Oadby & Wigston BOROUGH COUNCIL

Law & Democracy
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M H Charlesworth	G G Hunt	C A M Walter (Deputy Mayor)
J K Chohan (Mayor)	P Joshi	

I summon you to attend the following meeting for the transaction of the business in the agenda below.

Meeting:	Full Council
Date & Time:	Wednesday, 19 November 2025, 7.30 pm
Venue:	Civic Suite, Brocks Hill Council Offices, Washbrook Lane, Oadby, Leicester, LE2 5JJ
Special Title:	Extraordinary | Local Government Reorganisation
Contact:	Democratic Services **t:** (0116) 257 2775 **e:** democratic.services@oadby-wigston.gov.uk

Yours faithfully

Council Offices
Oadby
11 November 2025

Anne E Court
Chief Executive

Meeting ID: 3019

ITEM NO. **AGENDA** **PAGE NO'S**

Meeting Live Broadcast | Information and Link

This meeting will be broadcast live.

Press & Public Access:

A direct link to the live broadcast of the meeting's proceedings on the Council's Civico platform is below.

https://civico.net/oadby-wigston/22897

1. Calling to Order of the Meeting

The meeting of the Council will be called to order to receive Her Worship The Mayor and Deputy Mayor.

2. Apologies for Absence

To receive apologies for absence from Members to determine the quorum of the meeting in accordance with Rule 7 of Part 4 of the Constitution.

3. Declarations of Interest

Members are reminded that any declaration of interest should be made having regard to the Members' Code of Conduct. In particular, Members must make clear the nature of the interest and whether it is 'pecuniary' or 'non-pecuniary'.

4. Local Government Reorganisation - Final Proposal for Leicester, Leicestershire and Rutland (November 2025) **3 - 160**

Report of the Chief Executive Officer / Head of Paid Services

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Full Council (Extraordinary)	Wednesday, 19 November 2025	Matter for Decision

Report Title: **Local Government Reorganisation - Final Proposal for Leicester, Leicestershire and Rutland (November 2025)**

Report Author(s): **Anne Court (Chief Executive Officer / Head of Paid Service)**

Purpose of Report:	Following Council's consideration last month of the draft final proposal, Council is now asked to endorse this as the final proposal, attached at **Appendix 2** for a three unitary model for local government reorganisation in Leicester, Leicestershire and Rutland (North, City, South). It also asks for delegation to the Chief Executive in consultation with the Leader to agree any amendments to the proposal prior to submission in order to take into account the feedback from all eight Councils involved.
Report Summary:	This report outlines the work undertaken by the District and Borough Councils in Leicestershire and Rutland County Council to produce the final local government reorganisation proposal for Leicester, Leicestershire and Rutland (North, City, South) It also details the public consultation that has been carried out and how this has informed the final submission.
Recommendation(s):	**A. That Council endorses the final proposal for a three unitary model for local government reorganisation in Leicester, Leicestershire and Rutland (North, City, South) attached at Appendix 2.** **B. Council delegates to the Chief Executive in consultation with the Leader, the authority to consider and agree any amendments to the final proposal prior to submission to the Secretary of State for Housing, Communities and Local Government by 28 November 2025.**
Senior Leadership, Head of Service, Manager, Officer and Other Contact(s):	Anne Court (Chief Executive Officer / Head of Paid Service) (0116) 257 2602 anne.court1@oadby-wigston.gov.uk Teresa Neal (Strategic Director) (0116) 257 2642 teresa.neal@oadby-wigston.gov.uk Colleen Warren (Chief Finance Officer / Section 151 Officer) (0116) 257 2759 colleen.warren@oadby-wigston.gov.uk David Gill (Legal Consultant) (0116) 2572626 dave.gill1@oadby-wigston.gov.uk
Strategic Objectives:	Our Council (SO1) Our Communities (SO2) Our Economy (SO3)

	Our Environment (SO4) Our Partners (SO5)
Vision and Values:	"Our Borough - The Place To Be" (Vision) Customer & Community Focused (V1) Proud of Everything We Do (V2) Collaborative & Creative (V3) Resourceful & Resilient (V4)
Report Implications:-	
Legal:	The Local Government Reorganisation proposal engages statutory processes under the Local Government and Public Involvement in Health Act 2007, requiring ministerial approval and an implementation order to dissolve existing councils and establish new unitary authorities. Legal implications for the Council primarily relate to ensuring lawful consultation, governance continuity, asset and staff transfer arrangements, and compliance with data protection and equality duties throughout the transition to any new structure.
Financial:	The implications are as set out at section 8 (paragraphs 8.1-8.4) of this report.
Corporate Risk Management:	Decreasing Financial Resources / Increasing Financial Pressures (CR1) Political Dynamics (CR3) Effective Utilisation of Assets / Buildings (CR5) Organisational / Transformational Change (CR8) Economy / Regeneration (CR9)
Equalities and Equalities Assessment (EA):	An Equalities Impact Assessment is included at Appendix 7 of the Full Draft Proposal documents.
Human Rights:	There are no implications arising from this report.
Health and Safety:	There are no implications arising from this report.
Statutory Officers' Comments:-	
Head of Paid Service:	As the author, the report is satisfactory.
Chief Finance Officer:	The report is satisfactory.
Monitoring Officer:	The report is satisfactory.
Consultees:	None.
Background Papers:	None.
Appendices:	**1.** Draft Local Government Reorganisation Proposal Summary for Leicester, Leicestershire, and Rutland (North/City/South) **2.** Draft Proposal for The Case for Three Unitary Councils in a Future Leicestershire & Rutland **3.** MHCLG Feedback Letter (3 June 2025) **4.** MHCLG Assessment Criteria (February 2025)

1. Background

1.1 On 16 December 2024 the Government published its English Devolution White Paper. This outlined a very clear ambition for every area in England to move towards setting up a Strategic Authority, formed when two or more upper-tier authorities combine, led by an elected Mayor. The White Paper outlined the powers and funding which could be devolved to such authorities, including those relating to transport, strategic planning, skills and employment, business support, environment and energy, health and public safety.

1.2 The Government also set a clear expectation that in two-tier areas, such as Leicestershire, local government be reorganised with new Unitary Councils established to replace District, Borough and County Councils. They stated that this would lead to better outcomes for residents, save significant money and improve accountability.

1.3 The White Paper explained that new Unitary Councils must be the right size to achieve efficiencies, improve capacity and withstand financial shocks. It stated that for most areas this will mean creating Councils with a population of 500,000 or more but recognised that there may be exceptions to ensure that new structures make sense for an area, including for devolution, and decisions will be on a case-by-case basis.

1.4 It was made clear in the White Paper that the delivery of high quality and sustainable public services to citizens and communities will be prioritised above all other issues. In addition, new Councils are expected to take a proactive and innovative approach to neighbourhood involvement and community governance so that citizens are empowered.

1.5 It was recognised that all levels of local government have a part to play in bringing improved structures to their area through reorganisation, including by sharing information and working proactively to enable robust and sustainable options to be developed and considered. It was stated that there is an expectation that all Councils in an area will work together to develop Unitary proposals that are in the best interests of the whole area, rather than developing competing proposals. In addition, there is an expectation that all Councils in an area will work with relevant government departments to bring about these changes as swiftly as possible.

1.6 Councils were invited to work collaboratively with other local authorities in their area to develop a proposal for Local Government Reorganisation (LGR), a draft Plan to be submitted by 21 March 2025 and a full plan by 28 November 2025. Following the publication of the White Paper, the District and Borough Council convened a meeting of all 10 councils in early January 2025 with a view to establishing whether a unified and collaborative approach to evaluating the options and responding to the aspirations of the White Paper was possible. Unfortunately, despite this and subsequent efforts, it was not possible to secure agreement to this approach from all 10 councils. But the 7 district/borough councils and Rutland County Council did commit to a single and collaborative approach to reviewing the evidence, evaluating the options, and working toward a shared position, in line with the Government's expectations.

1.7 It is anticipated that elections for shadow Unitary Councils will be held in May 2027, with new Unitary Councils going live on 1 April 2028. Leicestershire County Council, Leicester

City Council, Rutland County Council and each of the Districts and Boroughs will continue to operate until the go live date for the new Unitary authorities.

1.8 On 6 February 2025 Council agreed to delegate to the Leader of the Council and the Chief Executive Officer the authority, to undertake such work as is considered necessary in response to the White Paper and subsequent approach from government to ensure Oadby and Wigston Borough Council and its residents are represented as far as possible in ongoing discussions with the government.

1.9 Further guidance was provided in a letter from the Minister of State for Local Government and Devolution to all Council Leaders in Leicestershire on 15 January 2025. This outlined the criteria against which proposals will be assessed.

2. Interim Proposal

2.1 Discussions took place with all local authorities across Leicester, Leicestershire and Rutland (LLR) and a joint proposal was submitted to Government on 21 March 2025 on behalf of all the districts and boroughs and Rutland County Council.

2.2 In developing this initial proposal, the districts, boroughs, and Rutland focussed on how best to unlock the benefits of Devolution for our area and deliver the right approach for LGR.

2.3 Alongside the Devolution focus and Government guidance the following were used as design principles. That any new unitary councils should:

- Strike the right balance between size and maintaining a strong local connection to communities
- Deliver savings and sustainable organisations
- Reflect the way people live their lives and work
- Retain local democratic accountability
- Ensure a strong focus on neighbourhoods, and community partnerships
- Preserve local heritage and civic identities

2.4 Starting from first principles meant looking at a range of options including:

1) Two Unitaries: Single County Unitary / City
2) Three Unitaries: North / South (Rutland) / City
3) Three Unitaries: North (Rutland) / South / City
4) Three Unitaries: East (Rutland) / West / City

2.5 Maps were generated for each, and considered the following variables:

- Population
- Workforce
- Economic inactivity
- Job density (ratio jobs/workforce)
- Self-containment: commuting
- Deprivation

- Proxy for adult social care (pension credits)
- Proxy for children's services (children in poverty)
- Housing (temporary accommodation pressures)
- Financial balance: local authority debt and income

2.6 The Leaders and Chief Executives of the districts/boroughs and Rutland regularly met to progress the interim proposal. Regular briefings with the wider membership and staff were held throughout the process. Briefings also took place with local MPs ahead of the submission.

3. Public and Stakeholder Engagement to Inform Interim Proposal

3.1 Public and stakeholder engagement was carried out to inform the draft interim proposal. Feedback from the public was obtained via an online questionnaire which received over 4,600 responses. That online survey found:

- Extensive support for the three-council proposal
- Significant opposition to a single unitary authority
- Enthusiasm to get the future boundaries with Leicester to a level that suited both the City and its wider geography
- The crucial importance of local representation and identity
- Challenges to really achieve cost savings and efficiency

3.2 The north/south configuration with Rutland in the north was found to offer the best balance in terms of population sizes. It was also found to best reflect the way people live and work in the area, align better with housing and service demands, and support existing strong links between towns in the north and south, and their relationship with the wider economy.

3.3 This proposal is referred to as the North, City, South proposal, reflecting the areas these new unitary authorities would serve.

3.4 Leicestershire County Council and Leicester City Council both submitted their own proposals. The County proposing a single unitary for Leicestershire, excluding Rutland, with no changes to the city boundaries. The City submission proposes a significantly extended city boundary and a unitary authority that rings around the city including Rutland.

4. Progress Since the Interim Plan Submission

4.1 Following submission of the draft proposal to the government, feedback was received from the Ministry of Housing, Communities & Local Government (MHCLG) on 3 June 2025 (attached at **Appendix 2** to this report). This highlighted several areas where additional information would be welcomed including the approach to debt management, the management of the risks of disaggregating services and the impact of each proposal on services such as social care, children's services, SEND, homelessness and wider public services. MHCLG also stated that they would welcome more detail on the rationale for any proposals which would result in setting up authorities serving less than 500,000 population.

4.2 Finally, government encouraged the authorities to work together to develop a robust shared evidence base to underpin final proposals which, wherever possible, should use the same data sets and be clear on assumptions. It was made clear that it would be helpful for final proposals to set out how data and evidence support outcomes and how well they meet the assessment criteria (attached at **Appendix 3** to this report). They suggested that those submitting proposals may wish to consider an options appraisal to demonstrate why their proposed approach best meets the assessment criteria in the letter compared to any alternatives, and a counter factual of a single unitary.

4.3 In response to MHCLG's recommendation for consistent datasets across proposals a dedicated data workstream was set up. Efforts to align data with Leicester City and Leicestershire County Council (LCC) included negotiations for data-sharing agreements, whilst protracted, were eventually resolved, albeit we have different proposals to them. The workstream has produced standardised datasets, to support the options appraisal and financial modelling, addressing LCC's call for transparency.

4.4 To support final proposals for reorganising local government across a Leicester, Leicestershire and Rutland geography, the District and Borough councils of Leicestershire, along with Rutland County Council, have established several workstreams to collaboratively address our approach to issues of significance for the development and implementation of Local Government Reorganisation plans, covering strategic proposal development, organisational proposal development, target models for proposed unitary authorities, and enablement of the reorganisation process.

4.5 Each of the eleven workstreams operate under a designated primary liaison officer – typically a Chief Executive, or senior officer from one of the contributing councils. Officers from authorities participating towards the North, City, South proposal contribute on areas of expertise as representatives of their authorities. Workstream meetings take place with varying frequency, holding weekly, fortnightly, or monthly meetings, with key updates reported to Chief Executives and Leaders as required.

4.6 The Leaders and the Chief Executives and other senior officers have continued to meet regularly since submission to support the development of detailed proposals for the creation of three unitary councils – North, City, South.

5. Public and Stakeholder Engagement to Inform the Final Proposal

5.1 A comprehensive public and stakeholder engagement programme was undertaken; this commenced on 9 June and ran until 20 July 2025.

5.2 Independent engagement experts Opinion Research Services (ORS) were commissioned to engage with a diverse range of stakeholders, from residents, businesses and partner organisations to the voluntary sector and our town and parish councils.

5.3 A dedicated website (www.northcitysouth.co.uk) was created and various quantitative and qualitative methods including open questionnaires, focus groups, workshops, telephone interviews and face to face meetings were utilised.

5.4 Over 6,400 people across Leicester, Leicestershire, and Rutland shared their views to help shape proposals for how local services could be delivered in the future. ORS reviewed and collated the feedback received from the engagement and presented this to the authorities. A summary will be appended to the submission to MHCLG.

5.5 Key findings included:

- Over half (56%) of individual questionnaire respondents agreed with the proposal for three unitary councils
- Around three fifths (61%) of individual questionnaire respondents agreed with the areas covered by the North, City, South proposal, it was generally considered the most logical division of Leicester, Leicestershire, and Rutland.
- Considerable opposition to the city expansion - overall the strongest opposition was seen across the various deliberative activities in relation to a potential expansion of Leicester City Council's boundaries

5.6 Although the North, City, South interim proposal set out that no boundary change is being proposed, participants were still asked to consider a future change, and respondents were asked to consider if Leicester City Council boundaries were to change in future whether a larger or more limited expansion should be considered.

5.7 Overall, a clear majority (86%) of questionnaire respondents preferred that only a limited expansion of the city boundaries should be considered, while a much smaller proportion (6%) felt that a larger expansion should be considered. Just under one in ten (8%) had no preference. The telephone survey respondents also favoured a limited expansion (64%). Of those respondents who left comments in the open-ended text question, some 31% expressed disagreement with any form of city expansion. There was also considerable opposition to the potential expansion of Leicester City's boundaries across the qualitative engagement sessions.

5.8 The overall findings in the ORS public and stakeholder engagement report have informed the final submission document, particularly in terms of the question of boundary changes but also extensive support for the 3 unitary, North, City, South proposal on the basis of maintaining local accountability and helping to retain local identities.

5.9 Financial modelling over the summer shows there is no strong business case, including financial rationale, for changing the city boundary. Full details of the options appraisals are set out in Section 2 of the attached proposal.

6. Key Components of the Revised Proposal

- **Devolution Readiness**: The model supports the Strategic Authority by delineating strategic and delivery roles and creating a structure with appropriate size ratios and geographies to support the MSA. Data sources include the 2021 Census, 2028 population projections and service demand proxies (e.g., pensioner credits, children in poverty, temporary accommodation costs) together with the extensive engagement set out above and financial modelling. We propose to progress the MSA at pace in parallel with the creation of new authorities unlike the other proposals for LGR in our area which sidetrack the MSA until new local government structures are implemented.

- **Supporting Economic Growth, Housing, and Infrastructure**: The North unitary will drive innovation through assets such as Loughborough University, while the South will foster enterprise growth through Mira Technology Park and the wider M69 growth corridor. Independent economic analysis has been commissioned from the Economic Intelligence Unit using the Oxford Economic Forecasting Model.

- **Creating financially resilient councils which are the right size to secure efficiencies:** The proposal offers the right balance between scale and physical geography to ensure sufficient financial resilience, while maintaining an ability to deliver services effectively and remain accessible to our diverse communities. Financial modelling projects annual efficiency savings of over £44 million through Workforce efficiencies, Procurement efficiencies, Income equalisation, Democratic savings, and Asset rationalisation. More detail showing the financial assumptions underpinning this approach is set out in Sections 3, 5 and Annex 2 of the proposal. To validate the model, it underwent rigorous scrutiny by independent, experienced former Section 151 officers from non-Leicestershire councils as well as current Section 151 officers from existing councils.

- **Transformed and Prevention -focussed Services to achieve high-quality, innovative and sustainable public services:** The model adopts a prevention-focused approach, which sets out a path to reducing demand through locality focused service planning, which dovetails with the emerging agenda driven by the NHS 10-year plan for the new Integrated Care Board (ICB) structures in Leicestershire and Rutland. Our approach delivers a prevention framework of understanding and measuring population health by looking at both health outcomes and health factors, such as behaviours, clinical care, social and economic conditions, and the physical environment. We have engaged with a representative group of councils delivering social care services across small geographies, building on the findings of the Peopletoo report which demonstrates that unitary authorities with a population of 350k and below, perform better in terms of key areas of expenditure across Adult Social Care and Children's Services. Our model has also been informed through the data sharing between LLR on adult and children's social care.

- **Responding to diverse communities and validating local places and identities:** Through independent engagement with over6,000 survey respondents, focus groups and interviews, our approach has facilitated very significant resident input. Our Neighbourhood governance proposals have been shaped in the light of this feedback to address concerns about local identity and service continuity.

- **Enabling Strong Democratic Accountability and Community Engagement**: Ensuring local connection and meaningful influence and engagement, aligned to neighbourhoods, enshrined in the Council's governance processes and providing an appropriately scaled civic infrastructure linking local areas and the unitary authorities.

7. Next Steps

7.1 The final decision regarding which, if any, of the proposals will be implemented will be made by the Secretary of State. They can choose to do this with or without modifications.

7.2 Prior to making an order to implement a proposal all local authorities affected by the proposal (except the authorities which made it) will be consulted, along with other persons considered appropriate by the Secretary of State.

7.3 While the Secretary of State has not confirmed when a final decision is expected, if a decision was made to implement any proposal, officials would then work with organisations across Leicester, Leicestershire and Rutland to move to elections to new

shadow unitary council. As set out earlier in the report, it is currently anticipated that these could be held in May 2027.

7.4 A shadow authority is one that is elected to carry out the preparatory functions of a new unitary council/s until the day that it formally comes into effect. This is commonly called "vesting day." At this stage it is envisaged that vesting day would be 1 April 2028. All existing councils across Leicester, Leicestershire and Rutland would continue to operate and deliver services until vesting day.

8. Financial Implications

8.1 The submission sets out the high-level assumptions and financial modelling that has been undertaken to support the submission. The submission is the best estimates that can be made at the point of publication of the financial position of the unitary option.

8.2 Ultimately LGR and devolution will have significant financial implications for the operation of local government across Leicestershire. The full plan includes a full business case and sets out detailed analysis of the financial and non-financial impacts of final submission, including estimated costs of implementing the new Councils.

8.3 There are costs associated with preparing a proposal for a single tier of local government. These costs will be on top of existing service pressures and do not take into account leadership time and other opportunity costs which are currently being absorbed; however, the costs will increase significantly over the next 18 months as work is undertaken to establish the new Councils to begin operation from 1 April 2028.

8.4 Finance implications and opportunities for savings are set out in Sections 3 and 5 of the final draft report.

9. Draft Proposal Documents

9.1 Whilst the Draft Local Government Reorganisation Proposal Summary for Leicester, Leicestershire, and Rutland (North/City/South) is produced at **Appendix 1** and the full Draft Proposal for The Case for Three Unitary Councils in a Future Leicestershire & Rutland at **Appendix 2** to this report, the proposal appendices are available at:

https://www.northcitysouth.co.uk/proposal-appendices

Appendix 1

SUMMARY DOCUMENT

NORTH CITY SOUTH

North, City, South: Big enough to deliver, close enough to respond

Summary of the North, City, South Proposal

North, City, South is a bold vision to reset, reimagine and reinvigorate local government in Leicester, Leicestershire and Rutland.

Developed by the Leicestershire district and borough councils and Rutland County Council, the draft plan proposes sustainable and simpler council structures designed to deliver services that local people and businesses need and deserve.

The model proposes three unitary councils:

- North Leicestershire and Rutland (416k)
- South Leicestershire (403k)
- Leicester City (404k)

The proposal is in response to the Government's instruction to reduce councils in the Leicester, Leicestershire and Rutland area and create a mayoral-led strategic authority as part of its devolution agenda to give power and funding to the regions.

The eight councils submitted an interim plan to Government in March and have now published a more detailed draft.

Each district council and Rutland County Council will now consider the proposal, and further amendments will be made ahead of the Government's final proposal deadline of 28 November 2025.

This summary document aims to help residents, businesses and stakeholders understand some key elements:

Three equally sized councils
Well balanced, with similar populations

Delivering devolution at pace
Aim to create a mayoral strategic authority in 2027 to unlock investment

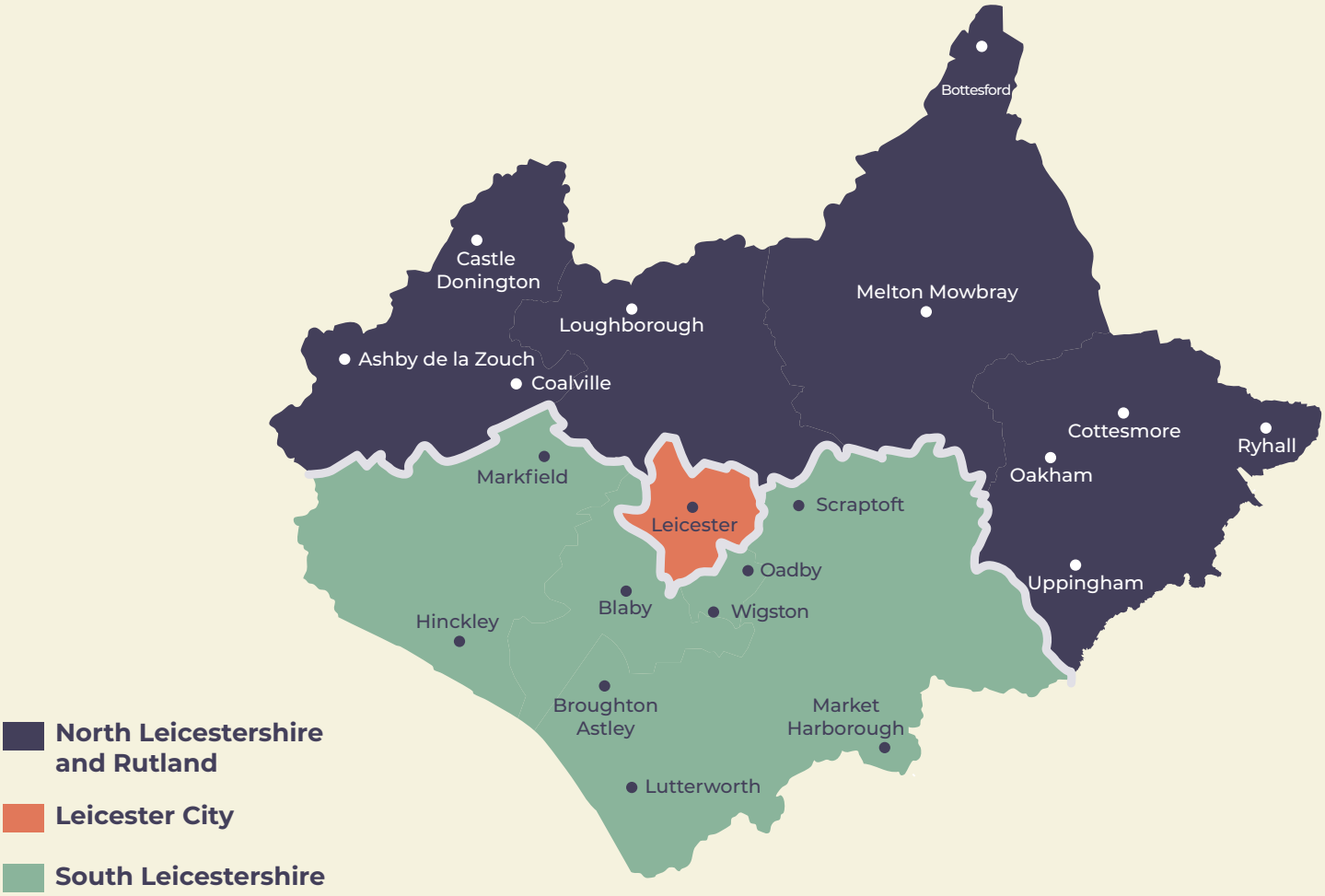
Accelerate economic growth
Three-unitary approach has the potential to stimulate significant growth.

