110 responses that expressed a unitary preference

Key for charts 9 and 10

County unitary authority



Exeter & Exmouth and Rural Devon unitary authorities



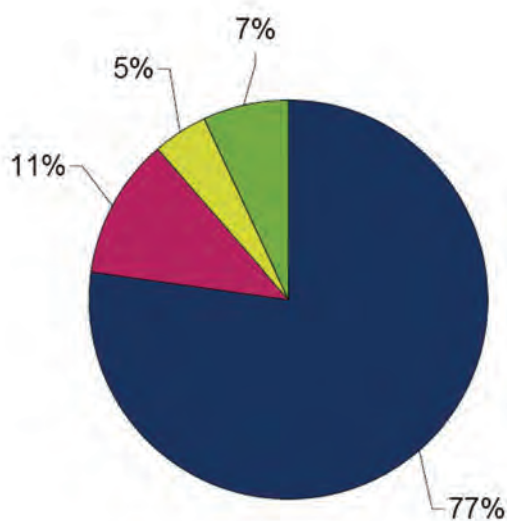
Some other form of unitary authority for Exeter



Other unitary pattern



Chart 10: Response to further draft proposals report, March 2009 – unitary preference of organisations



Base: 44 responses that expressed a unitary preference

Appendix B – Other considerations

Equal opportunities

The Boundary Committee for England has equality duties as set out in:

- Section 71(1) of the Race Relations Act 1976
- Section 49A of the Disability Discrimination Act 1995
- Section 76A of the Sex Discrimination Act 1975

We have had regard to them.

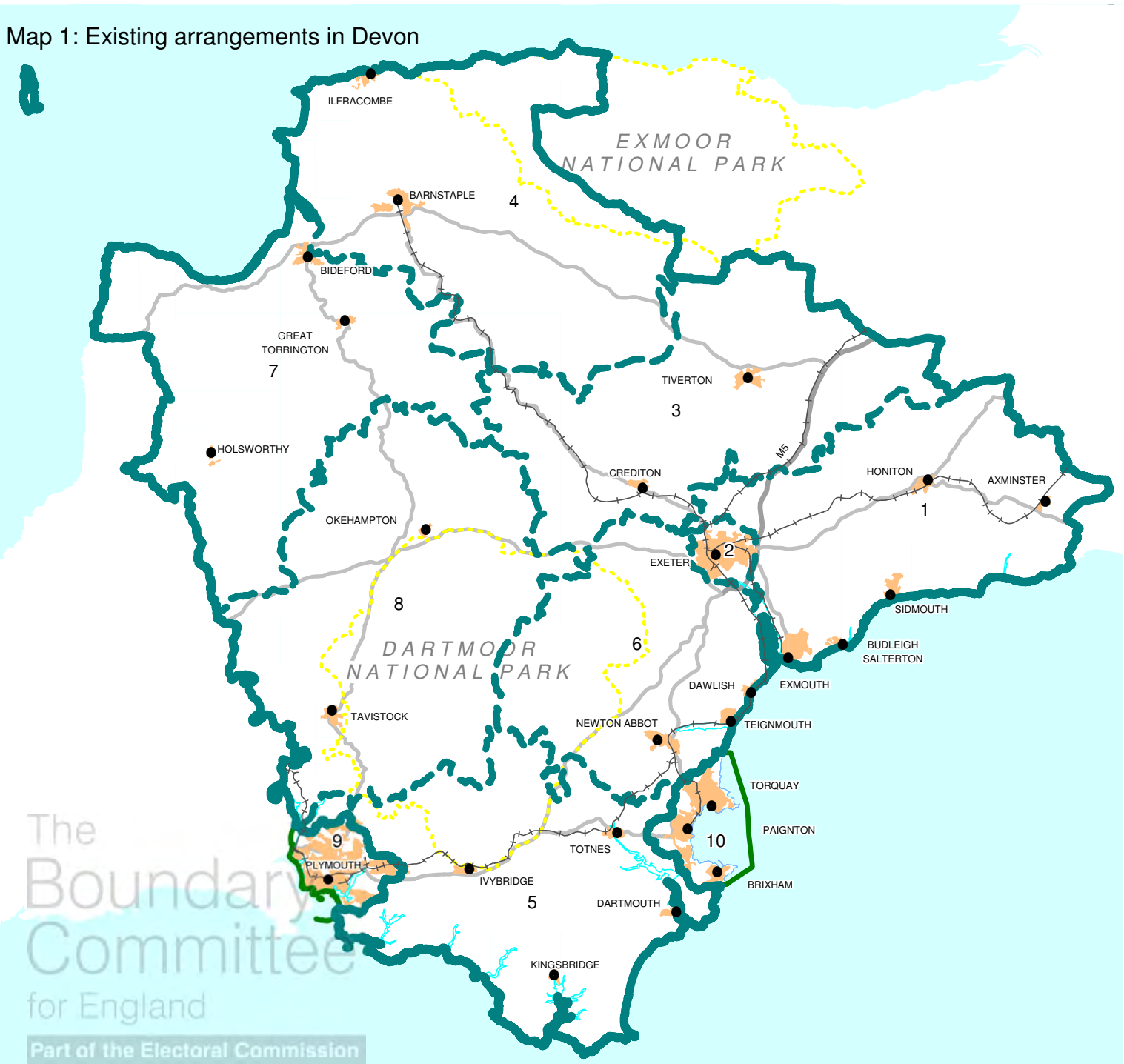
National Parks, Areas of Outstanding Natural Beauty (AONB) and the Broads

We have also had regard to:

- Section 11A(2) of the National Parks and Access to the Countryside Act 1949 (as inserted by Section 62 of the Environment Act 1995). This states that, in exercising or performing any functions in relation to, or so as to affect, land in a National Park, any relevant authority shall have regard to the Park's purposes. If there is a conflict between those purposes, a relevant authority shall attach greater weight to the purpose of conserving and enhancing the natural beauty, wildlife and cultural heritage of the Park.
- Section 85 of the Countryside and Rights of Way Act 2000. This states that, in exercising or performing any functions in relation to, or so as to affect, land in an AONB, a relevant authority shall have regard to the purpose of the AONB.
- Section 17A of the Norfolk and Suffolk Broads Act (as inserted by Section 97 of the Countryside and Rights of Way Act 2000). This states that, in exercising or performing any functions in relation to, or so as to affect, land in the Broads, a relevant authority shall have regard to the purposes of the Broads.

Appendix C – Mapping

Map 1: Existing arrangements in Devon



The
Boundary
Committee
for England

Part of the Electoral Commission

Key	
	Existing County Boundary
	Existing District Boundary
	Plymouth and Torbay UA Boundaries
	National Park Boundary

	Population Areas
	Motorways
	Other Main Roads
	Railways

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Key to Districts and Unitary Authorities (UAs)

- | | | |
|---------------|---------------|------------|
| 1 East Devon | 5 South Hams | 9 Plymouth |
| 2 Exeter | 6 Teignbridge | 10 Torbay |
| 3 Mid Devon | 7 Torrridge | |
| 4 North Devon | 8 West Devon | |

The Boundary Committee for England

Trevelyan House
Great Peter Street
London SW1P 2HW

Tel 020 7271 0500

Fax 020 7271 0505

reviews@boundarycommittee.org.uk

www.boundarycommittee.org.uk

The Boundary Committee for England is a committee of the Electoral Commission, an independent body set up by the UK Parliament. The Committee's main role is to conduct electoral reviews of local authorities in England with the aim of ensuring the number of electors represented by each councillor is approximately the same. Other duties include reviewing local authority boundaries and advising the Government on local authority bids for unitary status.