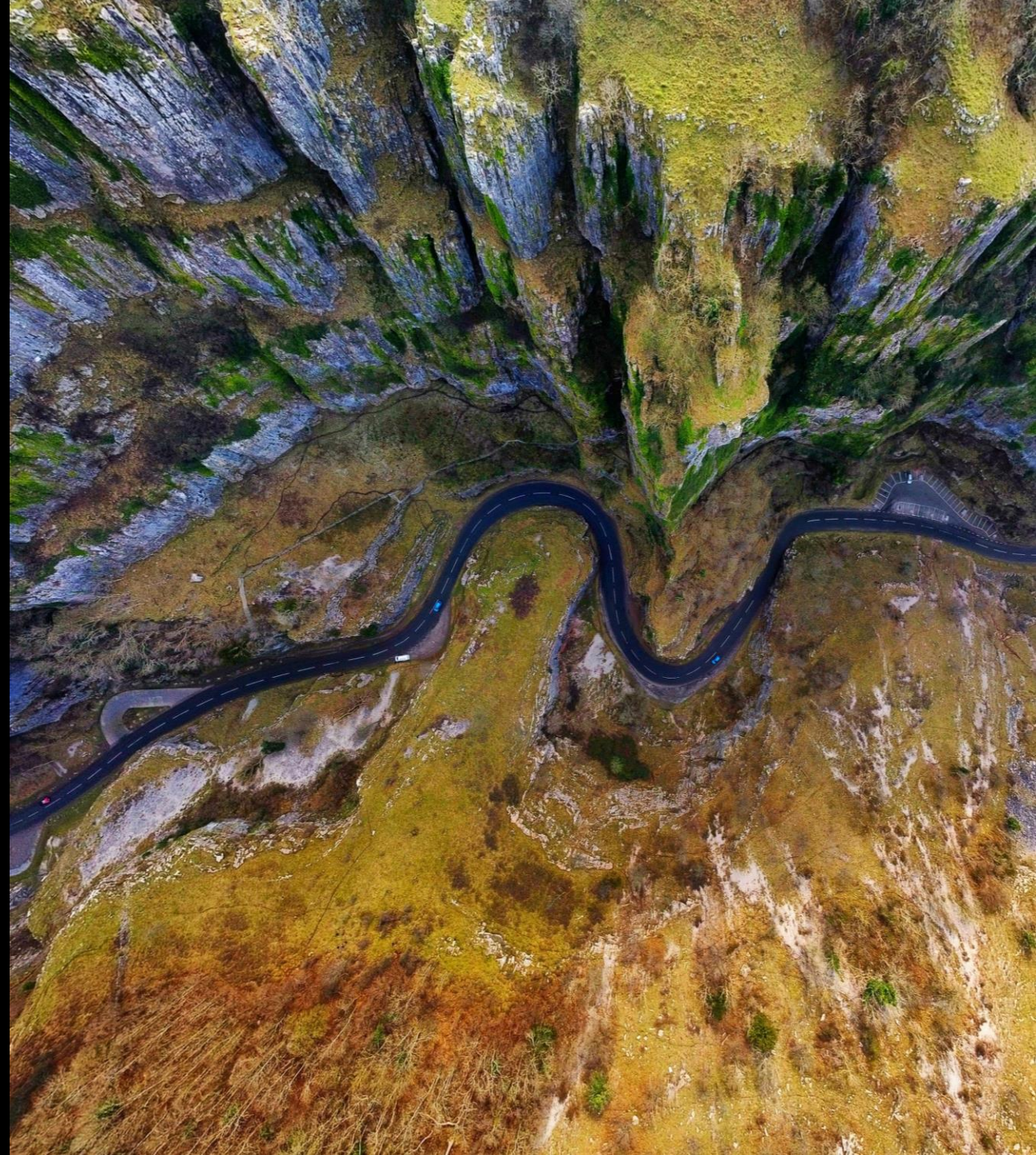




# DEVOLUTION AND LOCAL GOVERNMENT REORGANISATION

**CECA SOUTH WEST: MEMBERS MEETING**

David Clegg, Ella Walker and Micheal Murphy | September 2026