Prevention-focused services
Neighbourhood Partnerships would bring public services closer together to tackle problems early, improve lives and reduce demand

Saves £44 million a year
Creating strong, sustainable unitary councils

Connected to communities
Councils at the right size to remain close to residents

Retain Leicester's existing boundary
Avoids complex, costly and unpopular changes to city boundary



Driving devolution and economic growth

The North, City, South plan calls for mayoral elections in May 2027 to bring powers and funding to the area as soon as possible, something local businesses have told us needs to happen.

The plan says three well-balanced unitary councils better fit the mayoral strategic authority model and would offer clear division between strategic oversight and service delivery.

Economic modelling shows the three unitary council approach would:

have the potential to deliver significant **growth**

support the creation of **219,000 jobs** by 2050

generate **£8 billion** to the public purse thanks to business growth

Neighbourhood Partnerships and the prevention agenda

The North, City, South model outlines how core council services such as social care and housing could work more closely alongside the NHS, police and the voluntary and charity sector, as part of Neighbourhood Partnerships.

The partnerships would:

comprise local ward members, parish councils, service teams, and partners (health, police, fire, VCS, businesses, town/parish councils) – supported by a Neighbourhood Co-ordination Team

identify local priorities and draw up Neighbourhood and Community Plans to tackle them

support healthier, independent lives and also reduce demand and support financially sustainable councils

The model envisages nine or 10 partnerships in the north and south, with fewer in the city.

Sustainable, viable councils and services

The North, City, South model aims to make initial savings but also deliver long term financially sustainable councils.

The plan would deliver over **£44 million of savings a year** by measures including:

- a reduction in staffing costs
- procurement efficiencies
- rationalisation of some assets or properties

The plan's 10-year financial strategy aims to turn the 10 councils' £100 million collective budget gap into a budget surplus..

The financial modelling has been tested by eight council finance teams plus independent financial experts.

Service delivery and transformation

To reduce 10 councils to three, some services will need to be merged to cover new areas, such as north and south Leicestershire. This will allow them to share resource, reduce duplication and increase resilience. These services could include housing, waste collection, planning, and customer services.

Other services which cover the county of Leicestershire, such as social care and highways, would need to be separated. Merging and separating services presents challenges , but experience from other places shows it can be done safely, and the North, City, South model offers an opportunity to transform them and bring improvements.

By working as part of Neighbourhood Partnerships, public services can be aligned and tailored to meet the needs of local communities.

The Leaders of the eight councils recognise existing employees will form the backbone of the new councils and have pledged to support them positively through this period of change, outlining a commitment to:

- Avoid compulsory redundancies where possible
- Provide support and wellbeing resources for affected staff
- Use redeployment, trial periods, and pay protection to ease transitions
- Follow a fair, transparent, and inclusive process for any restructuring

Social care

Social care services provide support for both adults and children and look after some of the most vulnerable people in our communities.

These services do incredible work under huge pressure and represent one of the biggest challenges for councils that are striving to provide the best possible care in the most sustainable and cost-effective way.

The plan builds on existing delivery while focusing on early intervention in neighbourhood areas to meet local needs – providing people with the right support at the right time, before their needs escalate.

This prevention focus is not just about improving lives, but the financial case is also important as it reduces future demand.

It is well evidenced that for every £1 invested in earlier preventative support, councils can **save £3.17** in future social care costs.

Governance

Communities will continue to have a strong voice through their local unitary councillor, with the three councils being of a size to enable them to remain close to residents.

There would be 196 unitary councillors across the three councils, reduced from the current 384 across the 10 councils. They would represent communities alongside town and parish councils and new Neighbourhood Partnerships would also support local accountability and governance.

The proposed even spread of councillors is set out here:

North Leicestershire and Rutland:

72 councillors (Ratio 4,036 electors per councillor)

Leicester City

54 councillors (Ratio 4,742 electors per councillor)

South Leicestershire

70 councillors (Ratio 4,152 electors per councillor)

Strong support for North, City, South

The eight councils held a significant engagement exercise between June and July 2025 with over 6,400 people sharing their views. The independent process ensured transparency and fairness.

It showed strong support for the three-unitary model. In the open questionnaire:

- **56%** backed the idea of creating three unitary councils
- **61%** agreed with the proposed North, City, South boundaries

Opposition to expanding city boundary

The engagement exercise showed there was strong opposition to the city council's proposed boundary extension. Around 40% of open-text comments specifically expressed disagreement with any form of boundary expansion, highlighting deep concerns about the impact on local communities.

The North, City, South draft proposal concludes the city council's proposal to expand the city boundary would:

- be expensive and complex to implement
- not significantly improve the city council finances
- be hugely unpopular with communities

Appraising options

The North, City, South proposal examined five options for future council structures and considered a range of factors including population balance, economic growth, financial efficiency and place identity.

It concludes North, City, South as the recommended model. It discounted creating a single unitary council for Leicestershire and Rutland as it would have a significant population imbalance, not fit as well with the mayoral strategic authority, and could be slow to respond to the needs of communities.

Find out more and read the full draft proposal, and our FAQs, at **www.northcitysouth.co.uk/draft-proposal**

Appendix 2

DRAFT PROPOSAL

NORTH CITY SOUTH

The Case for Three Unitary Councils in a Future Leicestershire & Rutland.

Draft

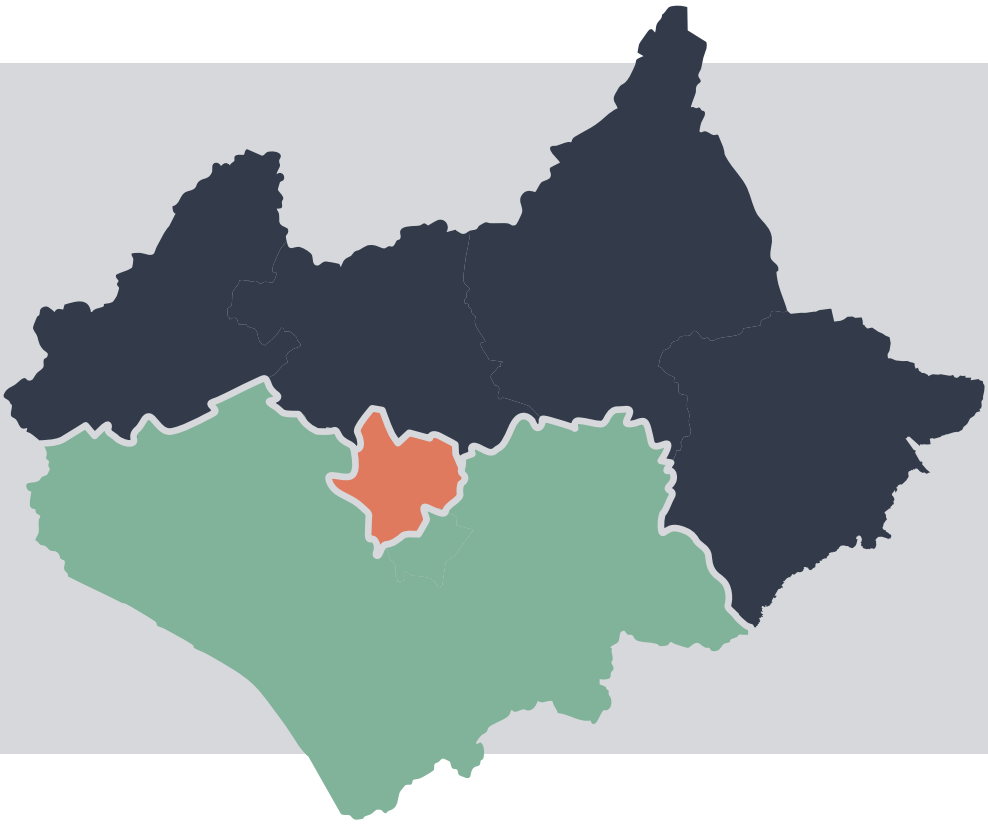
Contents

Foreword

This submission, led by the Leicestershire district and borough councils and Rutland County Council, presents a bold vision to **reset, reimagine, and reinvigorate** local government in Leicester, Leicestershire and Rutland. It proposes more sustainable structures, delivering simplified, resilient, and sustainable local government that prioritises value for money, efficiency and high-quality public service delivery. These simpler structures are designed to deliver services that local people and businesses need and deserve.

The Leaders of the partner councils, representing a broad political spectrum, have collaborated with officers on an unprecedented scale to seize this once-in-a-generation opportunity to improve the lives of residents. Our proposal outlines the creation of three unitary councils, based in the north, city and south of our subregion, reflecting how people live their lives. Our model could save £44 million annually, streamline local government, and provide a route map to significantly reduce service demand. We will do this through innovative, preventative service planning, particularly by addressing costly social care needs and reinvigorating the community and voluntary sector.

Our model celebrates the potential of our core assets - local people and places. With its design influenced by more than 6,000 consultees, this proposal reflects the views and lived experiences of our communities. We have resisted a simplistic, inward-looking approach that prioritises existing organisations



and institutional interests over community needs. Informed by local voices, we have also avoided short-term cost-cutting measures that compromise longer-term sustainability.

Unlocking the benefits of devolution is a priority, as businesses have emphasised its vital importance. We will quickly set up a Mayoral Strategic Authority for Leicester, Leicestershire and Rutland and reform local government. Over time this will add about £8 billion to the public finances by growing the local economy. We will use local assets to plan sustainable growth that benefits our communities.

Another fundamental theme of our approach will be to recognise the ongoing sense of local areas and traditions within the new proposed structures. We therefore intend to retain the separate ceremonial County status of Rutland and Leicestershire, as well as preserving civic identities and opportunities for local civic mayors and ceremonial occasions.

Our model embraces the whole of our area, and we have engaged in further dialogue with colleagues at Leicester City and Leicestershire County Councils. This collaborative approach ensures that our vision delivers simpler structures, empowers sustainable governance, and drives efficient, high-quality services for the benefit of all.

Section 1: Introduction and Context

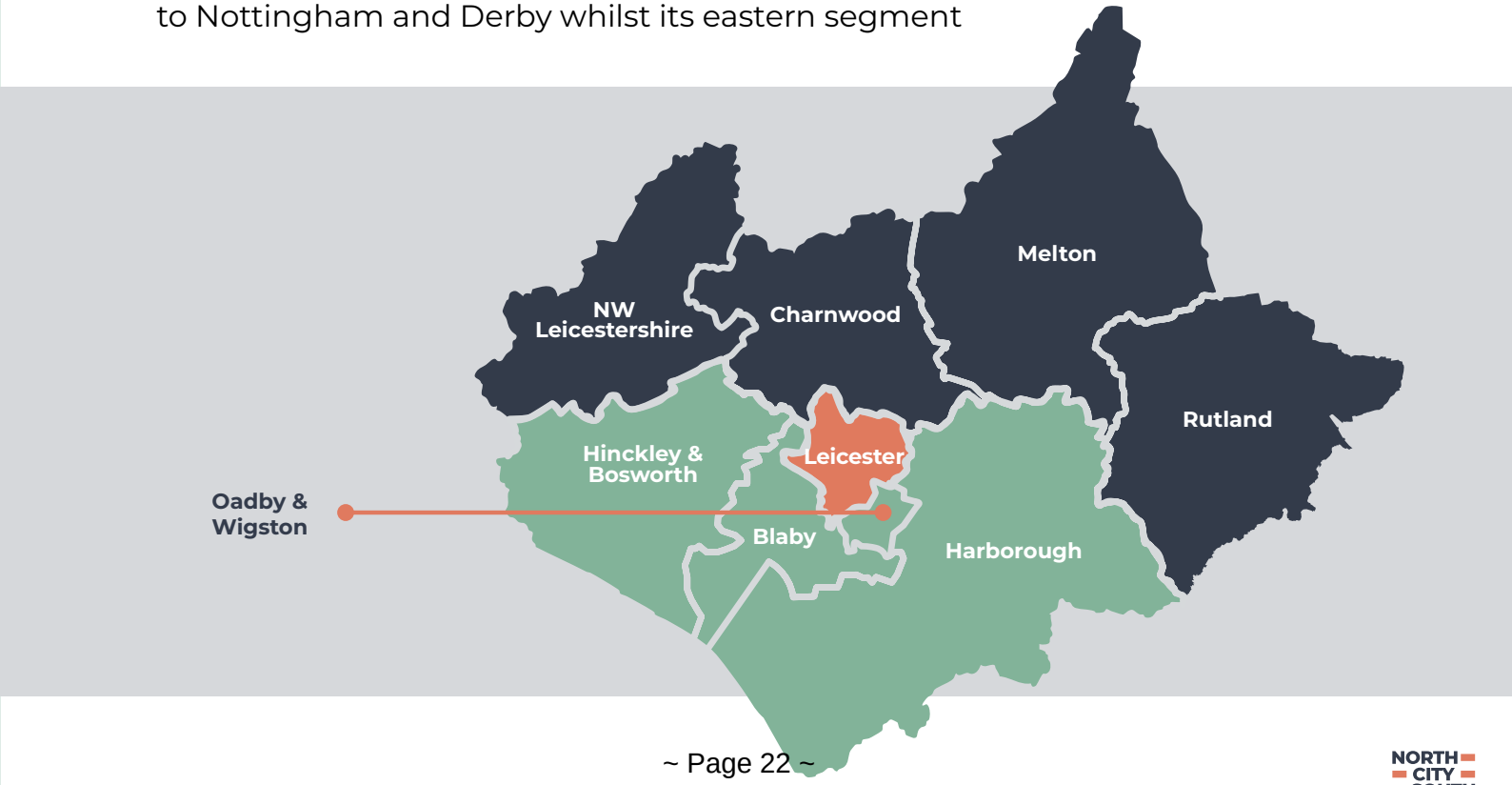
1.1 The Opportunity

This is a once-in-a-generation opportunity for local government. Public services are under huge financial pressure, and the current system is struggling to meet the needs of those it serves. This submission, built through a collaboration of eight councils, sets out our reorganisation proposal. It can deliver the benefits of devolution sooner, while also seizing the opportunity to reset, reimagine and reinvigorate local government.

Following publication of the English Devolution White Paper, and subsequent invitation by government, this submission comprises a proposal for local government reorganisation submitted on behalf of Rutland County Council and the seven Leicestershire District and Borough Councils (the '8 councils'). The proposal covers the full invitation area of Leicester, Leicestershire and Rutland (LLR).

LLR is a large, diverse region, spanning 980 square miles, at the heart of our country. The area is a highly sought after place to live and visit. Key nationally significant tourism, cultural and heritage assets include Rutland Water, the Vale of Belvoir, the National Forest, Melton Mowbray - Rural Capital of Food, Twycross Zoo, The Battle of Bosworth site and the many attractive market towns which make up the fabric of the area.

It has outstanding commuter connections to London and other growth points, and sits within the manufacturing heart of the M1 corridor, connecting to Nottingham and Derby whilst its eastern segment



reaches out through Rutland to the A1 and the major growth node at Woolfox. It also faces out to Greater Peterborough and the Oxford/Cambridge Arc.

It is home to East Midlands Airport, East Midlands Freeport, the Loughborough and Leicester Science and Innovation Enterprise Zone, Mira Technology Park Enterprise Zone along with world renowned Universities and a dynamic further education sector. It is central to the Midlands' golden logistics triangle which offers investment opportunities around Hinckley Park and Magna Park Logistics and Distribution Centres.

LLR is currently served by 10 councils, Leicester City Council, Rutland County Council, Leicestershire County Council and seven District and Borough Councils [Blaby, Charnwood, Harborough, Hinckley & Bosworth, Melton, North West Leicestershire and Oadby & Wigston].

Following the publication of the English Devolution White Paper, the district and borough councils organised a meeting of all 10 councils to establish a collaborative approach to evaluating options and responding to the government's objectives. While there remains broad support for the principle of devolution across LLR, there is not a shared view on when it should be brought forward. Despite continuing efforts, it has not been possible to secure agreement or a more joined up approach for submitting reorganisation proposals from all 10 councils. The 8 councils leading this proposal committed to a single, collaborative approach to reviewing the evidence, evaluating the options and working toward a shared position, in line with government expectations.

In developing the proposal, we have had regard for key national strategic drivers:

- Ministry of Housing, Communities and Local Government's (MHCLG) February 2025 letter inviting councils to develop proposals for reorganisation in Leicester Leicestershire and Rutland
- The aspirations set out in the English Devolution White Paper – including the six evaluation criteria
- The English Devolution and Community Empowerment Bill, including new obligations relating to neighbourhood governance, and the fundamental importance of empowering communities
- The government's Plan for Change and related policy developments
- The NHS 10 Year Plan and implications of the three 'big shifts' related to public service reform and neighbourhood health
- The recently published Pride in Place Strategy
- Learning from previous drives to transform public services like Total Place

Through this review, the 8 councils have committed to developing a proposal which secures sustainable local government, facilitates devolution, better supports communities and delivers preventive services. It meets local needs and strikes the right balance between scale and physical geography.

Our 6 Design Principles

We have used six design principles to evaluate the evidence and consider the options.
The design principles are:

1. Unlocking devolution
2. Supporting economic growth, housing and infrastructure delivery
3. Being the right size to secure financial efficiencies, achieve sustainability and remain responsive to local needs
4. Enabling high-quality, prevention-focussed and sustainable public services which support wider public sector reform
5. Responding to the needs of our diverse communities, validating local places and identities
6. Enabling strong democratic accountability, community engagement, and neighbourhood empowerment

It should be noted that Leicester City Council has highlighted a specific concern regarding its financial sustainability, based on limited capacity for housing and economic growth. This submission has considered that position. However, using robust financial analysis including the implications of the fair funding proposals, we have determined that partnership working, not boundary expansion is the best route to sustainable and resilient councils across LLR.

1.2 Structure of this Submission

Section 2 sets out an appraisal of the options for LGR in the area. It considers each option in the context of population balance, capacity and capability to facilitate devolution, financial sustainability, impact on place identity and communities, impact on service delivery, and ease of implementation.

Section 3 introduces the North, City, South model – our preferred and recommended model for the future of Local government across LLR. It sets a clear vision and provides a detailed review and rationale against each of the six design principles and their alignment with wider government policy aims.

Section 4 sets out how councils in LLR have worked together, and specifically how a partnership of 8 councils has engaged widely with stakeholders and the public to develop the proposal.

Section 5 provides a transition and implementation roadmap, including costings and practical implications. It summarises our assessment of risks and mitigations and provides assurance regarding the deliverability of the proposal.

Section 2: Options Appraisal

This submission, led by the Leicestershire district and borough councils and Rutland County Council, presents a bold vision to reset, reimagine, and reinvigorate local government in Leicester, Leicestershire and Rutland. It proposes more sustainable structures, delivering simplified, resilient, and sustainable local government that prioritises value for money, efficiency and high-quality public service delivery. These simpler structures are designed to deliver services that local people and businesses need and deserve.

2.1 Introduction

Using the six design principles outlined above, we have undertaken an evidence-based appraisal of five structural models for local government in LLR, each aligning with the government's requirement for a single-tier authority set out in its invitation letter of 5 February 2025.

This appraisal builds on the work undertaken to develop our Interim Plan. It incorporates feedback from MHCLG, internal peers and independent analysis through which critical reflection of each of the interim plans for LLR has taken place. It uses consistent data and a robust evidence base to support the evaluation of competing options, and it takes account of extensive stakeholder and community views.

The appraisal considers five options:

1. Two unitaries on existing city and county boundaries, with Rutland included in the county unitary
2. Two unitaries with an expanded Leicester City as per their Interim Plan and a reduced county unitary including Rutland
3. Two unitaries with an expanded Leicester City to include Oadby & Wigston and Blaby, and a second unitary comprising Melton, Harborough, Hinckley & Bosworth, North West Leicestershire districts and Rutland County Council
4. Three unitary councils with no boundary changes and the current county area split into north and south (as per the 8 council's Interim Plan)
5. Three unitary councils with a limited expansion of the city boundary including some neighbouring wards, and a county split into north and south.

2.2 Methodology

The options appraisal used a structured approach, assessing each option against the government criteria and six design principles set out in Section 1. The assessment has been internally tested and validated, and has incorporated detailed financial modelling, signed off by all 8 Chief Finance

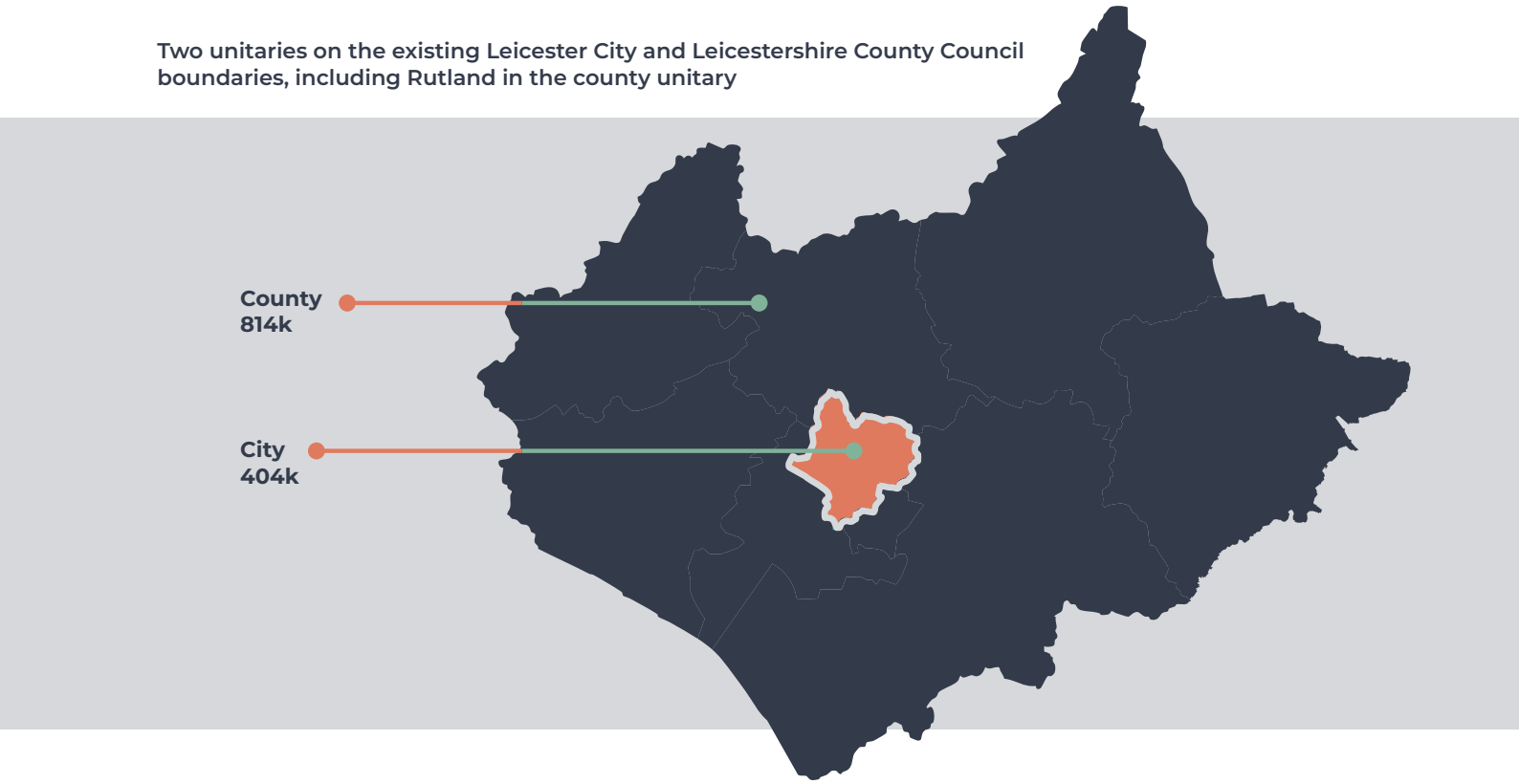
(s151) Officers, to maximise assurance regarding future sustainability, impact and effectiveness. Data sources include the 2021 Census, 2028 population projections and service demand proxies (pension credits, children in poverty, temporary accommodation costs). Agreement on datasets was facilitated through a dedicated data workstream which included all 10 councils. The necessary data has underpinned our assessments, meeting MHCLG's requirement for consistency.

