



Ministry of Housing, Communities & Local Government

Rt Hon Steve Reed OBE MP

*Secretary of State for Housing,
Communities & Local Government*
2 Marsham Street
London
SW1P 4DF

Leaders in Devon, Plymouth and Torbay
By email

16 July 2026

Dear Leaders,

Thank you for your continued work to deliver local government reorganisation in Devon, Plymouth and Torbay. This Government is delivering the most ambitious programme of local government reform in a generation, replacing the inefficient two-tier system with new unitary councils so that all parts of our country can access strong services, and are ready for devolution. We need to devolve power out of Whitehall so that we can rebalance wealth, power and opportunity across our country. But devolution must be built on strong local councils that can deliver good public services, support growth, and remain closely connected to the communities they serve.

Doing this right means recognising the unique contributions that different areas make to people's lives, as well as to the national economy. Some of our smaller cities are highly productive, but have been constrained by tight boundaries, set decades ago, which stop them from building the homes they need. Others are more rural, with significant demand for social care services and affordable housing. Local government should be set up to address the unique circumstances of each area and design public services tailored to each community.

Reorganisation provides us with a once-in-a-generation opportunity to ensure that councils genuinely represent the communities they serve today and stand the test of time. We know that people care about their own villages, home towns, high streets and communities. In many parts of the country, existing boundaries do not match local economies, public services, or local identities.

We won't achieve effective devolution or enable effective place-based public services with outdated and misaligned structures that slow down delivery, fragment public services, hamper housebuilding and slow down important decision making. We need to make sure that new councils are grounded in place and are genuinely connected to their communities.

Decisions

I have considered your proposals carefully against the criteria set out in the invitation letter of 5 February last year, alongside the responses to the consultation, representations made, requests for modifications made alongside the proposals and all other relevant information.

Following this assessment, I have decided to move forward with the implementation of the **four unitary proposal submitted by Exeter City Council and Plymouth City Council**. In doing so, in accordance with the provisions of the Local Government and Public Involvement in

Health Act 2007, I will exercise my power to modify the proposal to achieve the boundary change requested alongside their proposal. For ease, this is now referred to as “my selected option”.

These new councils will comprise of the current areas of:

- Exeter City Council, plus 15 parishes from Teignbridge District Council, 28 parishes from East Devon District Council and 6 parishes from Mid Devon District Council (referred to in the proposal as ‘Exeter’)
- Plymouth City Council, plus 13 parishes from South Hams District Council (referred to in the proposal as ‘Plymouth’)
- Torbay Council, plus 17 parishes from Teignbridge District Council and 4 from South Hams District Council (referred to in the proposal as ‘Torbay’):
- East Devon District Council (minus the 28 parishes in ‘Exeter’, Mid Devon District Council (minus the 6 parishes in ‘Exeter’), North Devon Council, South Hams District Council (minus the 13 parishes in ‘Plymouth’ and the 4 parishes in ‘Torbay’, Teignbridge District Council (minus the 15 parishes in ‘Exeter’ and 17 parishes in ‘Torbay’), Torridge District Council and West Devon Borough Council (referred to in the proposal as ‘Devon Coast and Countryside Council’).

In my view, my selected option will enable a better outcome overall for the area than the unmodified proposal as described below.

I want to thank you for all of the work that has gone into developing options that seek to deliver new unitary councils that will help to grow the local economy and provide better public services for the people of Devon, Plymouth and Torbay. Your ongoing collaboration will be vital to ensure that the proposal as modified is implemented by April 2028 with the interests of residents at its heart.

Turning to the reasons for my decision, in my judgement, although all the other proposals met the criteria for unitary local government, I consider my selected option to be the best option overall. I note the comparative strength of this option in being the only option that allowed each of the three economic centres of the area, Exeter, Torbay and in particular Plymouth, to grow, increasing housing supply and growth opportunities. As part of that consideration, I have noted the population growth and housing affordability in Exeter, the natural geography of the Bay and the significant investment in Plymouth’s defence industry. This investment, which extends to 2070, will place additional pressure on housing and employment land across the full region. This option is also optimal for facilitating and expansion to devolution and supports the different identities and communities across the area.