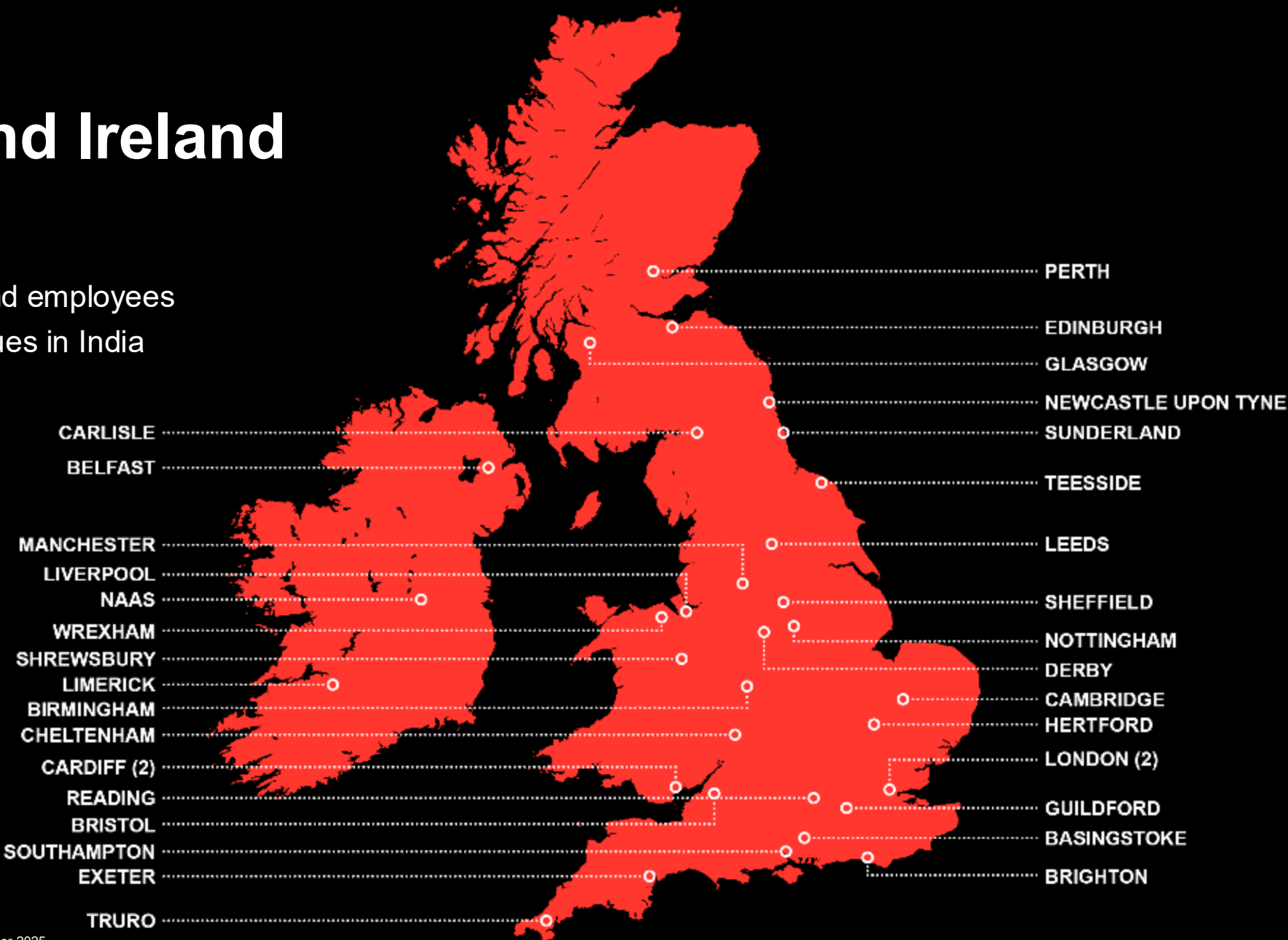


# Our UK and Ireland business

- 9,859 UK and Ireland employees
- 1,800 GCC colleagues in India
- 34 WSP offices