It should be noted that any options which do not include the whole LLR invitation area (including the interim proposal submitted by Leicestershire County Council) have been discounted as non-compliant.

2.3 Options Appraisal

Option 1: Two unitaries on existing city and county boundaries, Rutland included in county unitary

Two unitaries on the existing Leicester City and Leicestershire County Council boundaries, including Rutland in the county unitary



Description: This option would establish two unitary authorities: the existing Leicester City (404,000 population) and a single county unitary including Rutland (814,000 population), maintaining current principal boundaries.

Population balance and unlocking devolution: There is a significant population imbalance between the two councils (814,000 vs. 404,000). The resulting demand and resource imbalance would significantly undermine the ability for alignment, collaboration and effective partnership working. Similarly,

the proximity in scale between the large county unitary and any new MSA would risk overlapping accountabilities, duplication of effort and potential disagreements over responsibilities. **RED RATING.**

Supporting economic growth, housing and infrastructure delivery: A single unitary for the county and Rutland may struggle to respond effectively to the county's vast and diverse geography of market towns, suburban and rural villages, and accompanying diversity in economic geographies and housing needs. While scale economies may bring efficiencies, it is also likely to result in a more standardised approach, which does not recognise the economic diversity of the area and risks inhibiting the growth of small and medium-sized enterprises and the market more generally. A single organisation may be stretched in multiple directions and less able to leverage key opportunities. In economic growth terms (based on our independently commissioned economic forecast) this is likely to lead to economic growth closer to the baseline scenario of 40% to 2050 compared to 83% under the high growth scenario. **AMBER RATING.**

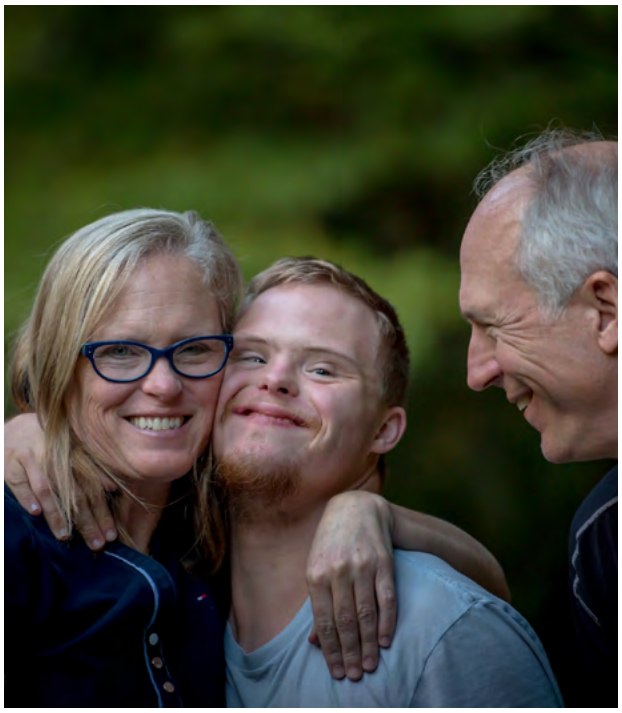
Right size to secure financial efficiencies, improve resilience and sustainability, and remain responsive to local needs: While it has been suggested that a larger county unitary may have the potential for economies of scale, there is no evidence which supports the establishment of 'mega councils'. There is much evidence which highlights the risk of diseconomies of scale, particularly as organisations become too large. An appraisal of this option confirms that the financial risks and opportunities of this option are:

- **Population and resource imbalance between two councils (814,000 vs. 404,000)**: In this scenario a smaller city unitary would have a narrower tax base and higher relative demand pressures, creating structural financial risk.
- **Transition costs:** This approach would involve significant one-off costs for ICT integration, workforce harmonisation, and service aggregation across eight councils. A "one Leicestershire" approach will have to harmonise services it does not currently run AND those it does if it absorbs Rutland.
- **Service delivery costs:** Opportunity to create economies of scale but also risk of higher costs associated with increased travel time due to larger geographic area covered (waste collection, provision of care).
- **Diseconomies of scale:** Evidence from other large reorganisations suggests that very large councils often experience increased management overheads and reduced efficiency.
- **Uncertain realisation of savings:** Projected efficiencies from back-office consolidation and procurement may be offset by the complexity and geographic diversity an authority of this scale would face.
- **Financial resilience:** Risk that the larger county unitary becomes too stretched to respond flexibly to local economic and service pressures, or to respond efficiently and effectively to changes in direction from central government.

- **Simplified governance:** Reduction in the number of councils may lower duplication costs in strategic planning and senior management.
- **Asset rationalisation:** Opportunity to rationalise estate and assets across eight councils, releasing capital receipts over time.
- **Medium-term efficiency gains:** Standardisation of systems and processes could reduce administrative overheads after transition period. **AMBER RATING.**

Enabling high-quality, prevention focussed and sustainable public services which support wider public sector reform: No disaggregation of county-level services would be required; however, aggregation of 8 council services (districts and Rutland) would be required; including for regulated functions like housing and landlord services. This would be a significant undertaking and should not be underestimated, as has been seen in places like Northamptonshire. Here, five years after vesting day, the two unitaries are still managing service integration and aggregation from only four predecessor councils. The maintenance of service delivery at a county scale also reduces the ability to more effectively tailor and deliver services into neighbourhoods and change to a more prevention-based and responsive approach. **AMBER RATING.**

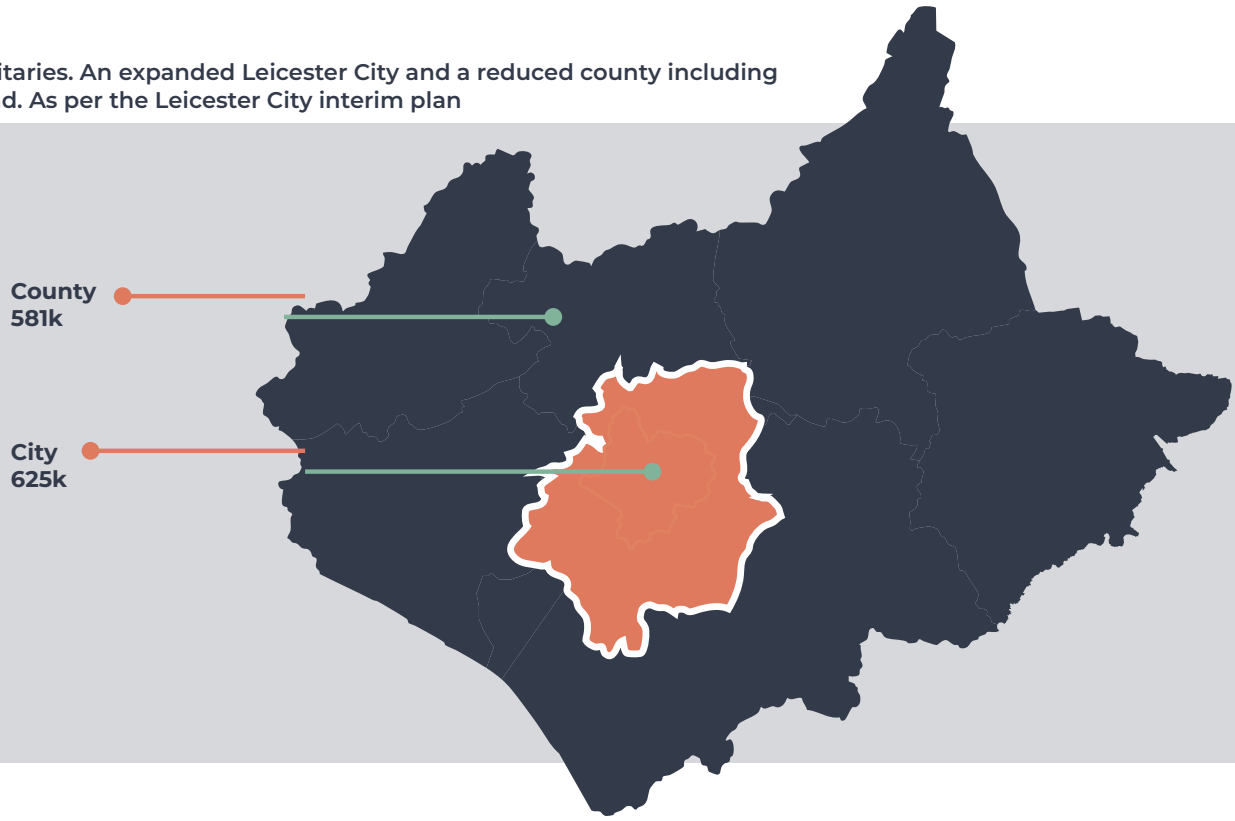
Responding to needs of our diverse communities and validating local places and identities, and community engagement: At the scale proposed there would be weaker connections with local communities. As evidenced by the extensive engagement undertaken (see Section 4) a single unitary would be too remote and distant from the communities it served. The focus on scale, rather than tailoring services to localities, is likely to impact outcomes for communities, constrain meaningful connection, community engagement and local identity, and reduce confidence in local democracy. **AMBER RATING.**



Ease of implementation: This option would not include any changes to principal boundaries and therefore would be more straightforward to implement. **GREEN RATING.**

Option 2: Two unitaries with expanded Leicester City and reduced county unitary including Rutland

wo unitaries. An expanded Leicester City and a reduced county including Rutland. As per the Leicester City interim plan



Description: This option would see the establishment of two new unitary councils: an expanded Leicester City (population 625,000 by 2028) taking on parts of surrounding districts as per the City Council's Interim Plan, and a reduced county unitary including Rutland (population 581,000).

Population balance and unlocking devolution: This option creates a moderately less unbalanced population between the two new councils. This would create greater potential for aligned effort, however the proposed break up of district boundaries may contribute to a more complex transition process. **AMBER RATING**.

Supporting economic growth, housing and infrastructure delivery: Leicester City's expansion would address their desire for more control over adjacent areas in terms of their expansion agenda. However, it would be unlikely to enable them to influence future growth, given spatial planning will be the responsibility of the MSA. **AMBER RATING.**

Right size to secure financial efficiencies, improve resilience and sustainability, and remain responsive to local needs: A financial appraisal of this option confirms that the financial risks outweigh the financial opportunities as per below:

- **High transition costs:** This approach would involve significant costs for disaggregating county-level and district-level services and reallocating assets, staff, and systems between two new authorities.
- **Service delivery costs:** Opportunity to create economies of scale but also risk of higher costs associated with increased travel time due to larger geographic area covered (waste collection, provision of care).
- **Boundary change complexity:** Non-coterminous boundary changes increase legal, financial, and operational complexity, driving up implementation costs.
- **Uncertain savings realisation:** Potential efficiencies from Leicester's expansion may be offset by duplication of functions during transition and ongoing coordination challenges.
- **Impact on fair funding and grants:** Redistribution of resources and population could alter funding allocations, creating uncertainty for both councils.
- **Rebasing of finances:** This approach would involve challenges around distributing reserves, contingencies, and collection funds (Council Tax and business rates), plus resetting budget baselines and future finances for both new organisations.
- **More balanced populations:** Creates two councils of more comparable size reducing structural imbalance and improving financial sustainability prospects.
- **Potential for targeted investment:** An expanded Leicester could not better align resources with urban growth pressures and infrastructure needs.
- **Asset rationalisation:** The approach may offer an opportunity to rationalise assets and estates across reorganised boundaries, releasing capital receipts over time.
- **Improved strategic alignment:** More balanced councils may enable clearer financial planning and reduce risk of strategic deadlock. Service delivery costs could be increased because of increased travel time for some more centralised services **RED RATING.**

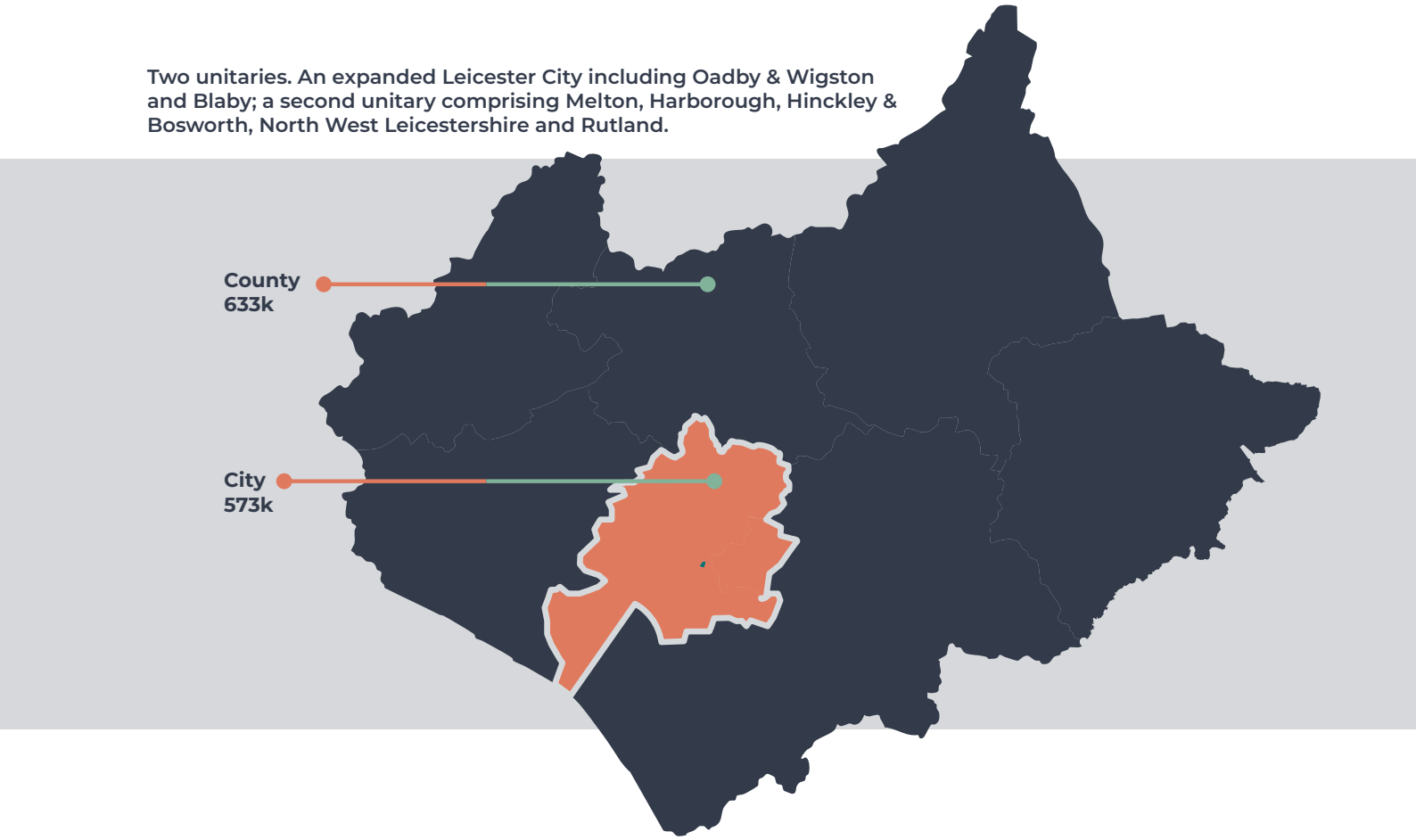
Enabling high-quality, prevention-focussed and sustainable public services which support wider public sector reform: The service delivery case of this model largely centres around streamlining and simplification rather than ambition towards reform and renewal. Service disaggregation of county-level services like social care and special educational needs and disabilities (SEND) services would be required as the option would represent a transfer of around 250,000 population from the county to the city.
AMBER RATING.

Responding to needs of our diverse communities and validating local places and identities, and community engagement: Leicester City Council wants the opportunity to address perceived anomalies regarding place identity for some communities surrounding the city which they wish to absorb as part of a strategy of financial redistribution. The significant local public backlash, and

evidence from our extensive engagement confirms that this option is hugely unpopular with local communities. **AMBER RATING.**

Ease of implementation: The principal boundary changes are not coterminous with district boundaries, representing a significantly more complex option. In view of the financial appraisal above, and changing assumptions associated with Fair Funding 2.0, it is unlikely this could be justified. **RED RATING.**

Option 3: Two unitaries. An expanded Leicester City including Oadby & Wigston and Blaby districts, and a second unitary comprising the remaining districts of Melton, Harborough, Hinckley & Bosworth, North West Leicestershire and Rutland County



Description: his option would establish two new unitary councils: an expanded Leicester City (population 633,000) including the full district areas of Oadby & Wigston, and Blaby, and a second unitary comprising the remaining district councils of Melton, Harborough, Hinckley & Bosworth, North-West Leicestershire, and Rutland County (population 573,000). This option was considered by Leicestershire County Council's Cabinet in September 2025.

Population balance and unlocking devolution: Similar to Option 2, this option would create balanced populations between the two new councils which would support greater potential for aligned effort. However it would still result in only

two constituent authorities within any new MSA and would still increase the potential for a strategic impasse between both the new councils and the regional Mayor. **AMBER RATING.**

Supporting economic growth, housing and infrastructure delivery: Leicester City's expansion would address their desire to absorb surrounding areas, but it would be unlikely to increase overall growth potential, given future spatial planning will be at a regional level, overseen by the MSA. The addition of the two identified districts has limited strategic basis and does not address any constraints which may exist for other parts of the city. **AMBER RATING.**

Right size to secure financial efficiencies, improve resilience and sustainability, and remain responsive to local needs: A financial appraisal confirms that the financial risks and opportunities of this option are:

- **Uncertain savings realisation:** Potential efficiencies from Leicester's expansion may be offset by duplication of functions during transition and ongoing coordination challenges.
- **Impact on fair funding and grants:** Redistribution of resources and population could alter funding allocations, creating uncertainty for both councils.
- **Rebasing of finances:** This approach would involve challenges around distributing reserves, contingencies, and collection funds (Council Tax and business rates), plus resetting budget baselines and future finances for both new organisations.
- **Demand and cost pressures:** An expanded city faces higher urban deprivation costs while the second unitary faces rurality and transport challenges, creating divergent cost profiles.
- **More balanced populations:** Creates two councils of comparable size reducing structural imbalances and improving financial sustainability prospects.
- **Potential for targeted investment:** An expanded Leicester could reduce its financial challenges by redistributing resources from adjoining areas.
- **Asset rationalisation:** There would be an opportunity to rationalise assets and estates across reorganised boundaries, releasing capital receipts over time.
- **Improved strategic alignment:** More balanced councils may enable simpler financial planning processes – albeit with nuanced inequities and deep local resistance. **AMBER RATING.**

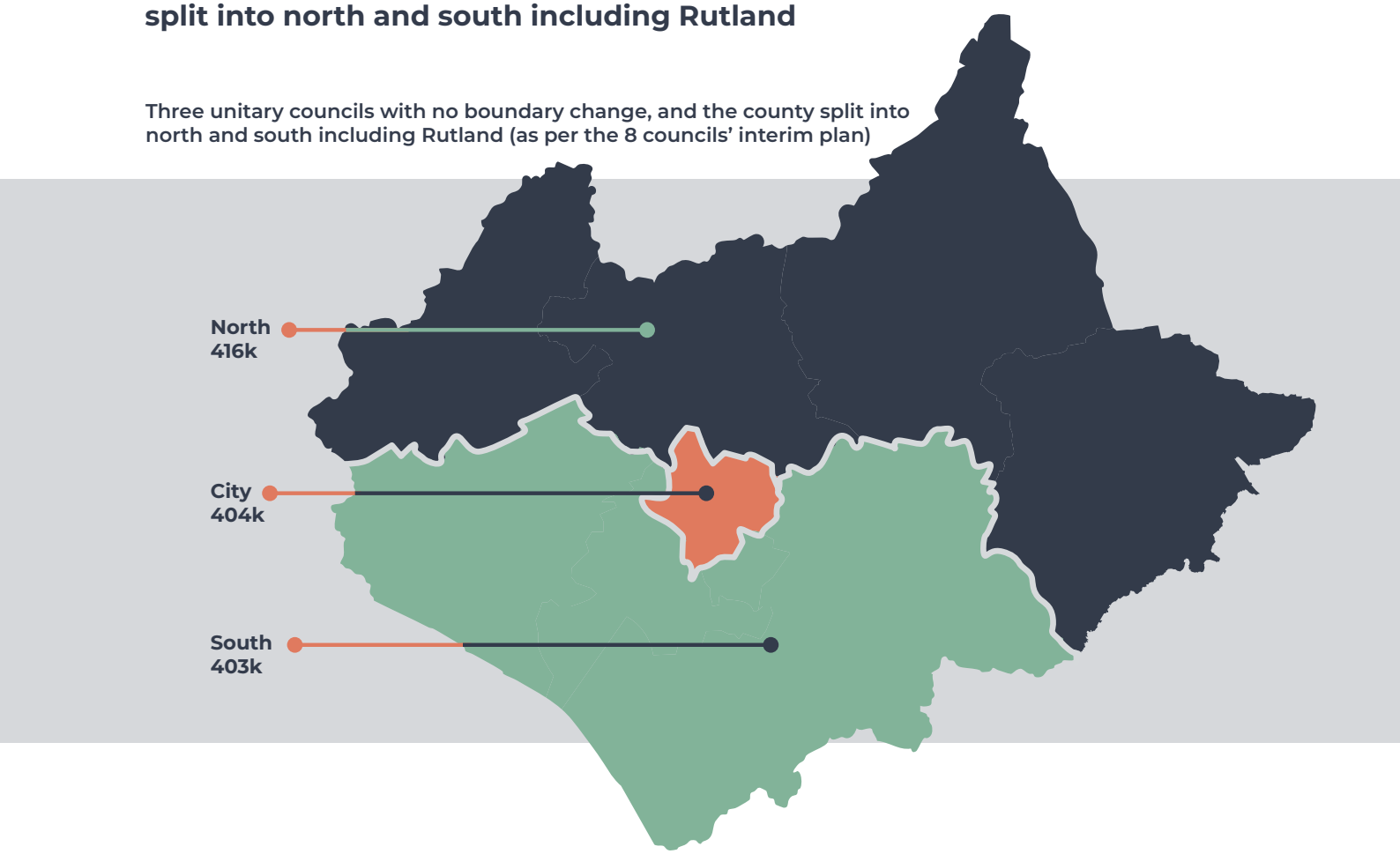
Enabling high-quality, prevention focussed and sustainable public services which support wider public sector reform: Service disaggregation of county-level services (social care, SEND) would be required as the option would represent a transfer of around 200,000 population from the county to the city. **AMBER RATING.**

Responding to needs of our diverse communities and validating local places and identities, and community engagement: Unlike Option 2, there is no rational basis for the incorporation of these two districts, other than to create a balance of population. While some parts of the two districts being linked to the city may make sense in terms of the City Council desire to accrete more land to its agenda, there would be significant parts of the Blaby district which have little affinity to the city area. Evidence from our extensive engagement confirms that city boundary expansion is hugely unpopular with local communities. **RED RATING.**

Ease of implementation: While boundary changes have the potential to increase complexity, the use of existing district boundaries is consistent with government's preferred approach and therefore this option would be easier to implement than Option 2. **RED/AMBER RATING.**

Option 4: Three unitary councils with no boundary change and county split into north and south including Rutland

Three unitary councils with no boundary change, and the county split into north and south including Rutland (as per the 8 councils' interim plan)



Description: This option would create three unitary councils, based on existing district boundaries, with no changes to Leicester City Council's boundaries. A north Leicestershire and Rutland unitary (416,000 population) would include the districts and borough areas of North West Leicestershire, Charnwood and Melton, and Rutland County. A south Leicestershire unitary (403,000) would include the district and borough areas of Hinckley & Bosworth, Blaby,

Oadby & Wigston, and Harborough. Leicester City Council would remain a unitary council (404,000 population). **This option was preferred within the 8 councils' Interim Plan and remains the proposed option for this submission.**

Population balance and unlocking devolution: This option would result in balanced populations of around 400,000 across all 3 councils, assisting with parity of esteem and partnership working. It would provide the best alignment with an MSA across LLR, creating a clear separation between regional strategic and council delivery. The greater distinction in scale between the MSA and unitary structures would assist in reducing risk of overlap or duplication and improve the potential of reaching consensus or providing a mechanism for establishing a majority position. **GREEN RATING.**

Supporting economic growth, housing and infrastructure delivery: This approach recognises the distinctive economic geographies for north and south and offers the best prospect of achieving the independently assessed high-growth scenario for Leicestershire and Rutland of 83% GVA growth by 2050 compared to the baseline growth scenario of 40%. **GREEN RATING.**

Right size to secure financial efficiencies, improve resilience and sustainability, and remain responsive to local needs: A financial appraisal of this option confirms that the financial risks and opportunities are:

- **Optimal scale for sustainability:** Councils at 400,000 population align with guidance on sustainable scale, reducing long-term financial risk
- **Significant efficiency savings:** Estimated £44m per year in ongoing savings from LGR.
- **Rapid payback period:** Transition costs of £20m, making the investment highly cost-effective.
- **Reduced disaggregation costs:** While service disaggregation of county-level functions is required, costs will be lower than other options because Leicestershire already operates with three top-tier authorities (City, County, and Rutland). Existing governance, leadership roles (Director of Adult Social Services and Director of Children's Services), and infrastructure reduce complexity and transition overheads.
- **Demand and cost pressures:** The North, City, South authorities will have different cost drivers (rurality versus suburban growth), requiring tailored financial strategies and enhanced local decision making and accountability on spending.
- **Enhanced ability to deliver prevention savings:** Optimal-scale population councils are better positioned to design and implement prevention-focussed strategies that reduce long-term demand on high-cost services (social care, children's services), delivering savings for both councils and the wider public sector.
- **Housing investment opportunity:** Plans to maximise the Housing Revenue Account (HRA) funding to deliver over 1,000 new homes for social rent in the first five years are best enabled by this approach because of its coherence

with stable strategic housing approaches, improving social outcomes and reducing intervention costs.