My selected option performed particularly well in the following areas:

- **Supports increased housing supply and economic growth:** While the three unitary proposals have strengths, including less transition risk or more balanced populations, in my view, my selected option creates more sensible economic areas that will be best placed to support housing supply and economic growth.
 - It achieves this better than all the other options by enabling each of Exeter, Plymouth and Torbay to grow at greater speed and scale while retaining their distinct identities.

The boundary changes of my selected option are central to this: they enable all three of Devon's key economic centres, Exeter, Plymouth and Torbay, to grow at the scale required to realise their long-term economic potential. These expanded urban footprints will better reflect how people live, work, travel and access services, supporting more coherent planning for transport, infrastructure, skills and economic development, enabling urban growth and unlocking housing supply opportunities. Current boundaries constrain growth and the boundary changes will enable both cities to act as stronger economic engines for the wider area.

- Facilitating the expansion of the key urban areas will also provide more coherent geographies for public service delivery and partnership working. This is of particular importance because of the significant public investment in Plymouth's defence industry, including the Defence Growth Deal that aims to better align local growth with defence spending. The expansion of the dockyard at Devonport will create an employment and innovation ecosystem, and places additional pressures on housing and transport. The recent partnership with Homes England to build 10,000 new homes in and around Plymouth recognises this and supports the strong partnership with local leaders and stakeholders. Similarly, for Exeter, given recent growth and relative housing unaffordability and the capacity to accommodate growth within functionally coherent boundaries; and for Torbay where expansion will create the appropriate scale for sustainable growth given the natural geography and towns of Brixham, Paignton and Torquay and the current shortage of new housing supply and particularly affordable housing.
- **Devolution:** In my view, my selected option provides a stronger platform for expanded devolution to cover the whole footprint of the area and again the boundary changes of my selected option are central to this. Given the importance of the urban centres of Exeter, Plymouth and Torbay for economic growth in the region, expanded devolution would help to support a more coherent strategic approach to growth, transport and housing across the wider area. Compared to the other options, my selected option provides for more evenly balanced constituent councils in terms of population size, supporting a strong voice for both rural and urban partners in the decision-making across a future devolution geography that includes all of Devon, Torbay and Plymouth.
- **Reflects local identities and need, enabling targeted public service delivery:** I am of the opinion that my selected option best reflects the different identities and needs of the area by creating distinct authorities for 'Exeter', 'Plymouth', 'Torbay' and the rural and coastal 'Devon Coast and Countryside' area. This allows urban, coastal and rural communities to be better represented through their councils with clear place-based public service priorities, and enable targeted public service delivery and improvement for each area. Plymouth's expansion will provide enhanced capacity for specialist public services, support housing planning and the growth of the defence-economy; Exeter and Torbay's population increases will provide increased scale for strategic investment and service development including increased housing capacity and strategic planning, as well as a geography that better reflects the functional labour market area; and the 'Coast and Countryside' council will meet the needs of dispersed rural populations, including through Neighbourhood Area Teams, who will build on the established network of town and parish

councils in the area. I also consider that my selected option is complementary to the purposes of the National Parks.

I recognise that my selected option does carry risks relating to the required boundary change and disaggregation of services. Following careful consideration, in my view the boundary change required for my selected option is justified as it will achieve better outcomes from local government reorganisation for the area and so these potential costs are outweighed by the benefits. I considered the comparative strengths of the other proposals, including their lower transition and service disaggregation risks, but ultimately judged that the benefits of my selected option outweighed those factors. In particular, as set out above, there is a strong overall case underpinning this option, supporting long-term economic growth and housing supply in key urban areas, including Plymouth and Exeter, as well as the sensitivity to distinct local identities that will allow for better targeting of public services, leading to my assessment that there is a strong public services and financial sustainability related justification.

I considered the expected costs and benefits set out in the options, as well as the ability of each new council to be financially resilient. I am satisfied based on our assessment against the criteria, that this option is likely to perform similarly or represent an overall improvement in sustainability over current structures.