**270**  
NORTHERN  
IRELAND &  
IRELAND

**1,381**  
WALES &  
SOUTH WEST



**763**  
SCOTLAND

**2,616**  
NORTH OF  
ENGLAND

**1,239**  
MIDLANDS

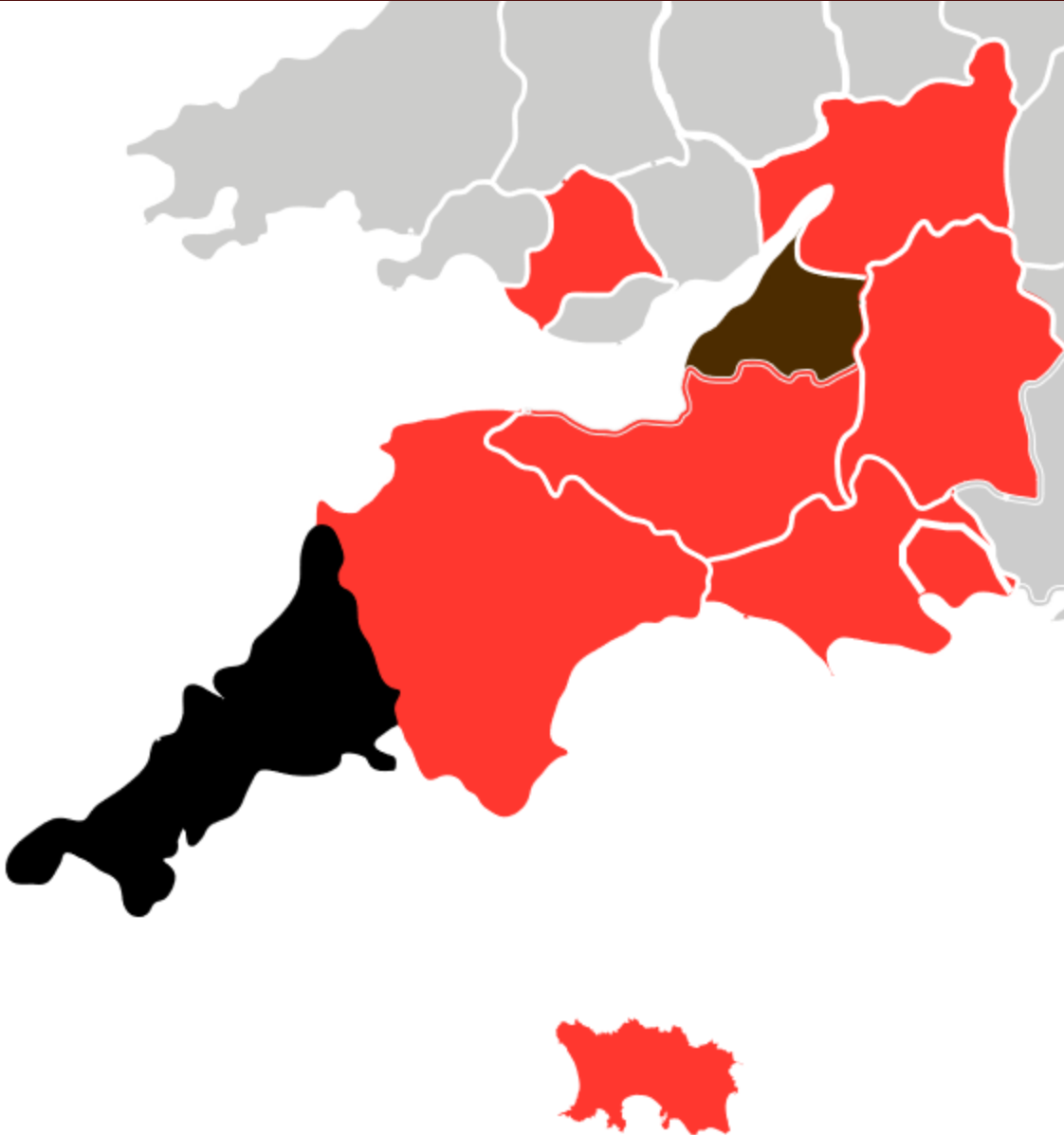
**389**  
EAST OF  
ENGLAND

**3,201**  
LONDON &  
SOUTH EAST

# Working in more than 19 sectors

- Aviation
- Commercial office
- Defence & Security
- Energy: Power Generation
- Energy: Transition
- Energy: Nuclear
- Energy: Transmission & Distribution
- Healthcare
- Chemicals
- Local Government
- Maritime
- Mining
- Mission Critical
- Pharma & Life Sciences
- Rail
- Residential & Urban Regeneration
- Strategic Highways
- Waste
- Water





## Sole Supplier Contract

- Devon County Council
- Torbay Council
- Dorset Council
- Somerset Council
- BCP Council
- Wiltshire Council
- Gloucestershire County Council
- Government of Jersey

## Multi-consultant Frameworks

- Cornwall Council
- West of England Combined Authority
- North Somerset Council
- Bath and North East Somerset Council
- South Gloucestershire Council
- Bristol City Council



# DEVOLUTION AND LOCAL GOVERNMENT REORGANISATION



# Local Government Devolution and Reorganisation

## Devolution (power and decision-making)

Devolution is the transfer of powers and funding from central government (Whitehall) to local areas

- What changes:
  - Who makes decisions
  - Where decisions are made (closer to local areas)
- Typical features:
  - Creation of Strategic / Mayoral Authorities
  - Powers over:
    - Transport
    - Housing and planning
    - Skills and employment
    - Economic growth

## Reorganisation (structure and delivery)

LGR is the restructuring of councils themselves, typically moving from Two-tier system (county + districts) to Single-tier unitary authorities

- What changes:
  - Who delivers services
  - How councils are organised and boundaries drawn
- Typical features:
  - Merging councils
  - Replacing multiple councils with fewer, larger ones