- **Long-term financial sustainability:** Our forecast shows moving from a £108m budget gap in 2028 to a £151m surplus by 2037/38, assuming reinvestment of savings and prevention strategies. This assumes annual Council Tax increases of 5% for the first 3 years, and 3% thereafter.
- **No principal boundary changes:** This approach avoids complexity and the cost of redrawing boundaries, simplifying financial separation and asset allocation.
- **Asset rationalisation:** The approach provides the opportunity to rationalise assets and estates across reorganised boundaries, releasing capital receipts over time.
- **Alignment with growth strategies:** The North, City, South authorities will have the opportunity to tailor financial planning to distinct economic geographies increasing the speed of business rates income. **GREEN RATING.**

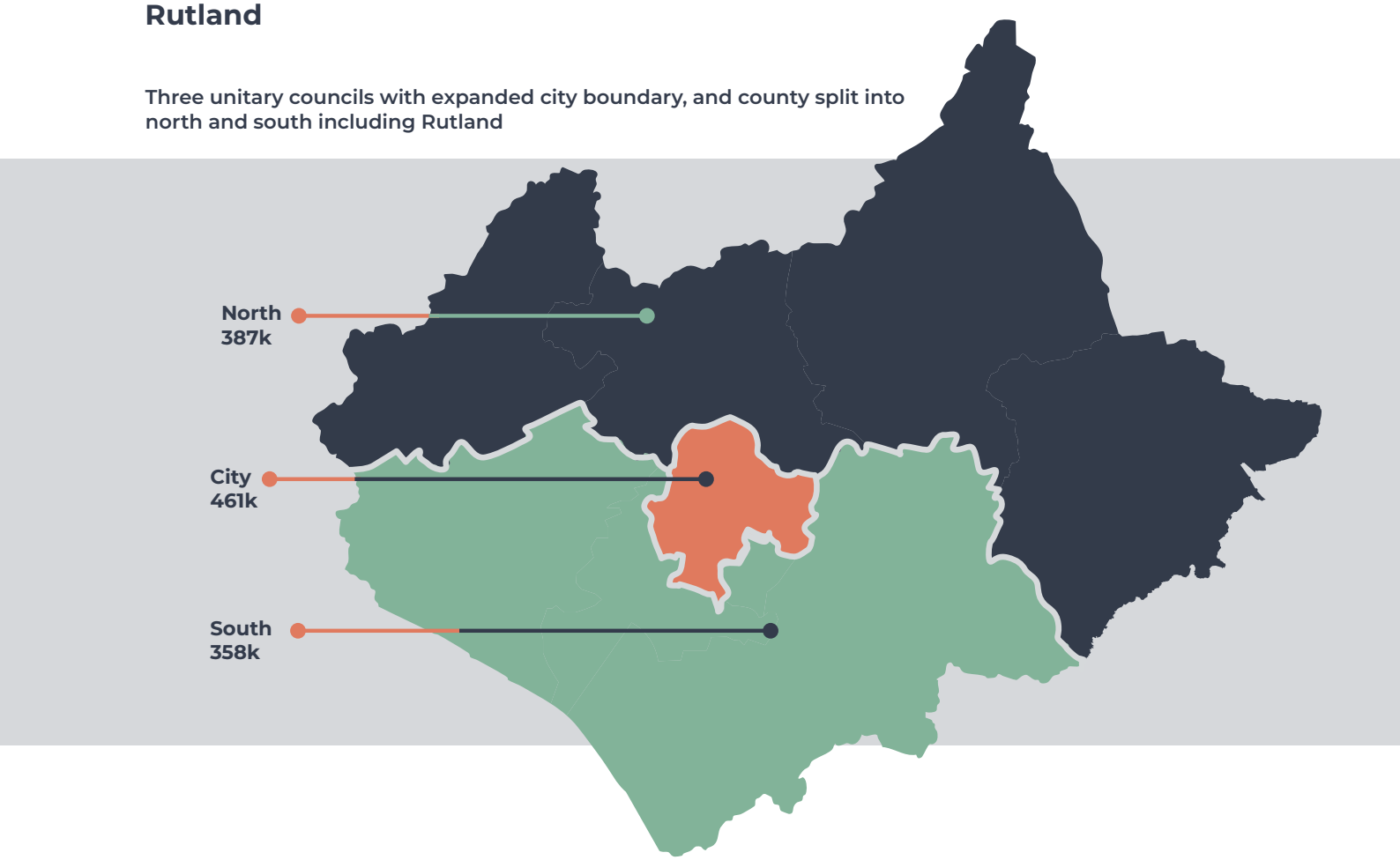
Enabling high-quality, prevention focussed and sustainable public services which support wider public sector reform: Service disaggregation of county-level services (social care, SEND) would be required between the new north and south councils. However, LLR already has three social care authorities (City, County and Rutland) and therefore while operational redistribution of services would be required, the infrastructure and expertise for three new social care authorities already exists. While the challenge of aggregating services would remain, it would be significantly less challenging than Options 1 to 3. **AMBER/GREEN RATING.**

Responding to needs of our diverse communities and validating local places and identities, and community engagement: The creation of two unitaries for the county area better aligns with local community identities and ensures that the new councils can better support their diverse rural communities. It provides greater potential to establish effective neighbourhood-level delivery models, better connected to communities and tailored to local needs. Extensive community engagement found 61% of respondents in support of this configuration of local government within LLR, as compared to other options. **GREEN RATING.**

Ease of Implementation: More straightforward as boundaries based on existing district footprints and no change to the city council boundaries proposed but does require split in the county. **AMBER/GREEN RATING.**

Option 5: Three unitary councils with expanded Leicester City through modest boundary changes and county split into north and south including Rutland

Three unitary councils with expanded city boundary, and county split into north and south including Rutland



Description: This option is similar to Option 4 but includes a more modest expansion of Leicester City when compared to Options 2 and 3. It comprises three unitaries: an expanded Leicester City (population 461,000), North Leicestershire and Rutland (population 387,000) and South Leicestershire (358,000).

Population balance and unlocking devolution: This option would produce broadly balanced populations across all three councils, though the city council would be 100,000 larger than the other two, reducing the potential for alignment when compared to Option 4. **AMBER/GREEN RATING.**

Supporting economic growth, housing and infrastructure delivery: The approach recognises the distinctive economic geographies for north and south, and leverages Leicester's +8.6% GVA growth and 2.0% population increase. The redistributive impact of resources from the other authorities weakens the two county unitary councils proposed. **AMBER RATING.**

Right size to secure financial efficiencies, improve resilience and sustainability, and remain responsive to local needs: A financial appraisal of this option, confirms that the financial risks and opportunities are:

- **High transition costs:** Significant costs for disaggregating county-level and district-level services and reallocating assets, staff, and systems between two new authorities.
- **Boundary change complexity:** Boundary changes not aligned to existing district boundaries increase legal, financial, and operational complexity, driving up implementation costs.
- **Uncertain savings realisation:** Potential efficiencies from Leicester's expansion may be offset by duplication of functions during transition and ongoing coordination challenges.
- **Impact on fair funding and grants:** Redistribution of resources and population could alter funding allocations, creating uncertainty for both councils.
- **Rebasing of finances:** Apportionment of reserves, contingencies, and collection funds (Council Tax and business rates), plus resetting budget baselines and future financial assumptions for new entities is a positive opportunity.
- **Potential for targeted investment:** An expanded Leicester could reduce its financial challenges by redistributing resources from adjoining areas.
- **Asset rationalisation:** The opportunity to rationalise assets and estates across reorganised boundaries, releasing capital receipts over time.
- **Limited financial benefit from city expansion:** Analysis suggests modest boundary changes do not materially improve Leicester's financial sustainability under Fair Funding 2.0, reducing the justification for the added complexity linked to this option. **RED RATING.**

Enabling high-quality, prevention focussed and sustainable public services which support wider public sector reform: As per Option 4, service disaggregation of county-level services (social care, SEND) would be required between the new north and south councils, but LLR retains the infrastructure and expertise to support three social care authorities. Delivery of services would be further complicated by the need to redistribute services between existing city and county areas. **AMBER RATING.**

Responding to needs of our diverse communities and validating local places and identities, and community engagement: As per Option 4, the creation of two unitaries for the county area better aligns with local community identity and ensures that the new councils can better support their diverse rural communities. There was however significant public disagreement with the option of a city boundary expansion and concern over the erosion of rural identity. **RED RATING.**

Ease of implementation: Due to the need to change city boundaries, that are not coterminous with district boundaries, this represents a significantly more complex option and would require explicit justification, in line with the expectations set out by government. In view of the financial appraisal above, and changing assumptions associated with Fair Funding 2.0, it is unlikely this could be justified. **RED RATING.**

Options Appraisal Summary

	Population Balance / Unlocking Devolution	Economic growth, housing, infrastructure potential	Financial Efficiency, Sustainability / Right Sized to Deliver	High quality, prevention focussed, sustainable services	Responding to place identity and diverse communities	Ease of Implementation	
Option 1: Two Unitaries Existing Boundaries	Significant imbalance of populations. Ambiguity between MSA and Unitary Council roles.	Inability to respond to diversity of need and opportunity. Lower growth potential.	Potential for scale economies but greater need to standardise reduces potential for prevention and tailored service design.	No disaggregation required. Significant aggregation of services. Scale limits prevention potential.	Weak alignment with diverse communities. Minority public support. Meaningful neighbourhood connection limited..	Moderately balanced population creates some opportunity for aligned effort but risk of strategic impasse with MSA.	
Option 2: Two Unitaries - Two Unitaries - Expanded	Moderately balanced population creates some opportunity for aligned effort but risk of strategic impasse with MSA.	Some benefit to City expansion aspiration. Unlikely to significantly influence future growth given planning at MSA level.	Financial risks and complexity of logistics outweigh opportunities. Fair funding review 2.0 reduces financial imperative.	Some disaggregation required. Complexity of significant population transfer to City.	Resolves some place identity issues but unpopular with communities	Complex. Significant boundary changes not aligned to current footprints would require strong justification.	
Option 3: Expanded Leicester City (inc O&W, Blaby)	Moderately balanced population creates some opportunity for aligned effort but risk of strategic impasse with MSA..	Some benefit to City expansion aspiration. Unlikely to significantly influence future growth given planning at MSA level.	Financial risks and complexity of logistics outweigh opportunities. Fair funding review 2.0 reduces financial imperative.	Some disaggregation required. Complexity of significant population transfer to City.	No rational place identity basis. Hugely unpopular with communities.	Uses existing district boundaries. However, splitting the county introduces some complexity without the benefits of other options.	
Option 4: Three Unitaries - North, City, South (No Boundary Change)	Balanced populations. More equal partnerships and clear separation with role and footprint of MSA	Recognises distinct economic geographies. Higher growth potential.	Optimal size of Unitary Councils to balance scale, geography and prevention focussed delivery.	Some disaggregation required. Ability to deliver integrated prevention model.	Aligned and connected with communities. Engagement shows 61% residents in support.	Uses existing boundaries. However, splitting the county introduces some complexity.	RECOMMENDED
Option 5: Three Unitaries - North, City, South (Modest City Expansion)	Three unitaries creates better potential for alignment. Moderate balance across councils though City now 100K bigger.	Recognises distinct economic geographies.	Financial risks and complexity of logistics outweigh opportunities. Fair funding review 2.0 reduces financial imperative.	Some disaggregation required.	Three unitaries creates better potential for alignment	Complex. Requires ward level boundary changes.	

2.4 The Recommended Option: The North, City, South model

Based on the options appraisal the 8 Councils are clear that **Option 4; North, City, South**, represents the optimum balance between scale and physical geography and most effective delivery of future public services. This model ensures financial sustainability while enabling a clear neighbourhood and prevention-based approach, which best enables ambitious delivery for our communities.

Crucially, this approach creates the best alignment with a new Mayoral Strategic Authority, minimises unnecessary legal complexity and has the greatest potential to unlock devolution and economic growth. It is also the approach which is best supported by our communities and will enable meaningful community connection, engagement, empowerment and trust. The detailed submission and how it best responds to the government's criteria and aspirations is set out in Section 3. It represents a credible proposition through which North, City, South will deliver a single tier of local government for the whole invitation area of LLR.

Section 3 of our proposal for Local Government Reorganisation provides a detailed appraisal based upon the six design principles, and shows that the North, City, South model will:

- ✓ **Unlock devolution**
- ✓ **Support economic growth, housing and infrastructure delivery**
- ✓ **Be the right size to secure financial efficiencies, improve resilience and sustainability, and remain responsive to local needs**
- ✓ **Enable high-quality, prevention focussed and sustainable public services which support wider public sector reform**
- ✓ **Respond to the needs of our diverse communities and validate local places and identities**
- ✓ **Enable strong democratic accountability, community engagement, and neighbourhood empowerment**

Section 3: Proposal for Local Government Reorganisation

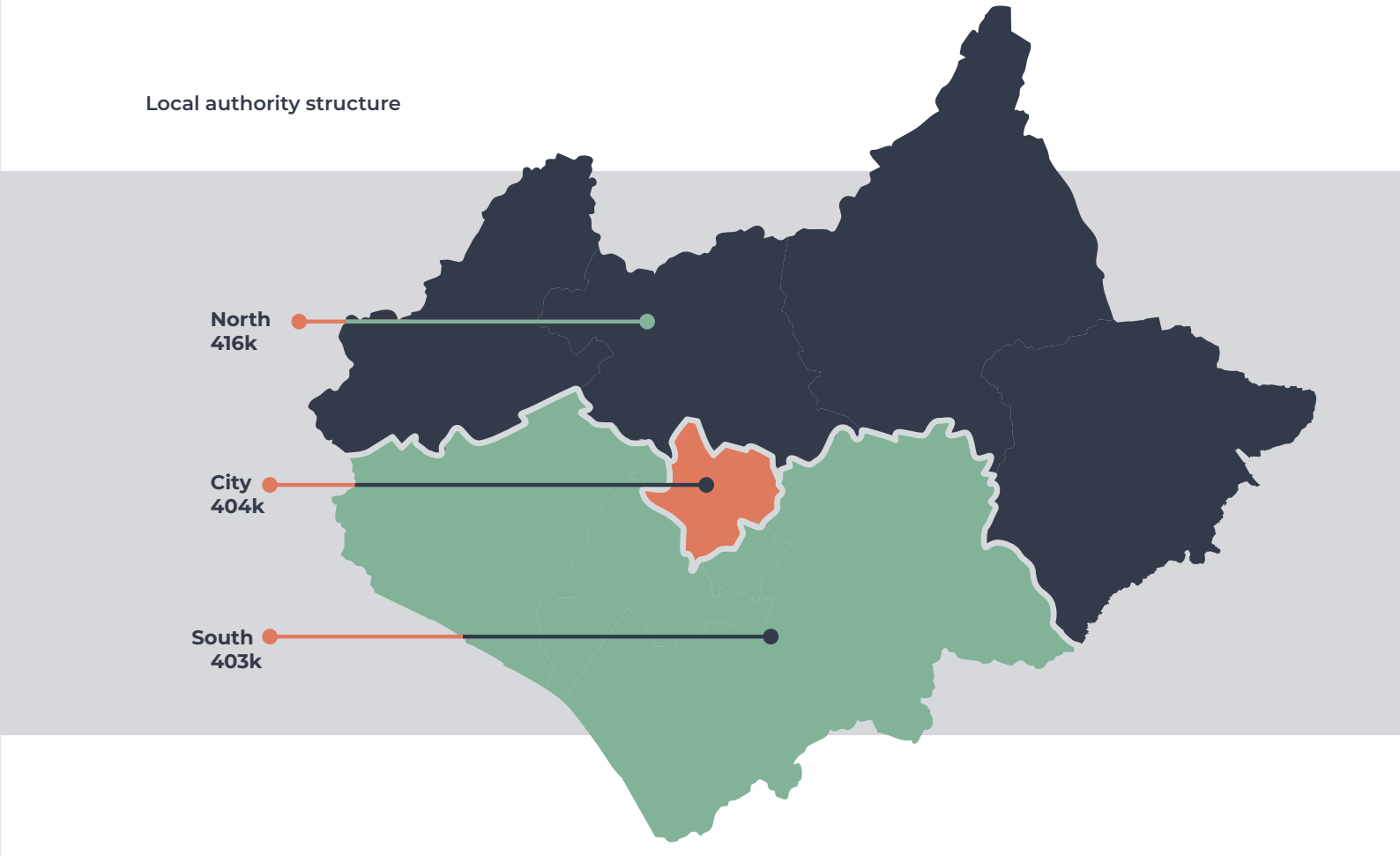
3.1 Our 2040 vision for Leicester, Leicestershire and Rutland

We want to reset, reimagine and reinvigorate local government. United under three transformative unitary councils, working collaboratively with a Mayoral Strategic Authority, by 2040 Leicester, Leicestershire and Rutland (LLR) will be a beacon of vibrant, inclusive, and prosperous communities. Together, we are big enough to deliver, close enough to respond.

3.2 Introducing the North, City, South model

This submission presents a transformative and evidence-based proposal for the reorganisation of local government in LLR. It advocates for a three-unitary model comprising **North Leicestershire and Rutland** (416,000 population), **South Leicestershire** (403,000), and Leicester City (404,000), **best facilitating a Strategic Authority for the whole of LLR.**

Local authority structure



NORTH CITY SOUTH

Building on extensive collaboration among the 8 councils this proposal responds to the strategic drivers set out in Section 1, feedback received from the Ministry of Housing, Communities and Local Government (MHCLG) in June 2025, and a comprehensive area-wide, independent engagement exercise undertaken during summer 2025.

3.3 LLR current challenges and opportunities

As demonstrated within the options appraisal (Section 2), our proposal represents the most credible and coherent model of local government reorganisation for LLR. It responds most effectively to the government's missions and other national strategic drivers while embracing local challenges and opportunities. For example:

LLR is currently missing out on devolution: The region has missed out on the benefits of devolution for too long, stifling opportunities for investment and economic growth. Local businesses are frustrated and feel their opportunities are being constrained, with business growth stifled by a lack of long-term vision to ensure infrastructure investment delivers the capacity for the subregion. This proposal seeks to bring it forward at the earliest opportunity.

LLR has been held back from maximising opportunities: Bridging any political divides, the Leicestershire District and Borough Councils have worked productively as a group, and with Rutland County Council and Leicester City Council for many years. Unfortunately, opportunities for genuine collaboration with Leicestershire County Council have been more challenging and sporadic, and on some key strategic matters the City and County have reached an impasse. It is imperative that LGR does not seek to merely maintain the status quo, but establishes new local government structures and create organisations which value partnership, revitalise services and set LLR free from legacies of the past.

Recruitment and resourcing under pressure in key service areas: Local government as a sector is facing recruitment and resourcing challenges in key service areas including social care, planning, environmental health, housing and building control. This can be exacerbated in rural areas, where catchment areas are more sparsely populated. Across the sector there is a risk of competing for the same professionals, increasing the risk of reliance on agency resource and organisational instability. Our proposal seeks to build resilient, well-resourced teams, underpinned by the right cultures and infrastructure to meet both system-wide and local needs. It retains three social care functions and sees the realignment across new unitary footprints as a key opportunity to reduce fragmentation and strengthen delivery.

Adult Social Care in Leicestershire requires improvement: Social Care services are under enormous pressure and the recent Care Quality Commission (CQC) inspection for the county council shows that improvement is needed. An ageing demographic requires a focussed approach to living and

ageing well, through coordination of the whole range of local government functions, services and partnerships. Our plan embeds prevention, collaboration, and integration of social care, health and housing in a holistic agenda. It also proposes investment in prevention and in housing, to bridge the gap in extra care residential provision across Leicestershire.

Local government finances are under pressure: Demand for adult and children services, SEND, and homelessness have put severe strain on the upper tier authourities. Almost half of councils will either have received or intend to apply for Exceptional Financial Support (EFS). This is unsustainable. Evidence has shown that cuts to early help prevention and intervention result in significantly higher costs. Managing the demand is paramount to financial sustainability as is ensuring all our systems and processes are delivered efficiently. Leicester City Council has highlighted its own specific challenges, but this was prior to the recent Fair Funding 2.0 announcements, which will considerably improve its relative financial position.

Subregional working across LLR is working well on key strategic matters: The North, City, South model builds on what is working well across LLR, and our approach commits to supporting these arrangements through cross-unitary collaboration while ensuring a strong foundation for the Strategic Mayoral Authority. This will enable continued stability across the wider system and minimise disruption. Key examples of subregional cooperation include the LLR Local Resilience Forum, Safeguarding Boards and the Health and Wellbeing Board.

3.4 Key components of our plan

In summary our plan involves:

1. **Unlocking devolution:** At the earliest opportunity creating the best alignment with a new MSA across LLR. We argue that the establishment of a new MSA should progress at pace, and in parallel with the creation of new unitary councils, a position strongly supported by businesses across the region.