I also considered the fact that all the new councils would be below the 500,000 population figure, albeit the 'Plymouth' and 'Torbay' unitaries would see population increases compared with the current structures and 'Devon Coast and Countryside Council' would be close to the 500,000 figure. That figure has always remained a guiding principle, not a fixed threshold – and for all the reasons set out above, including the context of the additional defence jobs anticipated in Plymouth, I am satisfied that creating councils under that threshold is justified on the basis that the selected option would produce a better overall outcome for local government in Devon, Plymouth and Torbay.

I also recognise the importance of ensuring that local government reorganisation supports the improvements required in children's services in Devon. Given the current intervention arrangements, and the need to maintain a strong focus on service improvement, we will work closely with the Department for Education, their Children's Services Commissioner, their Expert Advisor (from 1 September), Devon County Council and local government reorganisation sector advisors to ensure that reorganisation supports Devon County Council's improvement journey. In addition, it is vital for Devon and for national sufficiency that the expansion and effective operation of the Atkinson Unit continues. As plans for disaggregation develop, we will work together to consider what additional support may be required to maintain momentum on improvement, manage transition risks and ensure that children and families continue to receive high-quality services throughout the reorganisation process. We note the local thinking on how improvements can be best supported and suggest a meeting between councils in Devon, my officials and those in the Department for Education in the coming weeks to discuss options in more detail.

Next steps

In relation to next steps, as you are aware a Structural Changes Order, which will be subject to Parliamentary approval, is required to abolish existing councils, establish new structures and make transitional arrangements. I have carefully considered the information in the proposals as well as the further representations you have made on the content of this Order.

My officials will shortly write to your Chief Executives setting out the next steps and timeline for implementation, including my initial decisions on transitional arrangements that will be included in the draft legislation. This will enable you to take forward the work needed to begin preparation for implementation, in advance of Parliamentary approval of the Order. Critically, and drawing on learning from previous rounds of reorganisation, this will include a single Implementation Team formed of officers from across the area, and elections to the new unitary councils in May 2027. For the avoidance of doubt, these elections to the new unitary councils will replace any scheduled local elections, and affected councillors will have their terms extended.

I have carefully reflected on requests to use the preparing council model for implementation for 'Plymouth' and 'Torbay'. However, this model has never been used for an expansion, and if used would lead to a democratic deficit that I do not think can be clearly and effectively mitigated. On balance I have decided that the shadow council model should be used. While I appreciate this adds some complexity, I consider this is justified given the importance of democratic accountability. The shadow council model will also help support the new councils to make the most of the opportunities afforded from reorganisation.

A broad support offer is in place for councils, including support to councils through our sector advisors and through funding to the Local Government Association for an enhanced support offer. We have already announced £63m in capacity funding to support the reorganisation process, and I am pleased to provide further detail today on how this funding will be allocated.

Of the £63 million capacity funding, as well as the unprecedented £900,000 transition support to each new unitary already announced, we are also committing up to £150,000 per each new unitary as supplementary funding for Leadership Capacity and Continuity in Children's Services, Adult Social Care and Public Health. This is part of a wider package of support worth up to £10m for children's services, adult's social care and public health leadership, which will also fund targeted development, mentoring and peer support for current, new and aspiring leaders.

In addition, up to £1m of funding overall will be available to support the small number of areas with complex fire and rescue authority transitions.

Taken together, this means that areas undergoing local government reorganisation will receive more than £1 million per new unitary created. This is the first time reorganisation has been supported in this way and shows this Government is committed to supporting councils to get these reforms right. We will confirm details of these allocations in due course.

I look forward to continuing to work closely with you to deliver the vital improvements that reorganisation can facilitate.

I am copying this letter to your Chief Executives, MPs, the Chair of the Devon and Torbay Combined County Authority, and the Police and Crime Commissioner for Devon, Cornwall and the Isles of Scilly.

Yours sincerely,

A handwritten signature in dark ink, reading "Steve Reed". The signature is written in a cursive style with a horizontal line underneath the name.

RT HON STEVE REED OBE MP

Secretary of State for Housing, Communities and Local Government