  - Removing duplication

# Local Government Devolution and Reorganisation

## Devolution (power and decision-making)

Devolution drives longer-term opportunity:

- Strategic planning
- Infrastructure prioritisation
- Investment pipelines

Your opportunity:

- Long-term programme and growth work
- Strategic Transport Programmes
- Housing and Growth Infrastructure
- Economic Development and Regeneration
- Long-Term Frameworks and Alliances

## Reorganisation (structure and delivery)

LGR drives immediate opportunity:

- Authority design
- Service integration
- Change / transformation

Your opportunity:

- Capital Programme Rationalisation
- Contract Consolidation and Procurement



# Reorganisation paused, Devolution accelerated

**7 September 2026** | Communities Secretary Angela Rayner told the Commons that Local Government Reorganisation is being reviewed following updated legal advice, while the devolution agenda pushes ahead.

## What was announced

- Decisions for Essex, Hampshire, Norfolk and Suffolk withdrawn after new legal advice
- 14 further areas paused, plus Cambridgeshire & Peterborough and West Sussex
- Surrey unaffected: East and West Surrey go live 1 April 2027
- May 2027 elections proceed on existing boundaries

## Why it happened

- Updated, privileged legal advice prompted ministers to test the process is robust and lawful
- Judicial review threats had mounted from several county authorities
- Ministers want to confirm plans match the new administration's priorities
- Critics called it a costly U-turn after two years of local preparation

## What it means next

- Review to take weeks rather than months, per the Secretary of State
- Devolution is not on hold: mayoral strategic authorities continue as committed
- The Rewiring the State white paper will set the future shape of local government
- Affected councils face uncertainty on vesting days, budgets and workforce plans