2. **Supporting economic growth, housing and infrastructure delivery:** Analysis by the Economic Intelligence Unit, using the Oxford Economic Forecasting Model, identifies a road map for our three-unitary approach to deliver £8bn of economic benefits by 2050.This is predicated on authorities of our size and scale which, because they are based on functioning economic geographies, are best placed to maximise economic growth. Based on a thorough understanding of the economic distinctiveness of LLR the MSA will be empowered to coordinate major infrastructure projects, while the three unitary councils deliver tailored economic strategies, ensuring LLR outpaces national benchmarks and closes productivity gaps.

3. **Creating financially resilient councils which are the right size to secure efficiencies:** The plan offers the right balance between scale and physical geography to ensure sufficient financial resilience, while maintaining an ability to deliver services effectively and remain accessible to our diverse communities. Our financial model projects annual efficiency savings of £44.3 million through:
   - Workforce efficiencies (£19.3 million)
   - Procurement efficiencies (£8.7 million)
   - Income equalisation (£9.5 million)
   - Democratic savings (£1.3 million)
   - Asset rationalisation (£5.5 million)

   One-off transition costs of £20 million will be offset by a long-term 10-year turnaround of over £200 million, coupled with equitable resource distribution and Council Tax harmonisation. This will ensure long-term sustainability for all three councils, while maintaining service excellence. More detail showing the financial assumptions underpinning this approach is set out in Sections 3 and 5 of this document, with more detail in Appendix 2.

4. **Transformed and prevention-focussed services, to achieve high-quality, innovative and sustainable public services:** The model adopts an innovative, prevention-focussed approach, which sets out a path to reducing demand through locality-focussed and integrated services, complementing the aspirations within the NHS 10-year plan, and facilitating opportunities for public service reform alongside our partners. Digital transformation will harness the benefits of technology such as artificial intelligence, to further drive efficiencies and improve customer access in key services like housing and social care, while recognising the need to ensure appropriate and accessible face-to-face contact.

5. **Responding to diverse communities and validating local places and identities:** Through independent engagement with over 6,000 survey respondents, focus groups and interviews, our approach has been built on significant resident and partner input (see Appendix 5). Our Neighbourhood governance proposals have been shaped in the light of this feedback and will validate and nurture local identities and partnerships. We envisage a neighbourhood governance model in each unitary area where each 'neighbourhood' will have a population of approximately 50,000, facilitating opportunities for local co-production and accountability and to maintain local identity. These neighbourhoods will be the building blocks for integrated services both within the council and with partners and community organisations, ensuring services are tailored to people and place. The model will prioritise equity, mitigating socio-demographic disparities through targeted interventions, ensuring vulnerable groups benefit from sustainable growth.

6. **Enabling strong democratic accountability and community engagement:** Through Neighbourhood Partnerships, providing opportunities for people to have their voices heard and to exert influence over the decisions that impact them directly in their communities.

A detailed review and rationale against each of the 6 Design Principles is set out on the following pages (Sections 3.5 to 3.10).


NEW LUBBESTHORPE

3.5 Design principle 1: Unlocking devolution

The 8 councils will bring forward devolution at the earliest opportunity. Our model facilitates the best possible alignment between a new MSA for LLR and the 3 unitary councils. Driven by support from businesses across the region, we want to secure devolved powers to address LLR's diverse economic, social, and geographic needs, and our proposal sets out the rationale for establishing this in parallel with LGR.

3.5.1 Introduction

In Leicestershire, District Councils have long since championed devolution and the strategic focus and funding it secures, but efforts have not been supported by the City and Leicestershire County Council. Our proposal, which advocates a parallel approach, would allow the fastest possible devolution and our aspirations are backed up by business leaders who join us in calling for devolution first, irrespective of LGR. This proposal outlines an ambitious timetable for devolution which clearly meets the government's expectations.

LGR provides an excellent opportunity for public sector reform. However, devolution represents the most significant component in driving growth and prosperity within our communities, and currently this is not available. Government has made clear that it expects all areas to enter devolution agreements and that there should be no 'devolution deserts.'

The principle of establishing a new MSA for LLR is shared by all 10 councils, however only we believe this can be delivered alongside LGR, with a new MSA in place alongside a mayoral election in May 2027.

Throughout our engagement process, businesses and stakeholders have clearly made their voices heard, calling for LLR to benefit from devolution now, with the absence recognised as a significant gap and source of local frustration. This element of the proposal has been formed through stakeholder workshops with public sector colleagues and has incorporated the voices of businesses and our universities.

3.5.2 Geography and Scale

It is proposed that an MSA is established over the whole LLR area as highlighted in the map below:
The key reasons for this are:

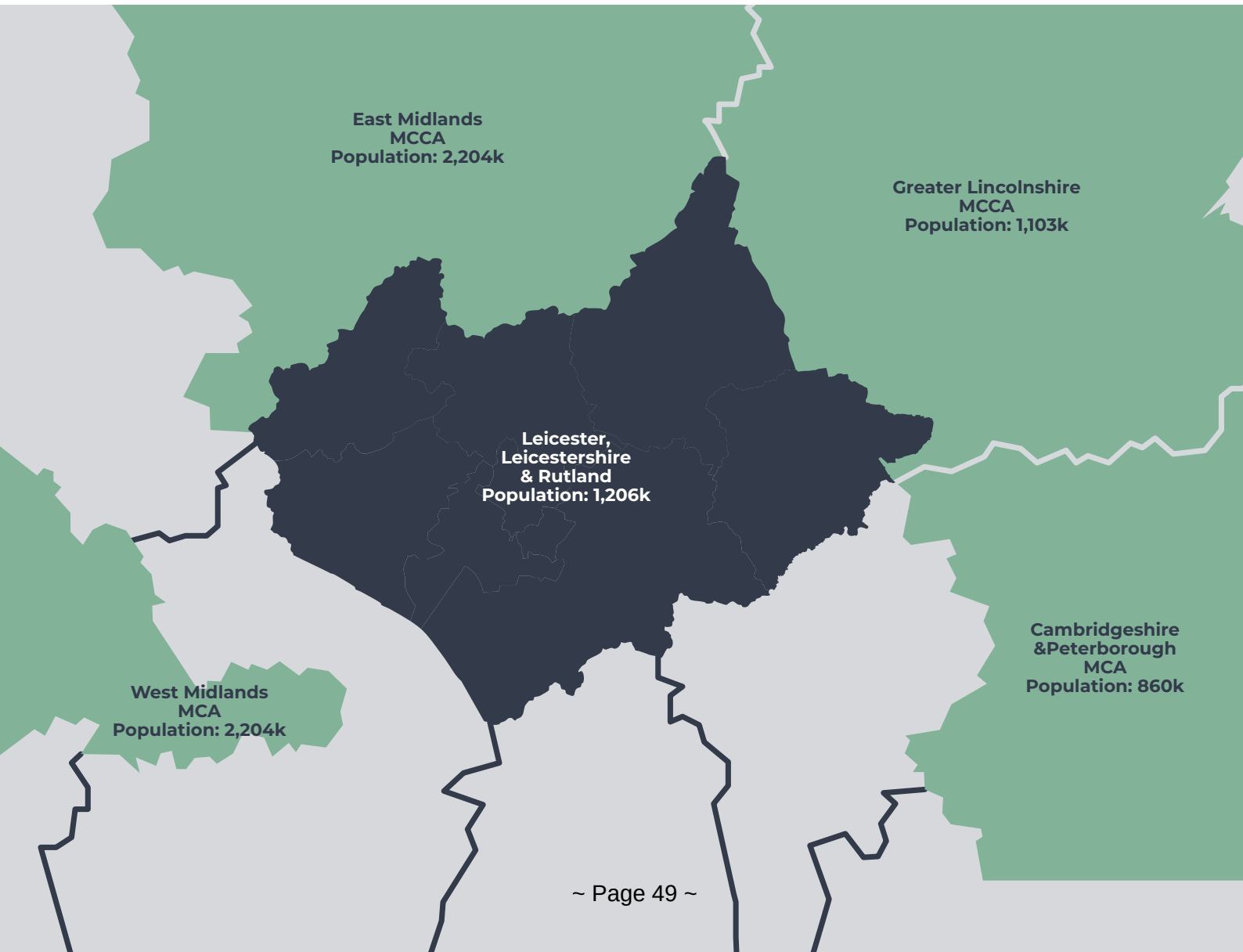
- The LLR region represents a coherent geography, reflecting recognised public service delivery boundaries and aligning with other public sector delivery partners
- It is coterminous with existing boundaries, allowing streamlined governance, clearer accountability and faster implementation

- It creates the potential to support the delivery of devolved powers for transport, housing, skills and infrastructure, and is reflective of expectations in terms of Spatial Development Strategies
- It has broad consensus amongst local leaders, businesses and other stakeholders
- While slightly below the government guidance of 1.5m population, it is sufficient to deliver at a regional level and represents the most pragmatic approach to achieve devolution

3.5.3 Alternative geographic options for devolution considered

Significant consideration has been given to other geographic options for devolution, some of which are highlighted below.

The East Midlands Combined County Authority (EMCCA) is aligned with the region and would be a CCA that LLR would work closely with due to key infrastructure being important to both regions. However, as a relatively newly established CCA, EMCCA is focussed on delivering its agenda and not best placed to incorporate additional areas due to the complexities this would create in terms of governance, elections and realigning strategic direction.



However, future alignment and integration with EMCCA should not be discounted in the longer term.

Greater Lincolnshire was also considered as an alternative option. However, it did not align with the devolution framework as it did not provide a sensible geography, and economic coherence is weak with the LLR area. A further challenge is the existence of distinct economic and administrative boundaries with different strategic priorities. There is also very limited public sector alignment with agencies such as Police, Fire, NHS and voluntary sector. Accordingly, within the current configuration, limited partnership arrangements would exist between Lincolnshire and LLR.

Warwickshire was also considered as a possibility for an MSA. However, there is no strong alignment with other public sector organisations and limited partnerships exist between Warwickshire at county level and LLR.

Northamptonshire was the final area considered for the formation of an MSA. However, LLR and Northamptonshire are again distinct strategic areas and they are currently focussed on establishing a separate MSA with the South Midlands.

The pros and cons of each option are summarised in the table below.

Option	Population	Economic Coherence	Governance Complexity	Public Sector Alignment	Rationale for Exclusion
LLR	1.2 m	Strong	Low	High	N/A
EMCCA	>1.5m	Moderate	High	Moderate	Complexity
Greater Lincolnshire	<1.5m	Weak	High	Low	Poor fit
Warwickshire	>1.5m	Weak	High	Low	Poor fit
Northamptonshire	>1.5m	Weak	High	Low	Poor fit

3.5.4 Delivery of devolution

Our proposal delivers devolution concurrently with the LGR proposal and the approach advocated is set out in the timetable below. This would see a new regional Mayor elected in May 2027. Alongside the 8 councils, the desire to secure devolution at the earliest opportunity has strong support from sections of the region's business community.

It is envisaged that at the end of the current Police and Crime Commissioner's term of office in May 2028, their powers and responsibilities would be subsumed by the Mayor of LLR.

Alongside Mayoral elections, the focus would be on appointing the Senior Leadership Team of the MSA to ensure they can establish the new authority and facilitate delivery on day one. Experience from across the country has shown that this can be accelerated through having a team in place ready to act once the Mayor has been elected. Section 5 sets out the transitional plans and arrangements which include the principle of existing resources being allocated to support establishment of the new MSA.

3.5.5 Devolution and LGR

The North, City, South approach to devolution is rooted in balancing population ratios across the three unitary councils North (416,000), South (403,000), and Leicester City (404,000), whilst delineating clear roles between strategic oversight and local delivery. This ensures that devolved powers are effectively harnessed to address LLR's diverse economic, social, and geographic needs. By creating three unitary councils under an MSA,

LLR builds on decades of collaborative experience, reflecting a collective commitment to a prosperous future.

A two unitary model risks creating a significant imbalance between the two councils, and a concurrent demand and resource imbalance which would follow. This would significantly undermine the ability for alignment, collaboration and effective partnership working. Similarly, the proximity in scale between the large county unitary and any new MSA would risk overlapping accountabilities, duplication of effort and potential disagreements over responsibilities.

3.5.6 Unlocking devolution locally and delivering government vision

The approach aligns with the government's devolution agenda by creating a structure that supports a Mayoral Strategic Authority as a unifying entity for LLR. This MSA will oversee strategic functions such as strategic economic development, transport infrastructure, and housing, leveraging key economic assets.

Through discussion with a range of key local stakeholders, we would propose the initial priorities of the MSA should include:

- **Convening power:** Bringing together new authorities and establishing relationships and a collaborative approach to the region's priorities.
- **Infrastructure:** There are significant infrastructure projects that require focus within LLR around road and rail to ensure growth is not stifled.
- **Spatial Development Strategies:** Focussing on long term vision for land use and infrastructure across the region, ensuring coherent regional development, supporting major infrastructure projects and attracting private investment.
- **Skills and employment:** An area requiring focus specifically targeting our sectors with high growth potential and strategic importance. Additionally, focussing on the vital role heritage and tourism play in shaping the cultural identity and economic prosperity of LLR.
- **Local Growth Plans:** Setting out a 10-year economic strategy to ensure driving inclusive economic growth, aligning local priorities and providing a clear investment pipeline.

The proposal aligns with the English Devolution White Paper - GOV.UK vision of Strategic Authorities as functional areas recognised by residents, where Mayors leverage a mandate for change, supported by integrated funding, majority voting powers, and a statutory duty to produce Local Growth Plans. LLR's MSA will drive economic growth by aligning these plans with the 90 development sites currently identified in the area. This aligns with a place-based approach to service delivery. This is demonstrated through the economic growth example outlined below.

Economic growth will be led by the MSA, which will set the overarching vision for prosperity across LLR. The MSA will in partnership coordinate

major infrastructure, housing, and investment strategies, while each principal authority (North Leicestershire and Rutland, South Leicestershire, and Leicester City) will deliver tailored growth plans aligned to their distinct economic geographies. Economic development capacity will be aggregated at council level to ensure strategic focus, resilience, and effective prioritisation. However, delivery will be rooted in neighbourhoods, ensuring that regeneration is locally responsive and inclusive.

The balanced nature of our proposal will enable the Mayor and MSA to lead on the creation of a Spatial Development Strategy with a sensible ratio in terms of the geography for the Local Plans developed by the North, City, South unitary authorities. Proposals for LGR that seek to create two unitary Councils instead of three are likely to stifle the MSA and overlap its strategic leadership not just in terms of Spatial Development Strategies but also other functions.

This place-based approach will connect communities to subregional growth plans, enabling local voices to shape priorities and ensuring that investment reaches market towns, rural areas, and urban centres.

Skills development will be central to this strategy. The MSA will coordinate devolved funding streams such as the Adult Skills Fund, while our principal authorities will work with employers and education providers to deliver Local Skills Improvement Plans (LSIPs). With delivery embedded within neighbourhood footprints, support will be accessible and tailored to local labour market needs. Programmes already delivered through locality teams and Primary Care networks and Connect to Work will be embedded to support people into sustainable employment, contributing to inclusive growth and tackling economic inactivity.

Research undertaken by Leicester University shows that our universities are missing out. In many cases, Mayoral Strategic Authorities are taking on more leadership in place-based research and development (R&D), creating opportunities for universities to have an even greater impact through innovation and knowledge exchange. For example, the West Midlands and Greater Manchester were part of a £100 million deal for Innovation Accelerators, aimed at boosting regional economies through translational R&D.

The MHCLG's interim feedback emphasised the need for clear delineation between strategic and delivery roles, a requirement met by assigning the MSA responsibility for regional planning (in line with government guidance for Spatial Development Strategies to be led by MSAs) and the unitaries for tailored service provision. The chart below demonstrates the different areas of responsibility:

LLR Mayoral Strategic Authority	North, City, South Unitary Council
Economic Framework Development: Vision for Prosperity, Growth Plan, Industrial Strategy, convene regional business voice.	**Economic Development:** Commission programmes, collaborate with business groups, market investment credentials, support growth.
Transport Infrastructure: Strategic planning, enhance M1/ M69, A46, A1 corridors.	**Transport Services:** Maintain highways, ensure road safety, promote Active Travel, implement regional strategy, co-ordinate drainage.
Spatial Development: Co-ordinate economic/housing growth, Affordable Homes Programme, Brownfield Land Release Fund, oversee strategic planning.	**Planning Functions:** Deliver Spatial Development Strategies, set S106 and levy charges for infrastructure.
Skills and Employment: e.g. Adult Skills Fund, Workwell Programme, support LSIPs with data.	**Skills and Employment:** Implement skills programmes, co-ordinate post-16 provision with HE and colleges, align with regional strategy.
Green Economy and Environment: Green Skills funding, align spatial planning with climate resilience, Local Area Energy Plan, Local Nature Recovery Strategy, LLR Flood Mitigation.	**Environment and Flood Management**: Align Local Nature Recovery Strategy with planning, develop Local Flood Risk Strategies, investigate flooding, maintain asset register.
Convening Powers: Mayoral Development Corporations, Land Commissions, budget pooling, General Power of Competence.	**Collaboration:** Voluntary participation in Strategic Authority committees, boards, and projects.
Strategic Public Health: Co-ordination of health and local government partnerships and investment with contribution to 10-year Health Plan for England	**Public Health:** Local contribution to neighbourhood health and prevention model
PCC Function: Police and Crime Plan, convene partners, set budgets, publish performance reports.	**Emergency Response (PCC)**: Participate in Police and Crime Panels for accountability.
Fire Authority Function: Strategic direction, budget setting, ensure legal compliance and efficiency.	**Emergency Response (Fire):** Contribute to fire-related emergency planning and response.
Local Growth Plans: Develop and implement.	**Local Growth Plans:** Deliver tailored plans.

3.5.7 Conclusion

In conclusion, the pursuit of devolution through the North, City, South model under Design Principle 1 represents a critical step towards empowering LLR to address its unique economic, social, and geographic challenges.

By establishing a balanced partnership across the three unitary councils within a new MSA by May 2027, this approach ensures equitable representation and swift decision-making, as strongly supported by businesses and universities.

The parallel implementation with LGR addresses the urgent need for devolved powers in transport, housing, skills, and infrastructure, laying a robust foundation for economic growth. This strategic framework flows seamlessly into Design Principle 2, which builds on this devolution to maximise economic potential through targeted delivery across the region's 90 opportunity sites, set out on the map in the economic distinctiveness section of this proposal.

The emphasis on local insights and functioning economic geographies will drive the high-growth scenario explained in Design Principle 2, adding £23 billion in Gross Value Added (GVA) and 219,000 jobs by 2050. This momentum will be sustained by integrating skills development and spatial planning, ensuring that the MSA's strategic oversight aligns with localised delivery to tackle deprivation and enhance connectivity. Together, these principles promise a cohesive, inclusive growth strategy, transforming LLR into a resilient economic hub while addressing longstanding inequalities.

3.6 Design principle 2: Supporting economic growth, housing, and infrastructure delivery

The North, City, South model is designed to maximise economic growth, housing delivery, and infrastructure development. This will be achieved by harnessing our economic potential working to achieve the ambitions set out in the Industrial Strategy. We will do this by focussing on developing the distinctive economic sectors and assets within the three areas, working with the MSA to deliver future Spatial Development Strategies. This approach will enable long term prosperity for our communities by allowing us to get the maximum sustainable economic impact from the 90 sites.

3.6.1 Background

Our analysis is based on extensive evidence provided by the Economic Intelligence Unit (EIU), which has previously delivered the Midlands Engine Data Observatory, with unique regional insights across the English Midlands. The EIU were commissioned to undertake an independent analysis of the strengths and weaknesses of the North, City, South approach (see Appendix 4).

They have built their analysis on the Oxford Forecasting Model to look at the scale of economic development which is possible through the three unitary model. This work has enabled us to consider how our approach might best support a new Strategic Authority in maximising the economic development of LLR and our wider subregions in the East Midlands, West Midlands and East of England.

The North, City, South proposal is best positioned to deliver ambitious housing and economic growth while supporting the new MSA. Separate north and south authorities will build on existing local strategies, focussing outward to prioritise regional connections: north to the East Midlands (Derby, Nottingham) and south to the West and South Midlands, utilising strong transport links and commuting patterns.

The Leicestershire Strategic Growth Plan, developed collaboratively by all local councils and managed by a joint Strategic Planning Member Advisory Group, outlines a bold agenda for the new councils. Major settlement proposals include Isley Walton (up to 5,000 homes), Six Hills (up to 10,000), and Woolfox (5,000) in the north, and Lindley (3,000), Lutterworth East (2,750), Land West of Stoney Stanton (5,000), Whetstone Pastures (over 5,000), and Norton Heath (up to 10,000, split) in the south, delivering over 120,000 dwellings by 2046.

This growth, alongside employment opportunities, will be supported by current and proposed Local Plans, achieving uniform coverage across

Leicestershire and Rutland by 2027, before the new unitary structure in 2028. These plans address local needs and Leicester City's unmet demand. From 2026, new Spatial Development Strategies under the Planning and Infrastructure Bill will provide a high-level plan for infrastructure, housing, and economic growth, led by the MSA and aligned with Local Plans.

Leicestershire and Rutland are well-prepared for Spatial Development Strategies, with MHCLG recognising their strong collaborative track record and up-to-date Local Plans. The three-unitary model supports the Strategic Mayoral Authority in producing these strategies whilst maintaining aligned Local Plans, ensuring local input and leveraging existing relationships with the development industry. It also provides a check-and-challenge process for sustainable development, unlike a two-unitary approach. The North, City, South model, aligned with economic geographies, maximises devolution powers for infrastructure and transport funding, enabling faster delivery of growth and future Local Plans compared to other, two-unitary options.

The distinctive characteristics of each of the three areas are set out below:

- **Leicester:** Leicester stands out with strong advanced manufacturing, boasting 3,695 vacancies and a high Location Quotient (LQ) of 1.8, showing more concentration and job seeker interest than the UK average. Salaries here are £39,823, 13.8% above the national median of £34,985, with a 5.2% rise yearly. Life sciences also have a high profile with an LQ of 1.5. Compared to North Leicestershire and Rutland, Leicester has fewer logistics jobs but stronger digital tech salaries. Unlike South Leicester's logistics focus, Leicester excels in professional services and visitor economy. Overall, Leicester differs from the UK by its manufacturing strength and higher tech pay, but lags in creative industries and clean energy as key sectors.
- **North Leicestershire and Rutland:** North Leicestershire and Rutland features robust logistics with 2,941 vacancies and a high LQ of 2.0. Salaries are £30,612, 12.5% below national median, but up 14% yearly. Advanced manufacturing is strong, particularly in terms of electrical and mechanical engineering. Compared to South Leicester's even higher logistics LQ (3.6), this area has more balanced professional services (3,253 vacancies) and life sciences (LQ 1.7) sectors. Visitor economy vacancies (3,060) are high but compared to the UK the sector is underrepresented (LQ 0.9). Unlike the UK's broader spread, this region underperforms in digital tech (LQ 0.5) and creative industries (LQ 0.8)
- **South Leicestershire:** South Leicestershire is distinguished by a high representation in logistics, with 3,070 vacancies and an LQ of 3.6, far exceeding UK averages showing intense local specialisation in transport and warehousing. Advanced manufacturing is solid (3,923 vacancies, LQ 1.6). The median salary for roles in South Leicestershire is £31,780, which is 9.1% below the national median of £34,985. Over the past year, salaries have increased by £2,226, representing a 7.1% rise, slightly below the national rate of 7.3%. Unlike North Leicestershire and Rutland's strength in life sciences,

the South has low vacancies and overall representation in this sector (LQ 0.4). This is also true of clean energy (LQ 0.5). Professional services are strong (2,141 vacancies). Compared to the UK, the South is underrepresented in creative industries (LQ 0.8,) and financial services (LQ 0.7), with visitor economy high in demand but featuring a low LQ (0.7). The area differs from Leicester and North Leicestershire and Rutland in terms of its logistics dominance and lower overall salaries, reflecting a more operational, less tech-focussed economy.