# A hybrid landing zone: what the market expects next

**The markets perspective, September 2026** | Not the view of WSP or confirmed government policy.

## Where reorganisation lands

- Legal advice has reportedly judged progression unsafe, with the Reform-led challenges in Essex, Suffolk and Norfolk likely to be upheld
- Expectation: reorganisation cancelled where councils challenged
- Simpler areas among the 14 - single or two-unitary models - likely to proceed on a revised timetable this parliament
  - This could have a different impact in Devon and Gloucestershire

## Where devolution goes faster

- Devolution expected to accelerate as reorganisation slows
- Mayoral elections could be pulled forward to May 2027, with limited political opposition anticipated
- Reform is expected to see opportunity in several of the areas concerned
- Fiscal devolution and mixed funding models look set to become a signature policy lever for a Burnham government

**Key risk:** Holding the May 2027 elections on existing administrative boundaries puts the April 2028 vesting day at risk. The likely outcome is a hybrid map - some areas reorganised, some not - and a more complex operating picture for councils and their partners.

## Devon and Torbay County Combined Authority

- Devon County and Torbay
- Plymouth City Expression of interest
- Exeter City TBC
- Elected Mayor TBC

## Cornwall

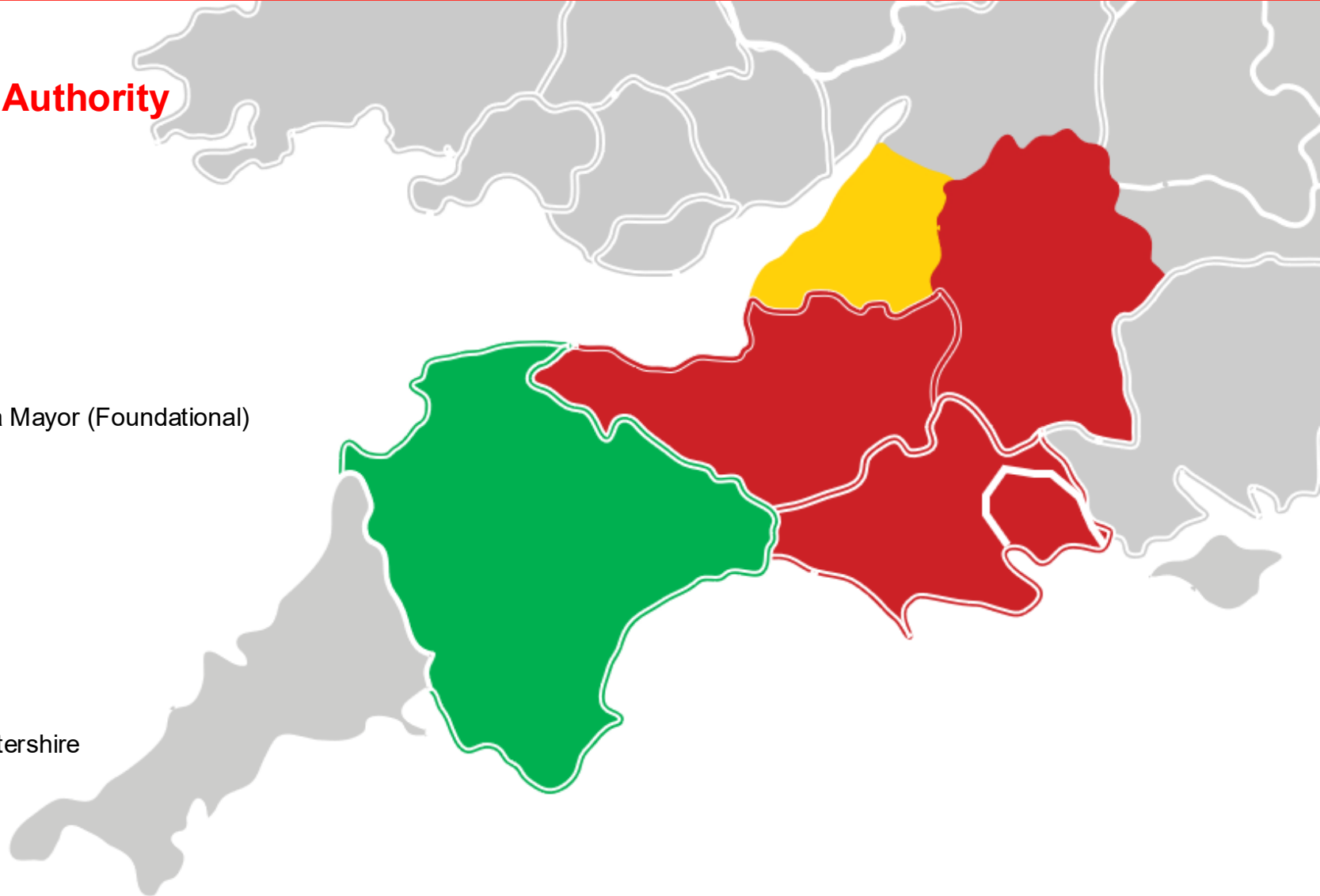
- Negotiating an enhanced deal, with (Mayoral) or without a Mayor (Foundational)

## Wessex

- BCP, Dorset, Somerset and Wiltshire
- Dorset appear to be leading the charge
- Intention to form as a Mayoral Strategic Authority

## WECA

- Bath & North East, Somerset, Bristol City, South Gloucestershire
- North Somerset to join as of April 2027
- Gloucestershire?





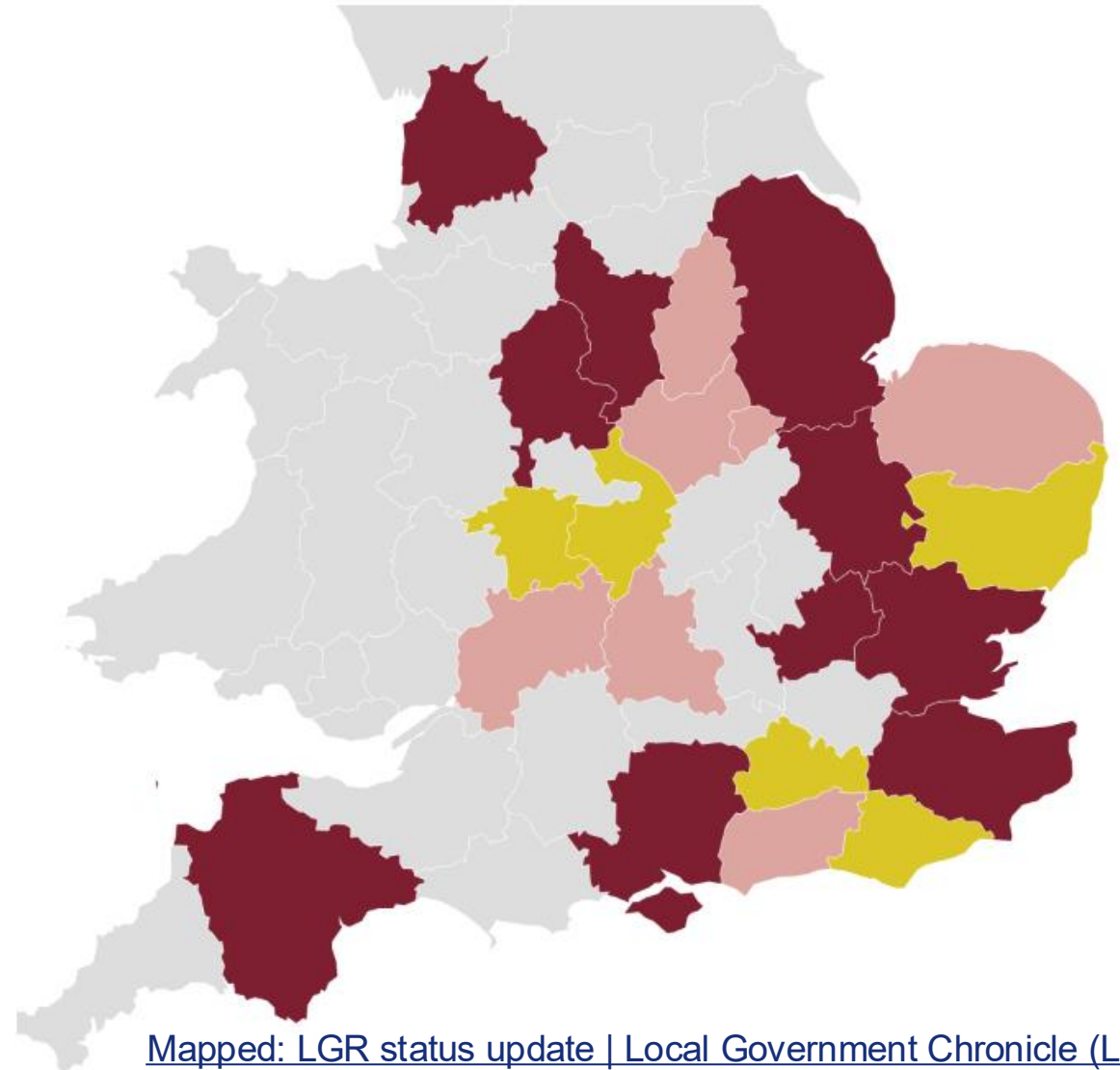
# Local Government Reorganisation: Impact on 3-year Pipeline