The table below shows how strongly each area is represented in terms of the 8 key sectors in the government's Industrial Strategy priority sectors:

Sector	Leicester LQ	North Leicester and Rutland LQ	South Leicester LQ
Advanced Manufacturing	1.8	1.6	1.6
Creative Industries	0.7	0.8	0.8
Clean Energy Industries	1.3	0.8	0.5
Digital Technologies	0.4	0.5	0.5
Financial Services	0.8	0.8	0.7
Life Sciences	1.5	1.7	0.4
Logistics and Transport	0.4	2.0	3.6
Professional & Business Services	1.0	0.9	1.0

3.6.2 Deprivation challenge

Economic opportunity is not evenly distributed across the area. While Leicester is a vibrant urban economy, it also accounts for the highest share of deprivation, with 35.1% of Lower layer Super Output Areas (LSOAs) ranked in the most deprived quintile nationally. This compares to just 2.9% in the North and 0.5% in the South, highlighting sharp spatial inequalities within the region. Additional challenges include:

- **Earnings gaps:** North Leicestershire and Rutland has the highest resident earnings (£36,831), almost matching the UK average. Leicester lags behind on both workplace (£31,965) and resident (£29,839) earnings highlighting structural challenges in job quality and pay. South Leicestershire earnings are £35,399 (residents) and £32,790 (workplace), with respective shortfalls of £2,031 and £4,641.
- **Shifting business landscape:** Business births now exceed deaths in Leicester and South Leicestershire, signalling early signs of recovery and entrepreneurship resurgence. Leicester lost 11.8% of active enterprises in 2023, while the North and South declined by 3.1% and 1.0% respectively. The

LLR wide, unsmoothed GVA per hour grew by 10.8% to £38.98, slightly outperforming both North Leicestershire and Rutland and the national trend.

Taking account of these local economic features and informed by the analysis of the EIU, four strategic opportunities linked to the potential of the North, City, South approach have been identified. These are:

3.6.3 Seizing the opportunity

The Oxford Economic Model shows that by making the most of our economic strengths, we could add £8 billion to the treasury by 2050. Our approach focussed on key economic areas with strong connections to major transport routes (M1, M69, A1, A46, A5), giving us a better chance of success than plans centred on an expanded city or an inward-looking county. Our proposed unitary council footprints enable the creation of local authorities which are close enough to the ground to understand the local context of every site across the portfolio of opportunity sites in the area. Additionally, this operating scale is best placed to engage local people and local businesses and to work actively in partnership with the MSA around a clear focus on delivering its strategic priorities through bringing these sites forward with the private sector for housing and employment.

Our analysis shows that a two-unitary county and city model, which is focussed on administrative rather than economic geographies, is likely to only grow the economy by 40% to 2050. However, a high-growth model based on the unitary council footprints proposed in the North, City, South model could deliver 83% growth. Within the North, City, South model we seek to maximise the key drivers of success through footprints which are based on functioning economic geographies (areas which reflect where people live and work). Our model also recognises and values cross-border relationships which reach into other counties and build upon established partnerships already well developed at the local level, especially with local developers. Key examples include the partnerships between Hinckley and Bosworth and Nuneaton and Bedworth Councils in the context of the M69 corridor, or Charnwood, North West Leicestershire and the surrounding Nottinghamshire and Derbyshire districts in the context of East Midlands Airport and the Freeport.

3.6.4 Unleashing regional prosperity: a clearer path to economic success

To drive impactful economic development, we must establish a sharp distinction between strategy and delivery. Blurring these roles by aligning strategic planning and delivery within the same geographical boundaries creates confusion, muddles priorities, and hampers progress. Under a two-unitary model for LLR, and particularly one which retains the county footprint, it becomes difficult to remain even handed and reconcile competing local priorities across a footprint covering over 1 million people. Smaller unitaries are more able to reflect the priorities of their localities and support the MSA in its

strategy development by providing clear narratives around resource allocation which give everyone a voice.

Our approach involves a three-unitary model that empowers locally focussed delivery vehicles to operate with precision across their subregions. These entities, rooted in their communities, will foster stronger accountability, build robust local partnerships, and deliver tailored outcomes that resonate with their unique economic landscapes. By linking with their wider economic areas such as Nottinghamshire and Warwickshire, they can address specific needs while contributing to broader regional goals.

Complementing this, an LLR-wide Strategic Authority will provide cohesive oversight, ensuring all efforts align with a unified, region-focussed framework. The MSA will spearhead strategic infrastructure projects, harmonise policies, and catalyse growth across the entire region, creating a powerful synergy between local action and regional vision.

This clear division of labour (local delivery paired with strategic coordination) unlocks greater efficiency, accountability, and impact, setting the stage for sustainable economic prosperity across LLR. It also reduces the risk of missing hidden deprivation in rural areas, social isolation, poor social mobility and poor access to services.

3.6.5 Sustainable growth

To achieve our ambitious development goals, we must foster good growth that creates a wealth of new jobs in resilient sectors, supports sustainable population growth, and enhances quality of life for all. By partnering with the MSA, we can ensure equitable growth that uplifts not only our major settlements but also our rural communities, creating thriving economies and vibrant places to live across the entire region and ensuring that our communities do not get overlooked or left behind.

A three-unitary model is critical to this vision. Unlike a two-unitary structure, which risks over-centralising resources and decision-making, a three-unitary approach empowers locally focussed delivery vehicles to tailor development to the unique needs of their subregions. This structure prevents the marginalisation of smaller or rural areas, ensuring that economic benefits and infrastructure improvements are distributed equitably. It promotes greater local accountability, enables deeper community engagement, and supports agile, place-specific solutions that a two-unitary model cannot match.

Our approach recognises the potential of the region's rich blue-green infrastructure of rivers, canals, green spaces, and natural assets to drive sustainable growth. By embedding these assets into our development plans, local delivery bodies of our scale can better create growth that respects and enhances our environment, ensuring new jobs and housing coexist harmoniously with our local environment.

The MSA will provide cohesive oversight, aligning local efforts with a unified regional framework to maximise impact and deliver infrastructure that powers sustainable prosperity across LLR. Our independent economic assessment highlights a report which identifies the importance of this aspect of our agenda. The monetary value of natural capital in Leicestershire alone has been estimated at £388 million annually, with agriculture (£180 million), recreation, water supply, air quality, and climate regulation providing the largest flows of ecosystem services (LLEP High-Level Natural Capital Strategic Assessment, 2021).

This model, rooted in local empowerment, equitable growth, and environmental stewardship, sets a bold course for a thriving, resilient future for all our communities.

3.6.6 Empowering Leicester

Leicester stands as a vital economic and cultural hub, with commuting patterns comparable to other East Midlands cities, underscoring its strategic importance. Despite its dense population, Leicester can thrive within a cohesive regional economic framework led by an LLR-wide Strategic Authority. Our vision ensures Leicester's growth is achieved through collaboration, not by overshadowing or absorbing its partners.

Leicester's unique spatial footprint and distinct deprivation challenges demand a tailored approach. A three-unitary delivery framework offers the best path forward, allowing focussed, place-specific solutions that address Leicester's needs while fostering equitable growth across the region. Unlike a more centralised model, this structure ensures Leicester's challenges such as deprivation and urban density are tackled with precision, while rural and suburban areas also benefit from localised delivery led by their own authorities.

By working collaboratively, building on initiatives like the sector-specific enterprise zones (there is one in each proposed unitary authority), we can unlock transformative economic potential. Growth projections produced through the Oxford Economic Model indicate a 59% increase in GVA and a 46% surge in jobs for Leicester based on its current geographical footprint. This is achieved by a complementary North and South unitary model. This will deliver £2.9 billion in benefits to the Treasury by 2050, which is Leicester's contribution towards the £8 billion which the North, City, South model could deliver overall.

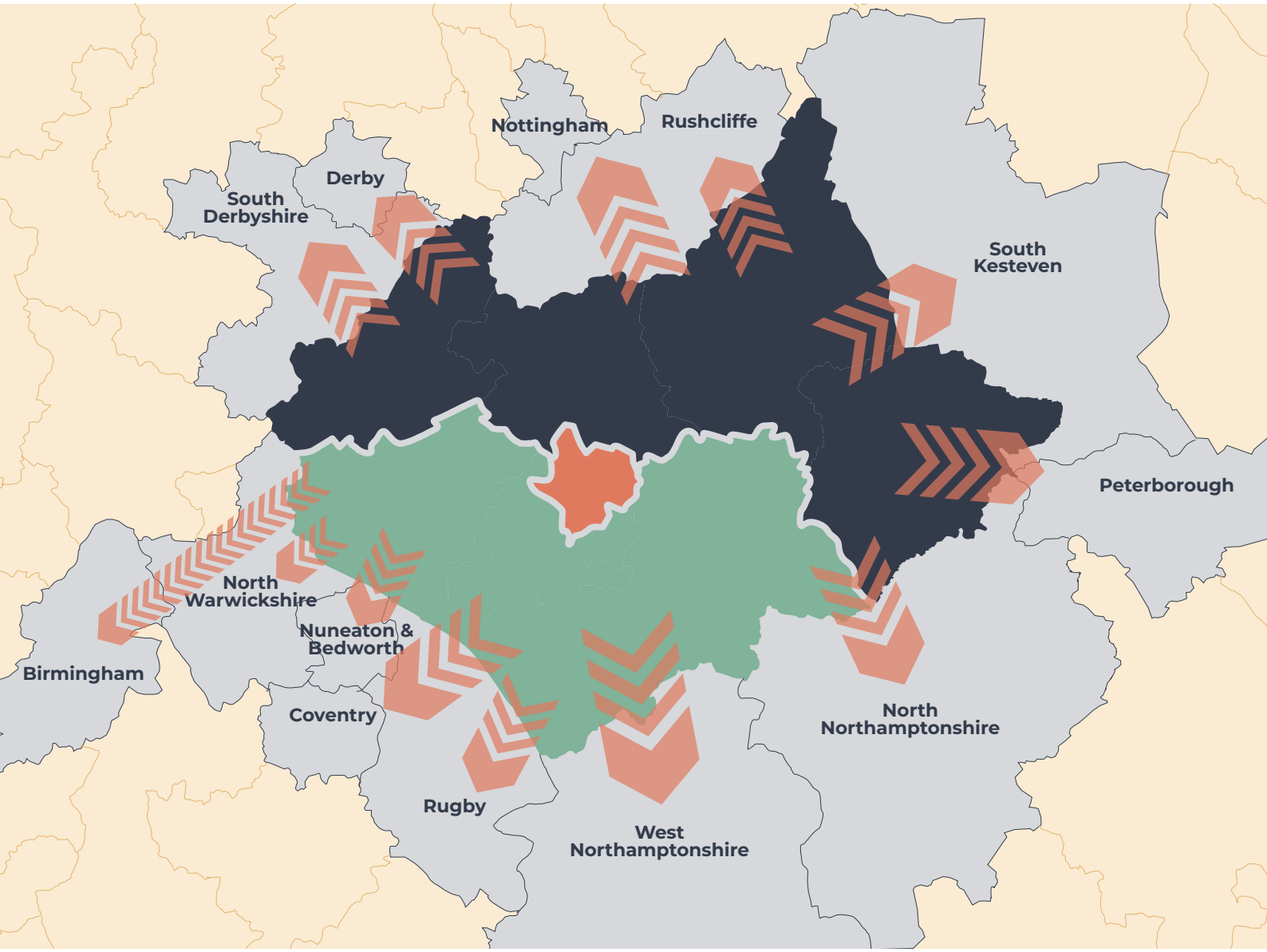
This model positions Leicester as a dynamic engine of regional growth, not an isolated core surrounded by underserved areas. Our approach strengthens Leicester's role as a vibrant driver of prosperity, ensuring shared success across the entire LLR region.

3.6.7 The importance of our wider links

The EIU analysis also presents a very distinctive picture of the economic setting of the three areas showing their external connectivity to their northern and southern hinterlands with the M1 corridor (north) and M69 corridor (south) as key drivers of economic geography. Other key opportunity areas such as the A1, A5 and A46 are important in this context.

The map below shows the scale of commuting to the respective hinterlands of the north and south areas. The arrows are shown in proportion to the volume of commuters to each of the areas into which they travel for work:

Travel to work commuting flows



Functioning Economic Geographies

Main commuting flows outside of the subregion are set out in the table below:

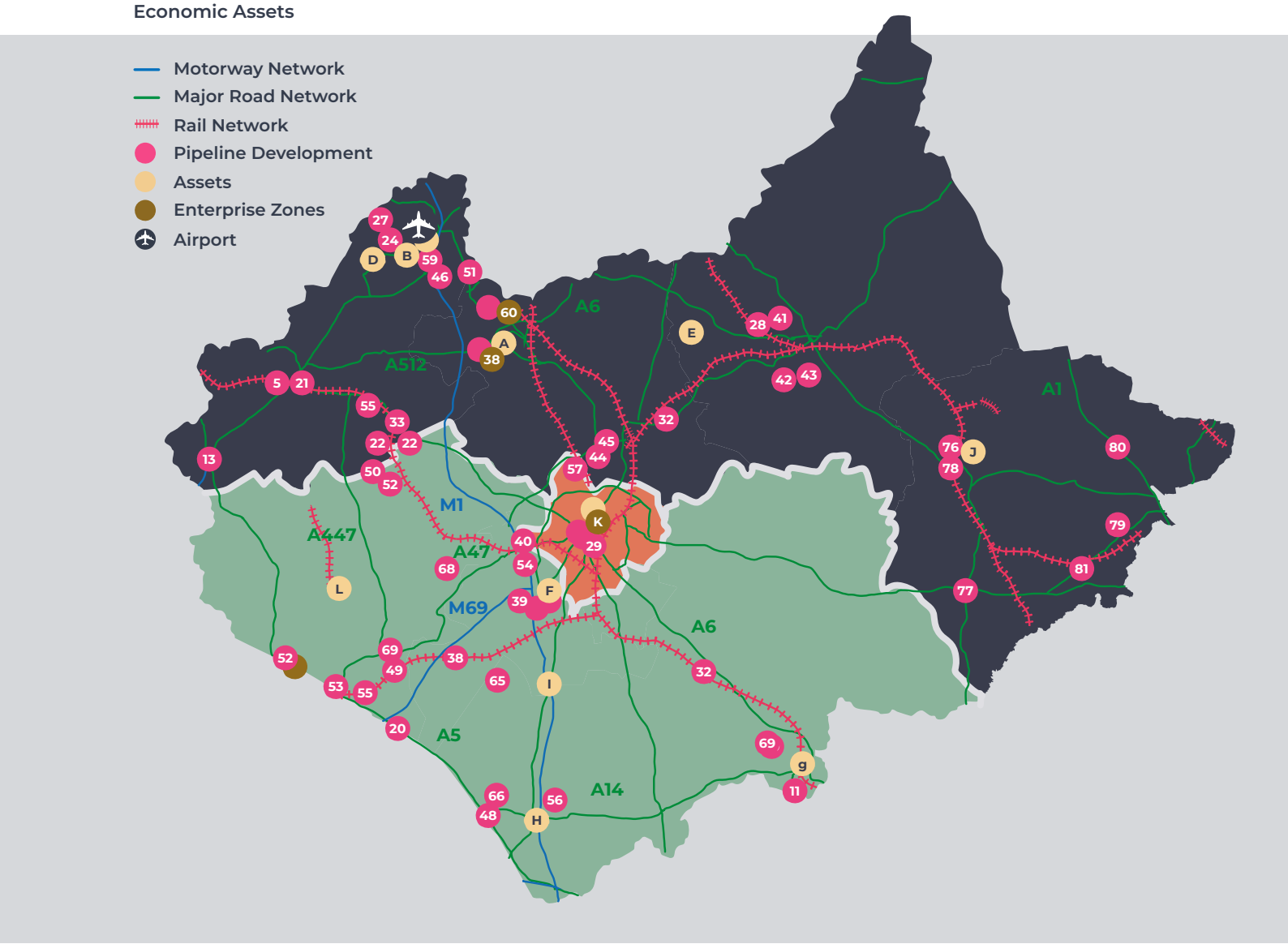
Home Location	Work Destination	Percentage that travel to Work Location	GVA (£m)	Employment nt Rate	Jobs	Workplace Earnings (FT)	Enterprises
North Leicestershire & Rutland	South Derbyshire	5.3%	£3,112	82.0%	34,000	£36,580	4,380
	Derby	4.9%	£9,226	69.9%	136,000	£39,748	8,360
	South Kesteven	4.5%	£3,381	71.2%	55,000	£32,682	6,265
	Nottingham	4.2%	£12,900	72.0%	210,000	£33,080	10,445
	Rushcliffe	4.2%	£3,684	76.7%	48,000	£33,003	5,410
Leicester	West Northamptonshire	5.9%	£15,792	77.5%	216,000	£37,310	20,165
South Leicestershire	West Northamptonshire	4.8%	£15,792	77.5%	216,000	£37,310	20,165
	Nuneaton & Bedworth	4.6%	£2,669	77.2%	45,000	£32,451	3,950
	North Northamptonshire	4.4%	£8,806	76.7%	152,000	£34,598	16,855
	Coventry	4.1%	£11,804	72.9%	166,000	£37,523	11,790

Our model of a north and south authority structure which recognises the opportunities around the wider gravitational pull of these corridors provides the best chance of realising the economic potential of LLR.

3.6.8 Our economic assets

The area is uniquely positioned to capitalise on a wave of exceptional opportunities, driving forward job creation and economic growth across key sectors. With a robust pipeline of over 90 investable propositions, the region is at the forefront of growth in infrastructure development, advanced manufacturing innovation and the creative industries. These sites naturally divide between north and south as shown on the map below:

Economic Assets



The development of assets such as Charnwood Campus (Life Science Cluster), Leicester Waterside (space sector), and MIRA Technology Park (Automotive research and development cluster) showcases its potential to lead in sustainable technologies and industrial innovation. If the pipeline is delivered in full, these projects could collectively add over £12 billion in GVA and 219,000 jobs to the economy by 2050. This approach enables delivery of the government's Industrial Strategy and positions LLR as a driver for growth through the North, City, South model.

3.6.9 Forecasting future growth

Baseline forecasts from the Oxford Economic Model to 2050 point to moderate growth across LLR, but suggest that the region will fall further behind national benchmarks without intervention.

Under the standard growth path, the region's economy grows steadily but modestly. Total economic output (measured as Gross Value Added or GVA) is expected to rise by about 40% from £28.91 billion in 2025 to around £40.5 billion.

This translates to a 30% increase in GVA per person, lagging behind the UK's projected 41% rise. Job numbers would grow by just 6%, adding roughly 36,000 roles, while the population increases by 9-10% across sub-areas like North Leicestershire and Rutland (to about 435,000 people) and South Leicestershire (to 403,000). Productivity (how much value each worker generates) improves by 31-34%, but persistent challenges like skills gaps and uneven infrastructure mean the region falls further behind national averages. For instance, North Leicestershire and Rutland would see GVA reach £14.2 billion (up 38%), but growth slows after 2035. South Leicestershire lags with a 30% per-person rise, reflecting slower progress in addressing inequalities.

In contrast, the high growth path accelerates everything by enabling the delivery of the 70 key sites referenced above to their maximum potential. This involves stimulating investment in creative industries, advanced manufacturing, and infrastructure.

Under this scenario GVA nearly doubles, soaring 83% to £52.76 billion and outpacing the UK's 44% baseline. This adds £23 billion more than standard growth, driven by projects creating hubs for innovation and sustainable tech. Jobs surge by 36%, generating 219,000 new opportunities in sectors like logistics, finance, and clean energy. Population booms by 30% overall, with North Leicestershire and Rutland growing 40% to over 500,000 residents, attracted by better prospects. Productivity jumps 33-35% per worker, closing gaps with the UK, while GVA per person rises 35-51%, up to £35,305 in the North and £36,366 in the South.

For Leicestershire and Rutland, this means transformative benefits. Standard growth maintains stability but risks widening divides, with lower incomes (like Leicester's household income already £7,700 below UK average) and missed opportunities in rural areas.

High growth fosters inclusive progress: more high-skilled jobs reduce unemployment, boost household earnings, and enhance quality of life through better connectivity, green spaces, and education links. It could deliver £7.87 billion extra to government coffers via taxes, plus £2.33 billion from fuller employment, funding public services. North areas gain from tech parks, South from logistics hubs, creating a balanced, resilient economy.

Ultimately, delivering high growth through the North, City, South model could turn the region into a national leader, but it requires coordinated investment to overcome barriers like digital divides and deprivation. These will be best enabled by locally insightful, focussed authorities, working in functioning economic geographies with the MSA taking the strategic lead.

3.6.10 Glossary of key terms

Due to the technical nature of this section a simple glossary of terms is set out below:

- **Location Quotient (LQ):** A measure comparing the concentration of a sector or occupation in a local area to the national average; LQ > 1 indicates strength, LQ < 1 suggests underrepresentation.
- **Oxford Forecasting Model:** A tool used to predict economic growth potential, applied here to assess the North, City, South unitary model's impact.
- **Gross Value Added (GVA):** The total economic output value a region generates, used to measure growth and productivity.
- **Functioning economic geographies:** Areas defined by where people live and work, shaping effective economic planning across county boundaries.
- **Blue-green infrastructure:** Natural assets like rivers and green spaces, leveraged for sustainable growth and environmental benefits.

3.7 Design principle 3: Right size to secure financial efficiencies, improve resilience and sustainability, and remain responsive to local needs

The North, City, South model proposes three unitary councils designed to balance financial efficiencies with responsiveness to local needs, addressing the government's criterion for councils to be the right size to achieve efficiencies and withstand financial shocks. While slightly below 500,000 population in size, they have distinctive and sustainable footprints which justify their proposed configuration. It also establishes the basis for pragmatic implementation of a "Safe and Legal Plus" Day 1 service structure ensuring the most vulnerable residents are protected while establishing the organisational blueprint for long term service transformation, innovation, and a neighbourhood prevention model.

3.7.1 Background

The three-unitary model aligns with LLR's diverse demographic and service demands, ensuring tailored service delivery. It very strongly aligns with the key sub-geographies of local authorities, health and wellbeing boards, primary care networks, police neighbourhoods and parish councils.

3.7.2 Financial efficiencies

The mid-range estimate for financial efficiencies of our three-unitary model is estimated to be a gross £44m per year. This is a cautious estimate which does not yet factor in the decisions still to be made between now and March 2028 in the existing ten councils. Of course, it can only represent our vision of the opportunity available; local decisions in the new councils will determine the actual direction they take in terms of corporate priorities.

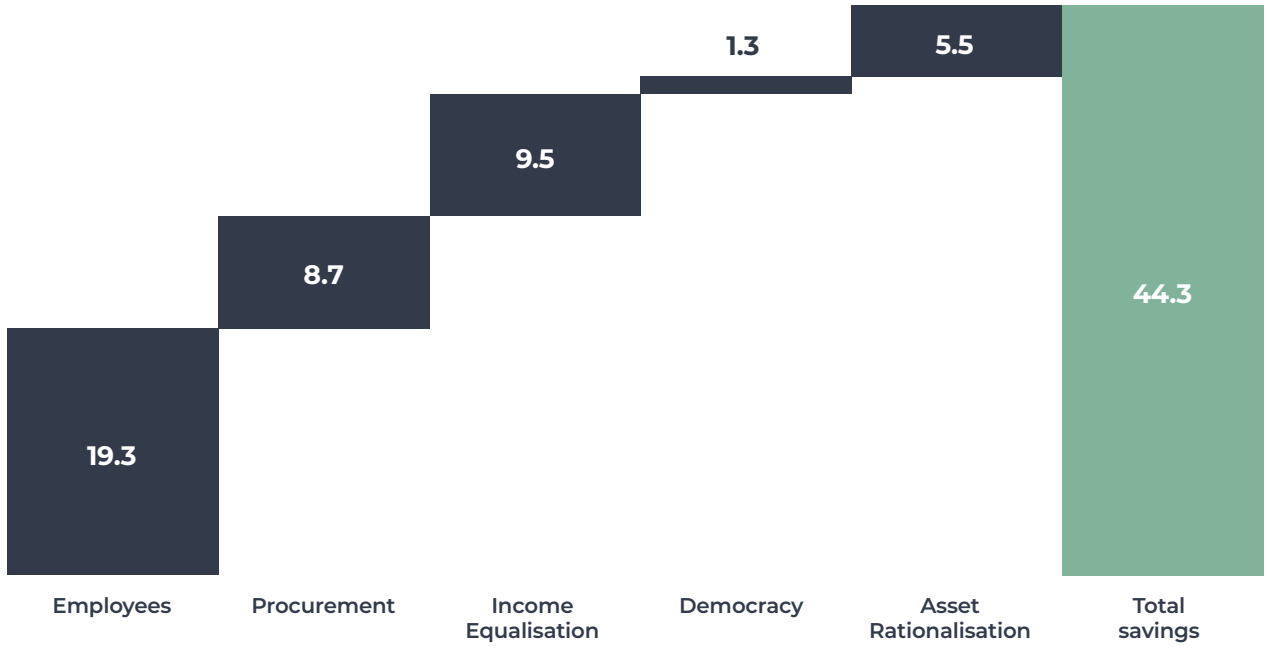
Our proposal builds on the work completed on the financial efficiencies and sets out a ten-year financial sustainability model (FSM), using the well-trodden path of existing Medium Term Financial Strategy formats. The foundation of our FSM is substantial investment, funded by the financial efficiency savings, in our Neighbourhood Prevention model. Using nationally accepted estimates of the return on investment, we will prevent future demand pressures outstripping our population, and therefore funding.

Given the extremely challenging financial climate in local government since austerity in 2010, significant investment in a prevention strategy has simply not been affordable, given pay-back is not entirely immediate. The initial efficiency savings from LGR, in our case £44m, alongside our collective healthy reserves and modest debt, is a unique opportunity to fundamentally change the delivery model.

The following table shows the £44m savings split across the main saving opportunity by the North and South. Only the savings directly from LGR are included below. The wider transformation work leading to financial sustainability also have savings affecting these opportunities. As these generally affect later years, they have not been included below. We have not factored in any specific savings either in the County or the City services. Overview of assumptions applied for financial efficiencies:

Summary financial efficiency of LGR	North £000	City £000	South £000	Total £000
Savings				
Employees	(8,463)	0	(10,859)	(19,322)
Procurement	(5,901)	0	(2,799)	(8,700)
Income equalisation	(5,527)	0	(3,973)	(9,500)
Democracy	(644)	0	(619)	(1,263)
Asset rationalisation	(2,750)	0	(2,750)	(5,500)
Total Savings	**(23,285)**	**0**	**(21,000)**	**(44,285)**
Costs (all one-off)				
Asset review project	500	0	500	1,000
Transition	10,050	0	10,050	20,100
Total Costs	**10,550**	**0**	**10,550**	**21,100**
Net Cash Flow	**(12,735)**	**0**	**(10,450)**	**(23,185)**

Summary of LGR Efficiency savings from the North, City, South proposal (£m)



- **Employee costs:** Savings will be delivered through service integration and consolidation. An underlying assumption applied is the recognition of the existing three top-tier councils and it is assumed that there will be proactive vacancy management, training and development, to minimise compulsory redundancies. Savings of £19.3m against the existing employee costs of £510.5m equate to 3.8%.
- **Procurement efficiencies**: Savings of £8.7m will be achieved from increased economies of scale for commissioning and procurement, asset rationalisation running costs, and standardisation of systems compared to existing district functions. No savings have been assumed for social care. A stretch target would suggest an opportunity in excess of £20m over the longer term, though the more prudent target of £8.7m has been modelled.
- **Income equalisation:** Investigation of fees and charges shows a wide variety of charges. Analysis of government returns show that there are volume and pricing differences to income generation. It is estimated that there is an opportunity for each new authority totalling additional income of £9.5m against current income total is possible (although some of that may be from reduced costs, depending on future demand, for example, for planning applications). Just over 80% could be generated from development control planning fees, off-street parking, and green waste charges. Appendix 2 provides more detail as to why we have included this as an efficiency from LGR rather than opportunity now.
- **Democratic savings:** The model assumes 196 councillors across the three unitaries (from the current 384). This will save £1.3m against current costs.
- **Asset rationalisation:** Reducing existing debt burdens to new authorities, reducing property revenue running costs, and capital receipts to fund the transition costs of LGR. Estimates are based on a 15% target disposal programme which equates to £75m (15% of £500m realisable assets based on the 2023/24 Statement of Accounts).

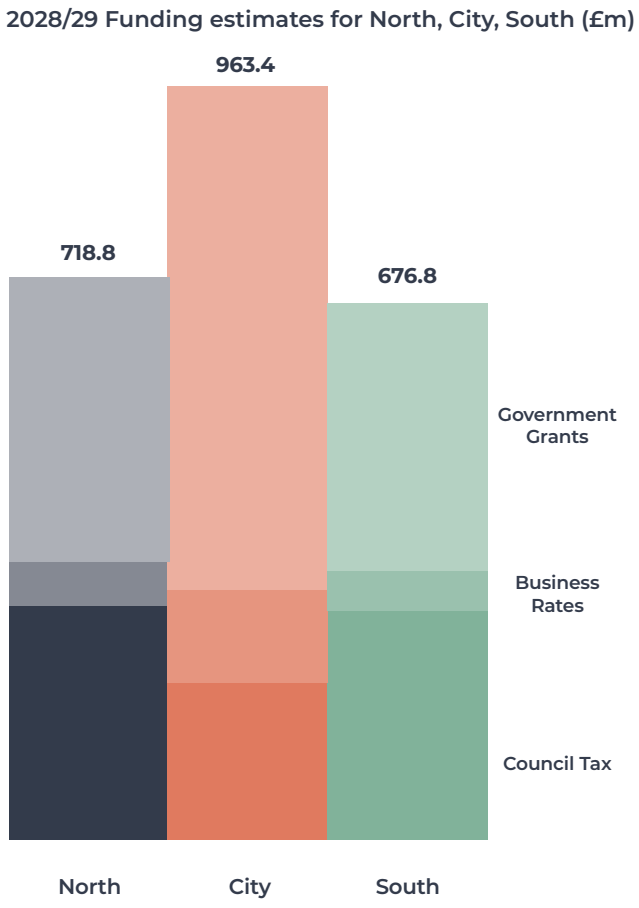
In overall terms, the phasing of these savings is as follows with the methodology used in calculating these savings set out in detail in Appendix 2, and further explanation of the transition also detailed in Section 5.

Summary financial efficiency of LGR	2026/27 £000	2027/28 £000	2029/30 £000	2030/31 £000	2031/32 £000	2032/33 £000	2034/33 £000	Total £000
Savings								
Employees	(8,463)	0	(10,859)	(19,322)	(8,463)	0	(10,859)	(19,322)
Procurement	(5,901)	0	(2,799)	(8,700)	(5,901)	0	(2,799)	(8,700)
Income equalisation	(5,527)	0	(3,973)	(9,500)	(5,527)	0	(3,973)	(9,500)
Democracy	(644)	0	(619)	(1,263)	(644)	0	(619)	(1,263)
Asset rationalisation	(2,750)	0	(2,750)	(5,500)	(2,750)	0	(2,750)	(5,500)
Total Savings	**(1,400)**	**(3,300)**	**(25,849)**	**(9,536)**	**(1,400)**	**(2,000)**	**(800)**	**(44,285)**
Costs (all one-off)								
Asset review project	500	500	0	0	0	0	0	1,000
Transition	950	3,800	10,725	4,150	475	0	0	20,100
Total Costs	**1,450**	**4,300**	**10,725**	**4,150**	**475**	**0**	**0**	**21,100**
Net Cash Flow	**50**	**1,000**	**(15,124)**	**(5,386)**	**(925)**	**(2,000)**	**(800)**	**(21,185)**

Council Tax Harmonisation

The three unitary model presented here enables harmonisation of council tax levels in each of the three regions, with differing council tax in each of the three councils. Harmonisation is one of the 'must do' requirements from government, although each of the two new authorities will be able to decide if that is harmonised in one year or over several years. The approach modelled supports and reduces the risk of 'inequity' which reorganisation inherently presents.

While Council Tax equalisation brings no additional income into the Leicestershire local government system, by using the assumption that harmonisation occurs within one year this proposal enables the new authorities to create certainty about their finances and provides residents with equity from day one.



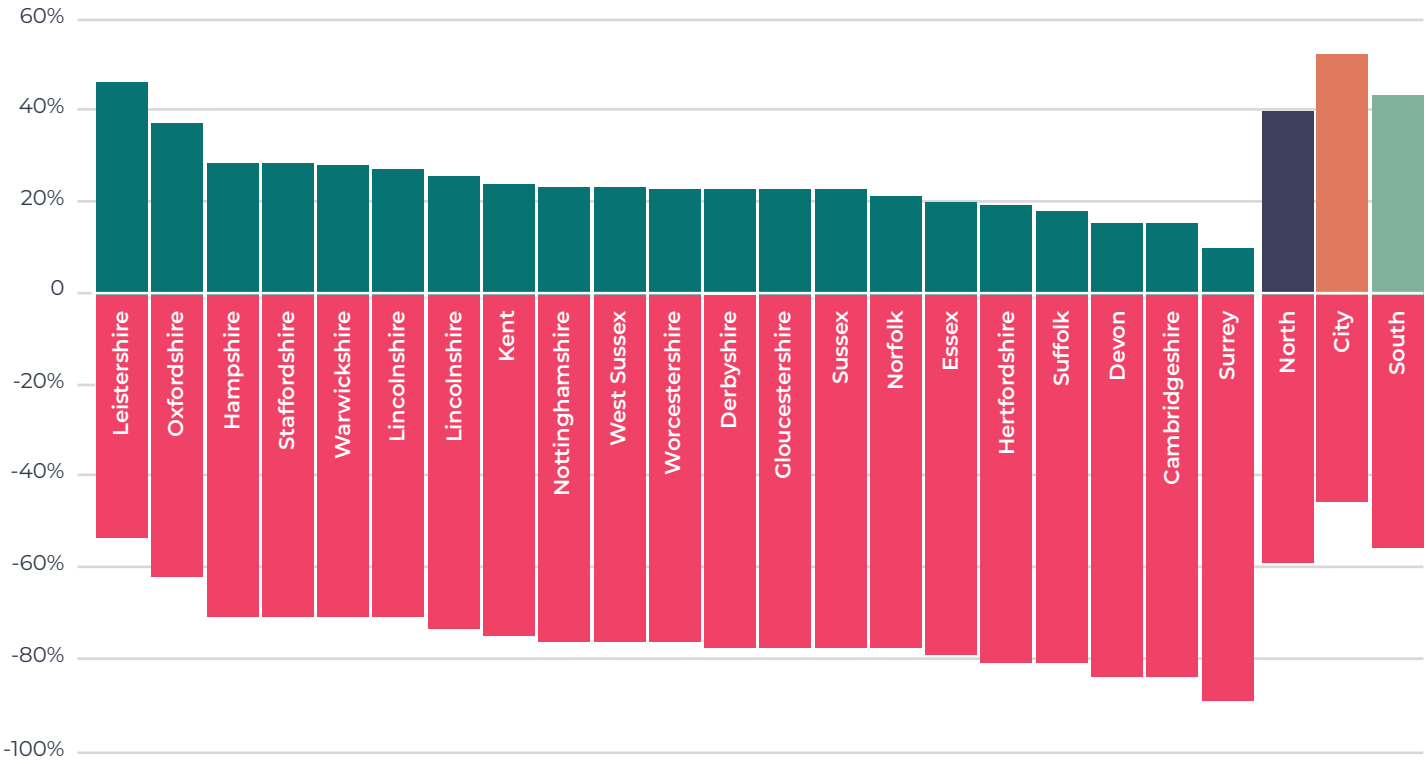
Our Annex 1 shows the Council Tax income and the tax base assumptions contained in the model. The following chart illustrates the total general funding across the three unitary areas of council tax, business rates and government grants and how the balance of funding for each authority supports financial sustainability for these new authorities.

Financial Sustainability

As we stated in our phase one submission, the future financial sustainability of each of the three new councils will be intrinsically linked to the balance sheet health of the existing ten authorities. Our Appendix 2 clearly shows the good financial health of the existing councils, with the highest reserve levels and lowest debt, of all the LGR 2028 areas (as illustrated in the chart below). We are not battling to repair a poor balance sheet or be at risk of a Section 114 notice, unlike many other councils. This means we are not using the LGR efficiency savings to plug enormous budget gaps, which allows us to reinvest some, but not all, of those savings in managing future demand.

The existing councils are reporting budget gaps each year leading up to April 2028. By law, these must be closed each year. This is likely to be achieved through a mix of efficiencies, reserves or reduced service levels. We have made the very unlikely, but most prudent assumption, that the gaps will be closed by the use of reserves. The consequence is that after some known adjustments to the reported budget gaps, the new councils start with a collective budget gap of £109m. Without significant reductions in service from day one, this gap cannot be closed overnight. Our modelling shows that it will take three to four years to clear that gap.

Comparison of LGR authorities % of Reserve and Debt% to Net Revenue Expenditure 2023/24

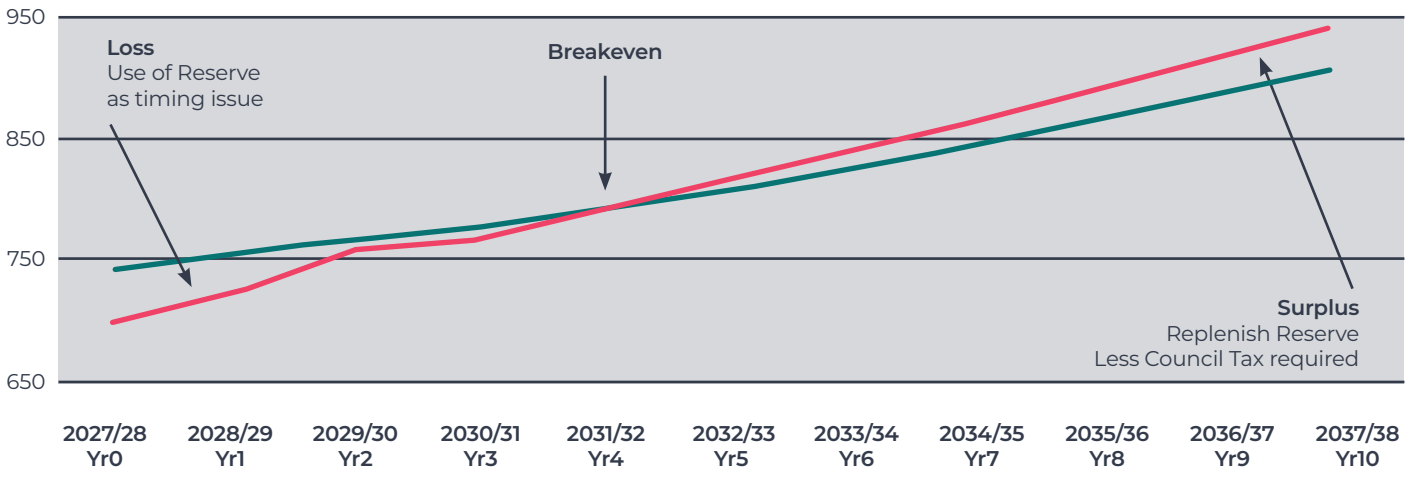


Our Housing Revenue Account plans are detailed in Annex 2 and by consolidation of the current District HRAs, we can provide an additional 700 social rent homes in the North and 450 in the South, of good quality and environmental integrity at affordable rents. Good quality housing is a crucial foundation to keeping residents safe and healthy, with more disposable income, that reduces pressure for the state to intervene in their lives

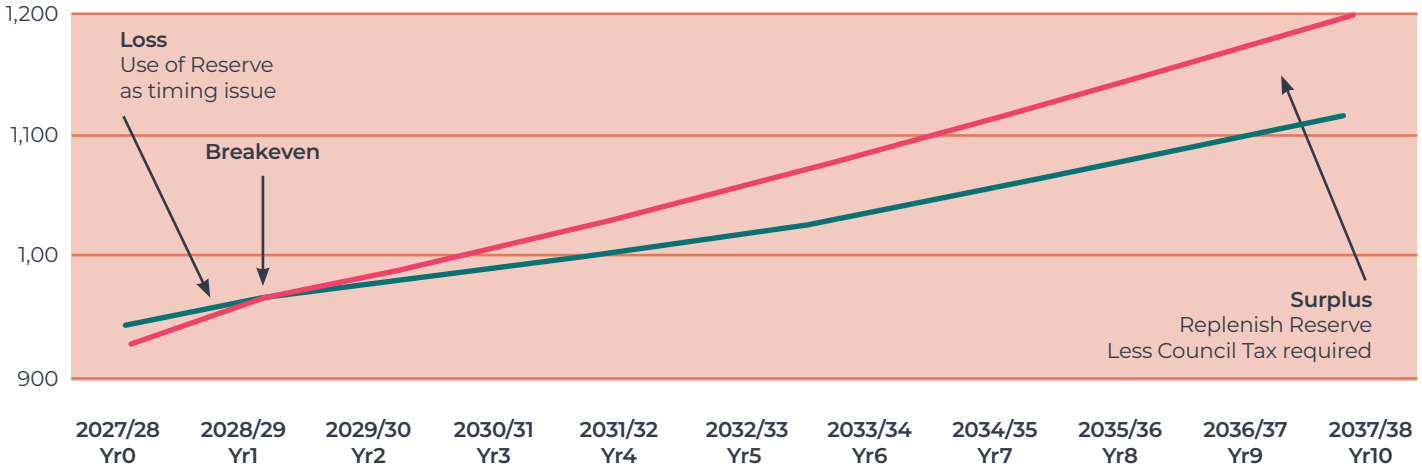
Our ten-year financial sustainability plans for the North, City and South are detailed in Appendix 2. Our starting point was the 2023/24 RO data, and we have used the 2024/25 and 2025/26 RA data to inform the modelling in those two years. These illustrate where the existing councils intend(ed) to spend their budgets in those two years. We have then modelled our expectations on funding and costs, MTFS style, to arrive as a starting position for the three new councils, as at 1 April 2028.

The results of the detailed financial calculations in Appendix 2 are illustrated by the following three graphs.

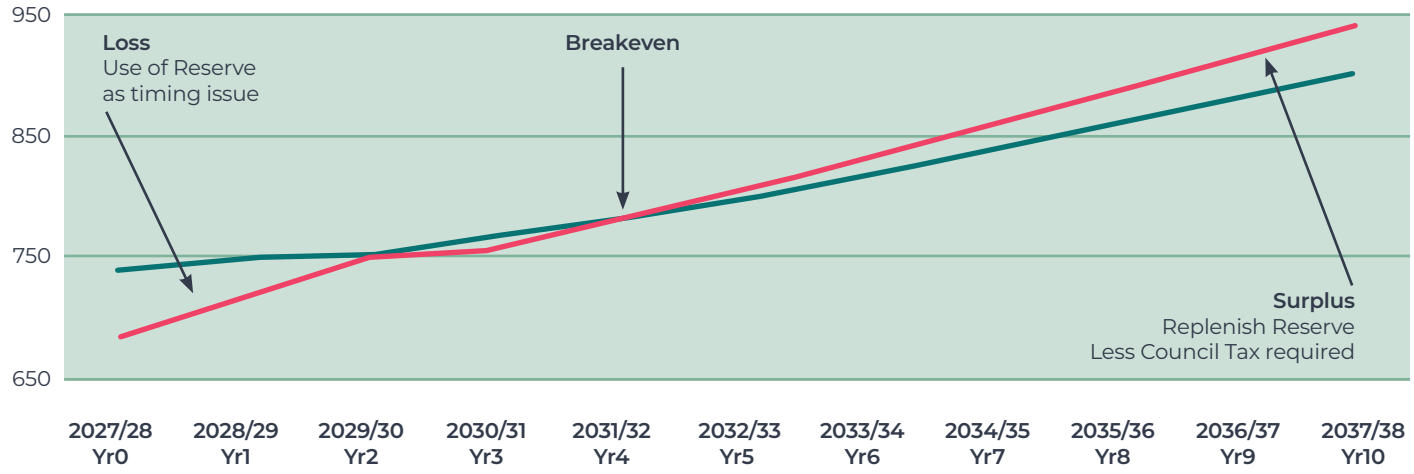
North authority Expenditure & Funding from 2027/28 to 2037/38 (£m)



City authority Expenditure & Funding from 2027/28 to 2037/38 (£m)



South authority Expenditure & Funding from 2027/28 to 2037/38 (£m)



From a starting point of having budget gaps on 1 April 2028 of around £109m (although in reality we expect the gap to have closed considerably by then), the three councils will be in surplus within two to four years without reliance on Reserves. This includes assumptions around demand pressures and inflation, investments and resulting savings (with no changes to eligibility or standards of service delivery). Our annual MTFS movements are shown in Appendix 2. These are annual increases or reductions, not an aggregation of figures.

Financial sustainability can be achieved without service cuts, across the three proposed councils, by investing where appropriate, the savings from financial efficiencies into our neighbourhood prevention model.

Transition Costs and Funding Approach

The estimated cost of transitioning from ten councils to three is £20m, with the majority (£12.0m) allocated to redundancy and pension strain. Other key costs include ICT harmonisation (£3.0m), project team support (£2.9m), and expert advice (£2.2m). Expenditure will peak in 2028/29, reflecting the timing of workforce changes and system integration.

To support service continuity, significant investment will be made in establishing the neighbourhood prevention model (described in Section 3.8) during the first three years. This will create approximately 230 new posts, which will create redeployment opportunities for staff at risk of redundancy. Natural turnover, vacancy management (vacancy factor 3% currently at the county council) and strong HR policies will be critical to minimising compulsory redundancies and maintaining safe, legal services throughout the transition. Notably, the £19.3m savings from deleted posts represents less than 4% of the 2023/24 employee spend across the ten councils.

Transition costs will be funded primarily through capital receipts from an asset review programme, supported by £1.0m for external expertise. In addition, the financial model includes £100m of prudential borrowing to ensure affordability of investments linked to asset disposals and ICT harmonisation. This borrowing level is flexible given the councils' modest debt profile. No disaggregation costs have been included, reflecting existing three council upper-tier infrastructure, and while this carries a slight risk, the overall approach remains prudent.

The financial modelling does not incorporate any assumptions relating to the Mayoral Strategic Authority (MSA), as there is currently insufficient detail to reliably inform such modelling. The MSA is recognised as a critical factor in shaping the future financial landscape. While no direct provision has been made in the model, it is considered that there is sufficient flexibility within existing reserve balances and / or the potential to increase receipts from planned asset disposals to provide transitional support for devolution-related changes if required.

Further information on transitional arrangements and assumptions are contained in Section 5 with the results of the detailed financial calculations in Appendix 2.

3.7.3 Establishing 'Safe and Legal Plus' Day 1 Service Structure and Organisational Blueprint

Managing risks associated with the disaggregation of services, delivering service continuity, meeting statutory obligations and ensuring the wellbeing and protection of the most vulnerable members of our communities are absolute priorities for vesting day and beyond. But we also want to ensure that we go beyond compliance and establish the organisational foundations which will enable reforms which foster public trust, are co-produced with our communities, and enable future innovation and the transformation of public services. Section 3.8 explains how the organisational operating model embeds prevention-based neighbourhood delivery which underpins our long-term strategy for innovation and transformation.

We will adopt a "safe and legal plus" approach; the components of which are based on guidance from industry models (such as Cipfa and F3 Consultancy).

1 An integrated programme to create the new Unitary Councils including disaggregation, aggregation, assets and staff	**6** Resources made available to the programme in a timely way by all partners Councils
2 A clear definition of scope, managed under robust programme and performance management	**7** Delivered by a programme team with clear roles and responsibilities
3 Define clear deliverables and targets for each stage of the programme	**8** The cost of the programme shared equally across all Councils
4 Service / team / function convergence and transitional management structures in place for Day 1	**9** Sequencing and formal key decisions by each sovereign Council in a timely manner to support delivery of the programme
5 Clear and shared accountabilities for decision making with robust governance and reporting	**10** The close down of each Council is the responsibility of each Sovereign Councilbut will be managed via the overall programme

3.7.4 Effective Management of Aggregation and Disaggregation

Principles for Safe and Effective Transition: The creation of new unitary authorities inevitably involves both the aggregation of district/borough services and the disaggregation of county-level services. The eight Councils recognise that while these processes carry inherent risks, they also present significant opportunities to improve service delivery, strengthen local accountability, and drive innovation. Our approach is informed by sector best practice, including lessons from previous reorganisations and is underpinned by the following principles:

Continuity and Safety: Ensuring that all statutory and critical services remain safe and legal on Day 1, with no disruption to residents or service users.