- Business Cases submitted to Government in November
- Submission include 2 (yellow) 3 (pink) and 5 (red) options
- Those in **BOLD** are existing WSP clients
- Preferred options range from single to x3 Unitaries

1. **Lancashire**
2. Derbyshire & Derby
3. Staffordshire & Stoke on Trent
4. Nottinghamshire and Nottingham
5. **Leicestershire, Leicester & Rutland**
6. **Greater Lincolnshire**
7. **Norfolk**
8. **Suffolk**
9. **Cambridgeshire**
10. **Hertfordshire**
11. Greater Essex
12. Kent & Medway
13. **Surrey**
14. **East & West Sussex and Brighton**
15. **Hampshire & Solent**
16. **Devon Plymouth & Torbay**
17. **Gloucestershire**
18. Oxfordshire
19. Worcestershire
20. **Warwickshire**

Submissions to government

1 2 3 4



Mapped: LGR status update | Local Government Chronicle (LGC)

## Key Dates:

**16 December 2024:** English Devolution White Paper published, setting out the government's LGR and devolution plans.

**5 February 2025:** Formal invitation issued by the government to councils to submit reorganisation proposals.

**21 March 2025:** Deadline for submission of interim LGR plans.

**28 November 2025:** Deadline for submission of final LGR proposals to the government.

**Early 2026:** Government-led public consultation on submitted proposals.

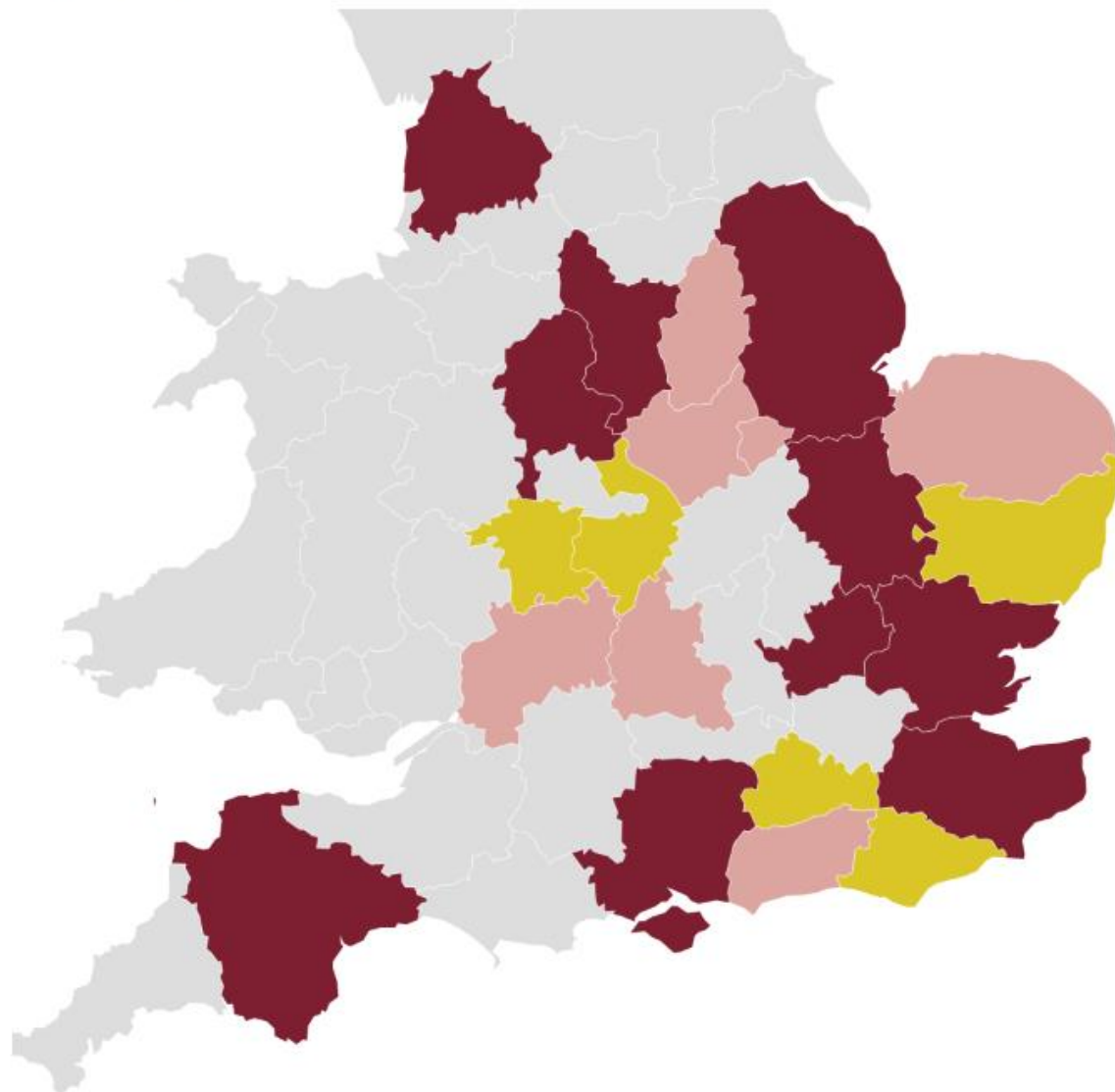
**Summer 2026:** Final government decision on new unitary structures.

**May 2027:** Elections for new shadow unitary councils.

**1 April 2028:** Vesting day; new unitary councils become operational

Submissions to government

1 2 3 4



## April 26:

- Government went with the largest number of Unitary Councils possible in each scenario despite single being claimed to save £69m and provide quickest ROI.
- £900k of funding for each to support transformation.
- **Essex:** X5 Unitary Councils
- **Hampshire:** X5 Unitary Councils
- **Norfolk:** X3 Unitary Councils
- **Suffolk:** X 3 Unitary Councils
- **Sussex:** Deferred

## July 26:

- **Devon:** X 4 Unitary Councils
- **Gloucestershire:** X 1 Unitary Council



- Shadow Authorities will take the procurement decisions as of late 2026
- Monitor the market to understand the post LGR model and engage with supply chain.
- Engage with clients to explore the potential for contract extensions, novations and scope changes.
- Understand if this will move clients towards Integrated Contracts or disaggregate into separate contracts/frameworks.
- Understand client appetite for new operating models, such as Teckals and Mixed Economy
- Understand if this will be a pan Unitary arrangements to be favoured with 'host' authorities under an SLA or become a more fragmented model after transition.
- Understand the role of Strategic Authorities in shaping infrastructure pipelines.



wsp

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