Phased Transition: Adopting a pragmatic, phased approach to both aggregation and disaggregation, with clear timelines and milestones.

Stakeholder Engagement: Involving staff, unions, partners, and service users in the design and implementation of new service models.

Evidence-Based Planning: Using robust data on demand, capacity, and workforce to inform transition plans.

Transparent Governance: Establishing clear governance structures, including a joint transition board, to oversee all aspects of service transfer.

Case Study: Cumbria's Social Care Disaggregation

In 2023, Cumbria successfully transitioned from a two-tier county council and districts to a two-unitary model, requiring the disaggregation of adult and children's social care. Key to success was the establishment of a joint transition board, retention of common policies and ICT systems for the first year, and a phased approach to workforce and contract transfer. This ensured continuity for service users and staff, with divergence only after robust assurance was achieved. Lessons learned from Cumbria have directly informed our approach, particularly the importance of early workforce engagement, detailed mapping of demand and capacity, and external assurance of ICT readiness.

Sectoral Expertise: Research commissioned by the District Councils' Network in collaboration with both Impower and the Staff College set out clearly the mechanisms through which both adults and children social care services can be effectively and safely disaggregated, but also the opportunity for more transformative approaches, delivered at the right level of geography. We fully embrace these opportunities. This research shows there is no link between size of council and the quality of its social services provision. It recognises the prevention superpower held by smaller council footprints due to their deep-rooted connections with communities. The North, City, South model recognises this is a requirement and 'enhances this superpower' through its prevention model.

It is also important to highlight that there is no credible LGR solution within LLR, whether 2 or 3 unitary, which achieves a balance of populations, and which would not require significant disaggregation of county council services. Our proposal seeks to retain 3 social care authorities across LLR, with the infrastructure and expertise already in place (across the City, County and Rutland). Our proposal would therefore seek to redistribute and rebalance operational delivery across the existing 3 social care authority architecture. This would limit the risk concerned with disaggregation and enable a co-ordinated and shared approach to risk associated with potential service disruption.

Compliance with Legislation and Safeguarding Statutory Duties: All transition and implementation activities will be undertaken in strict accordance with relevant legislation and statutory guidance. The safeguarding of vulnerable children and adults is a non-negotiable priority, and all statutory duties will be maintained without interruption. Statutory officers will be in post from Day 1, and all existing statutory safeguarding partnerships and regulatory compliance arrangements will remain robust and effective throughout the transition, with robust governance arrangements in place.

Current Challenges in Leicestershire County Council's People Services: Leicestershire County Council faces a range of significant challenges in delivering adult social care, children's social care, and education services. In adult social care, the recent CQC inspection rated the service as "requires improvement" across most domains, highlighting issues such as long waiting lists, gaps in extra care and supported living, and workforce pressures. The ageing population and increasing complexity of need are driving demand, while financial constraints and difficulties in recruiting and retaining staff add further strain. There is a clear need to improve integration with housing, health, and community services to deliver prevention and support people to live independently for longer.

In children's social care, high demand for statutory intervention, placement sufficiency issues, and workforce challenges are placing pressure on the system. The council must strengthen early intervention and family support to reduce the number of children entering care, while also addressing rising demand for SEND support and specialist placements. Ensuring robust safeguarding arrangements and effective multi-agency working remains a priority.

Education services are similarly challenged by rising demand for SEND support, attainment gaps for disadvantaged pupils, and the need for effective school place planning in the context of population growth. Transport pressures, particularly for pupils with SEND and those in rural areas, and the need for improved integration between education, social care, and health are also key issues.

These challenges underscore the need for a new approach that enables more locally responsive, integrated, and prevention-focussed services, supported by robust workforce strategies and strong partnership working across the new unitary authorities.

Approach to maintaining and Improving Performance in Adult Social Care: The 8 Councils are committed to ensuring that the current performance of Leicestershire County Council's adult social care services is maintained as a minimum standard through transition, but with a clear ambition for continuous improvement. A comprehensive baseline of current performance—including learning from the recent CQC assessment, statutory returns, and key performance indicators—will be established prior to transition and used as the benchmark for ongoing monitoring.

All statutory duties under the Care Act 2014 and associated legislation will be met from Day 1, with the Directors of Adult Social Services (DASS) in post and clear lines of accountability. The "safe and legal plus" approach will ensure that all safeguarding arrangements, including Multi Agency Policies and Procedures and Safeguarding Adults Boards, remain robust and effective throughout transition.

Where the most recent CQC assessment has identified areas for improvement, the new authorities will implement targeted action plans to address any areas of improvement remaining on transfer from the County Council, drawing on sector best practice and external support, such as Partners in Care and Health. Performance will be monitored monthly, with independent external assurance commissioned at key milestones to verify that standards are being maintained or improved. Service user and partner feedback will be actively sought and used to drive further improvement.

Approach to maintaining and Improving Performance in Children's Social Care: The new authorities will build on the strong foundations that Leicestershire County Council and Rutland County Council already have in delivering children's social care services, with no reduction in quality or statutory compliance. The model will focus on good outcomes for children and families, in line with Ofsted Inspection frameworks and relevant statutory guidance. Robust performance management arrangements will remain, as they currently are, at a local level and through the safeguarding partnership arrangements.

We will have an operating model in place which ensures the delivery of core statutory functions pertaining to children's services from Day 1, with a Director of Children's Services (DCS) in post and robust safeguarding arrangements in place. This will include the continuity of Local Safeguarding Children Partnerships and Multi-Agency Safeguarding arrangements, in line with the reforms, ensuring adherence to statutory guidance under families first reform. Rutland County Council's Intention is to work collaboratively with Leicestershire County Council in implementing Families First reforms to

ensure consistency and, as solutions require both health and police, this will require similar/same solutions that work for all partners.

There will be clear accountability for safeguarding responsibilities, which will be retained and maintained throughout. Performance and improvement plans will be regularly reviewed and monitored.

Approach to maintaining and Improving Performance in Education:
The new unitary authorities will ensure that the current performance of Leicestershire County Council's education services is maintained as a minimum standard, with a commitment to continuous improvement. A baseline of current performance, including Ofsted ratings, attainment data, and statutory returns, will be established prior to transition and used for ongoing monitoring.

All statutory duties relating to education, including those under the Education Act 1996 and Children and Families Act 2014, will be met from Day 1, with the Director of Children's Services (DCS) responsible for education functions. The transition plan will include reference to the schools white paper and delivery of reform for SEND which Local Authorities will be required to lead alongside schools.

Commitment to securing positive outcomes for children and families:
The most recent Ofsted inspection (April 2024) rated Leicestershire County Council's Children and Family Services as outstanding overall, with particular strengths in leadership, support for children in care and care leavers, and the quality of relationships with children and families. Inspectors praised the authority's culture of putting children's experiences and progress at the heart of social work practice, and noted the positive impact of a stable, well-supported workforce.

The only area identified for further improvement was ensuring that families involved in child protection court proceedings fully understand the process and that decisions are made in a timely way. Senior leaders have already committed to addressing this recommendation as part of their continuous improvement approach.

The latest Ofsted inspection (April 2024) rated Rutland County Council's Children and Families services as good overall. Leadership was recognised as being strong and areas for improvement included sufficiency of places to live for children in care and care leavers, which is a national problem which requires working together through regional collaboratives, for example:

The new unitary authorities are committed to maintaining and building on this outstanding performance. Key actions will include:

- **Retaining and supporting the current workforce:** All staff, including those in statutory roles, will transfer to the new authorities with continuity of terms and conditions, and will be supported through induction, training, and ongoing professional development.
- **Preserving leadership and culture:** The new authorities will ensure that the strong, child-focussed leadership and culture of high aspiration are embedded from Day 1, with clear lines of accountability and robust governance.
- **Maintaining Ofsted standards:** The baseline for service delivery will be the current Ofsted standards, with regular monitoring against key performance indicators and external assurance at key milestones.
- **Continuous improvement:** Children's Services need to continually learn and adapt. Children's Services will maintain a culture of shared learning and improvement, drawing on best practice and feedback from children, families, and staff.
- **Safeguarding and partnership working:** Safeguarding arrangements, including multi-agency partnerships, will remain robust and effective, with a focus on early help, prevention, and timely intervention.

By adopting these measures, the new authorities will ensure that children and families continue to receive outstanding services throughout and beyond the transition, with no reduction in quality or statutory compliance.

Approach to "Disaggregation" – Including the realignment of the current three Social Care Authorities to the new geographies

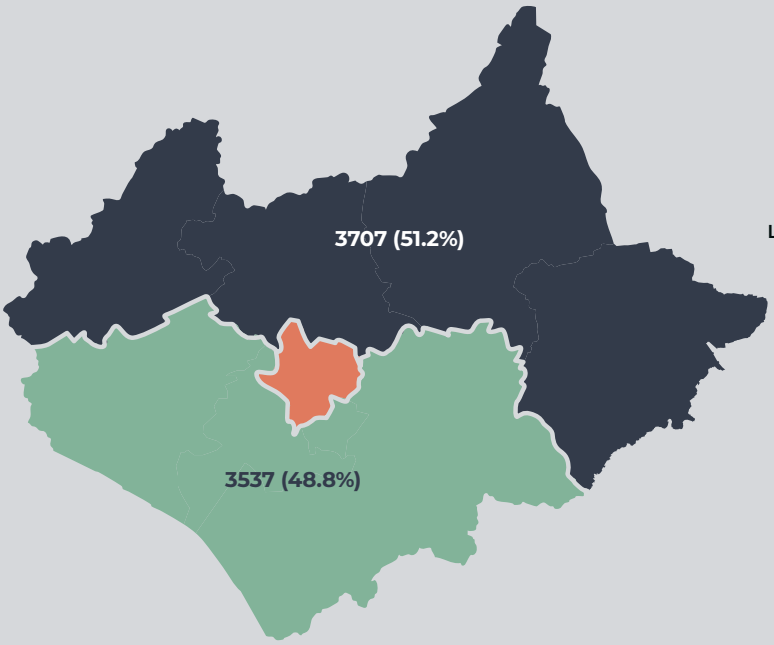
To support the establishment of the North and South Unitary councils, disaggregation will be required for all services currently delivered at county level, including:

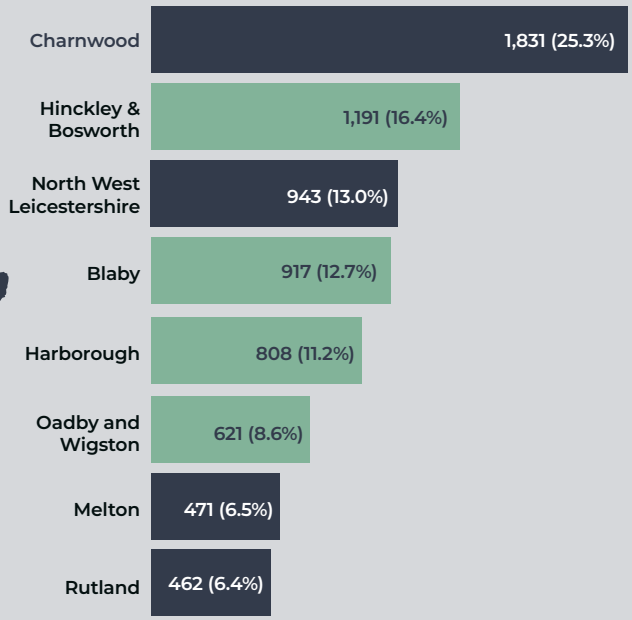
- Adult social care
- Children's social care
- Highways and Transport
- Lead Local Flood Authority
- Libraries/Culture/Museums
- Public health
- Schools / education
- Trading Standards
- Waste Disposal

Transition Principles:

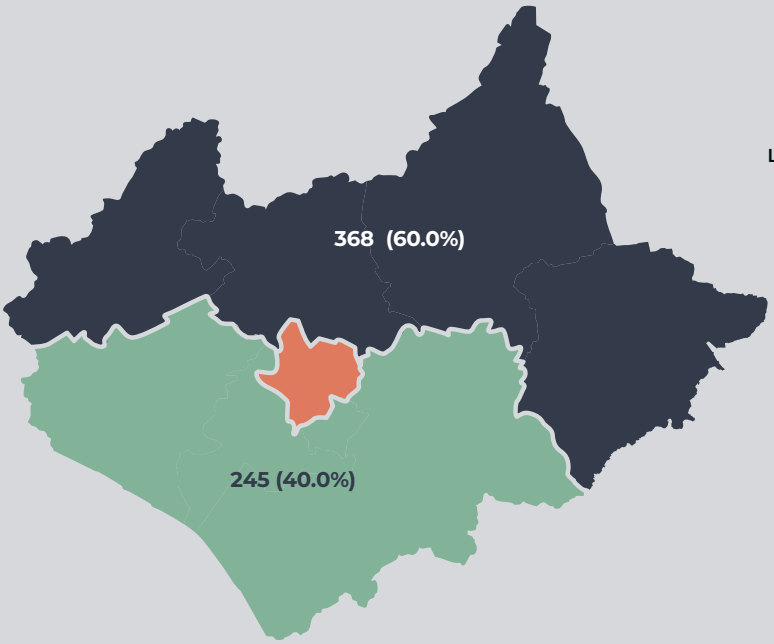
- **Day 1 Continuity:** All critical services will retain common policies, practice models, and ICT systems across North and South for at least the first year post-vesting day. Divergence will only occur after robust assurance and stakeholder engagement.
- **Joint Transition Board:** A board comprising representatives from both new authorities, staff, and service users will oversee the disaggregation process, ensuring transparency and shared learning. This board will manage key risks identified as part of any disaggregation processes.
- **Demand and Capacity Mapping:** Detailed mapping of current caseloads, provider networks, and workforce capacity in both North and South will inform resource allocation and risk management.
- **Workforce Strategy:** Early engagement with staff and unions, proactive recruitment and retention measures, and the establishment of a social care academy if required, will ensure workforce stability.
- **Performance and Quality:** Ongoing monitoring of service performance, with external validation where appropriate, will ensure that standards are maintained or improved throughout the transition.
- **Ensuring clear democratic and managerial accountability:** Robust and clear governance of the Reorganisation programme will ensure that all decisions and actions to deliver this will be monitored and risk manage to ensure a smooth transition to the new unitary arrangements.

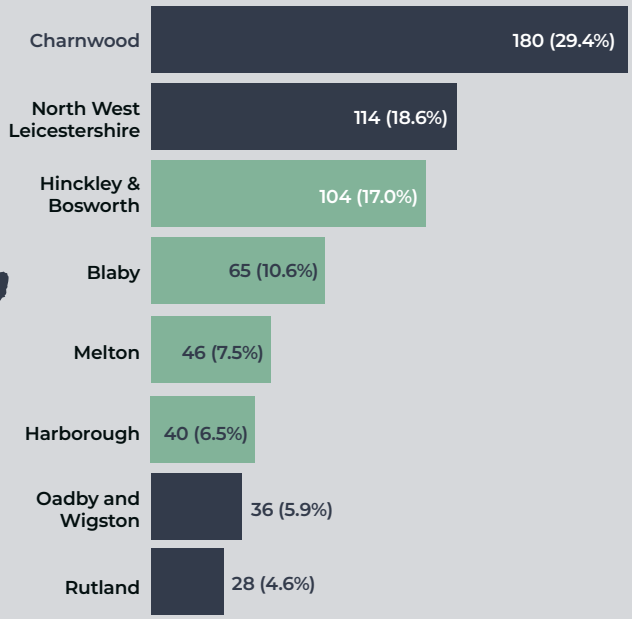
Adult Social Care Users





Children In Care





3.7.6 Services to be Aggregated

Within the two new unitary councils (North and South), aggregation of services currently provided at a district or borough level will be required. These services include:

- Housing (including landlord functions / HRA)
- Homelessness and rough sleepers
- Environmental Health
- Climate and environmental services
- Waste collection
- Planning
- Health, Leisure and Tourism
- Economic Development/Growth
- Assets and property services
- Community Safety
- Revenues and Benefits
- Community Development
- Corporate (back office) Services

Approach to Aggregation:

- **Day 1:** Services will transfer 'as is' to the new authorities, ensuring continuity and minimising disruption.

- **Year 1:** Comprehensive service reviews will be undertaken to identify opportunities for aggregation, efficiency, and improvement, linked to the wider transformation programme described in Section 3.8 below.

- **Year 2+:** Phased aggregation of services, prioritised by risk and potential benefit, drawing on lessons from previous reorganisations, where sequencing of aggregation avoided disruption and maximised early wins. The transformation programme will be overseen by a Corporate Aggregation Board.

The benefits of service aggregation will include:

- **Rationalisation of Structures** and reduction in duplication - A refinement to the number of direct service delivery teams will unlock financial benefits and offer improvements in the efficiency of service delivery and customer experience.
- **Focus on Economies of Scale** in procurement and service delivery - By combining services, authorities can achieve operational cost savings.
- **Place-Based Partnerships:** - Large, multi-agency partnerships with the capacity and resilience to deploy resources into neighbourhoods, and aligning with the prevention model set out in Section 3.8 below
- **Increased resilience and capacity** – few single points of failure and greater resilience, particularly in specialist areas e.g. housing management and environmental health.

3.7.7 Opportunities for a larger delivery footprint

Some services will benefit from being delivered across a larger geography. This could improve outcomes and offer efficiencies of scale. The involvement of Leicester City Council partnering in these services will be considered.

Criteria for considering subregional or regional delivery:

- Complexity and cost of service
- Need for specialist skills or infrastructure
- Potential for improved outcomes through collaboration

We will draw on successful models from other areas, such as regional adoption agencies and will work with partners to identify further opportunities for collaboration.

Areas for further investigation include:

- Audit
- Specialist Care functions such as:
  - Integrated Hospital Discharge Hubs
  - Specialist residential care
  - Special school provision,
  - Adoption and fostering recruitment,
  - Youth justice and exploitation services
- Emergency Planning and Resilience
- Workforce academies

3.7.8 Integrating ICT Systems

Day one transfer of ICT systems and records is key to ensuring our services are safe and legal and residents do not experience disruption and to ensure service continuity. Our approach includes:

- **Early ICT Audits:** Comprehensive audits of all systems, including case management, finance, and customer management platforms, to identify risks and opportunities for rationalisation.
- **Data Security and Dual Running:** Ensuring data security, staff access, and system integration are tested and assured prior to vesting day, with dual running where necessary.
- **External Assurance:** Commissioning independent ICT readiness reviews to provide assurance to all stakeholders.
- **Digital Transformation:** Leveraging the transition as an opportunity to invest in digital, AI, and data systems that support efficient, customer-focussed service delivery.

We recognise that technology is evolving quickly. Our model takes this seriously, making preparations to ensure that digital, AI, data and technology systems and functions are:

- Well understood
- Cyber-secure and resilient
- Properly resourced for delivery, transition and data transfer

- Able to support the safe and reliable transition of organisations and services
- Ready to help teams to embrace the opportunities for efficiency, productivity, service transformation and enhanced customer experience

We are confident of operational advantages, benefits and opportunities in a North, City, South model through the use of new and existing systems, technologies, and software. We have considered the costs of aggregating and disaggregating services and changing the technologies used to underpin the services they deliver and the costs of implementation, innovation and investment to save opportunities.

In summary, our approach to aggregation and disaggregation is robust, evidence-based, and informed by sector best practice.
We have identified a number of risks relating to aggregating and disaggregating services; these include service disruption during transition, loss of institutional knowledge, workforce instability (recruitment / retention), ICT integration and data transfer, loss of local accountability, financial pressures from transition costs and stakeholder resistance to change.

By adopting a phased, risk-managed transition, engaging stakeholders at every stage, and learning from successful reorganisations elsewhere, we are confident that we can deliver safe, legal, and improved services for all residents of Leicester, Leicestershire, and Rutland.

3.8 DESIGN PRINCIPLE 4 - Enables high-quality, prevention focussed and sustainable public services which support wider public sector reform

Our model for Local Government Reorganisation LGR is designed to deliver high-quality, sustainable, and prevention-focussed public services. This principle responds to MHCLG's call for detailed plans on how proposals maximise public service reform opportunities, particularly through prevention-based models for social care and public health. It represents the "plus" element of the Safe and Legal agenda set out above and will be achieved through a three-year transformation programme.

3.8.1 Background

The North, City, South approach commits to meaningful prevention and early intervention. It will enable high-quality and sustainable services through which services and partnerships can best empower and support people and communities.

Our model offers agile, locally embedded, prevention focussed services spanning all of local government functions and partnerships and enabling integration of functions that are naturally fragmented in the current two-tier system. This will improve customer journey, experience and outcomes.

Additionally, by supporting residents earlier, including those who may not meet social care thresholds, and by coordinating targeted assessment, commissioning and support, we aim to reduce demand on high-cost services.

There is a wealth of evidence that demonstrates the outcomes and benefits of a prevention focussed approach that recognises the importance and impact of social, economic and environmental factors in determining health outcomes. The design of the North, City, South model reflects and builds upon well-established models including Dahlgren and Whitehead (Wider Determinants of Health), and the Wisconsin Population Health Model, and commits to designing and investing in services where prevention is embedded as a reality, rather than an aspiration. Analysis by the Local Government Association (LGA) confirms that investment in prevention services delivers high social returns, including reduced care and health demand.

With a focus on four areas of service demand (social and economic factors, health behaviours, clinical care, physical environment) we intend to shift focus from reactive clinical care to proactive measures that strengthen communities, support people to live and age well and reduce long term service pressures.

Our prevention-led approach will make integrated, prevention led service delivery the norm, and will bring together a wide range of practical, community rooted initiatives that support independence and wellbeing, delivered in partnership with key agencies and the Voluntary and Community Sector (VCS). Building on existing strengths and maximising opportunities for enhanced collaboration, simplified delivery arrangements and impact, we will ensure continued commitment to things such as:

- Social prescribing and community connection
- Active wellbeing, leisure, exercise and falls prevention
- Befriending, volunteering and community resilience
- Mental health outreach and support
- Welfare and financial support
- Community safety
- Employment and skills
- Housing support
- VCS commissioning and empowerment in neighbourhoods

By placing prevention at the core of our three-unitary model, we will build a financially sustainable, socially inclusive, and outcomes-driven system where housing, health, social care, and community resilience services operate seamlessly together. Our approach addresses the wider social, economic, and environmental determinants of health, ensuring these factors are embedded in both strategic planning and local delivery.

Our transformation plan (see Section 5) is designed to achieve measurable efficiencies and outcomes, including £44 million in annual savings and long-term sustainability through a prevention-led model. Through a digitally enabled, community focussed, and integrated framework, we will reduce costs, improve wellbeing, and create a blueprint for resilient, thriving communities by 2040. Each new authority will implement a robust evaluation framework to assess baseline service demand, define stretch prevention targets, and track progress in both outcomes and cost savings across service areas.

Our approach will manage risks around disaggregation and aggregation, as shown in principle 3 (Section 3.7). A further transition period will enable deeper integration of social care, housing, and health, aligning with government priorities and wider public sector reform. While social care presents the greatest sustainability challenge, disaggregation offers a unique opportunity to redesign care and support, strengthen neighbourhood aligned service delivery, and better connect housing and wellbeing initiatives.

3.8.2 Delivering Against the Government's Outcomes Framework and Aligning with National Reform Ambitions

The North, City, South approach will deliver on the ambitions of a range of national public reform programmes and priorities, including the NHS 10-Year Plan, Family First, and Better Start; all of which aim to shift from reactive, crisis-driven services to proactive, preventative, and integrated support rooted in local communities. Additionally, our model supports a range of government ambitions and priorities:

NHS 10 Year Plan	Aligning service delivery with neighbourhoods enables joined-up working across health, care, education, police, and voluntary sectors, directly supporting a focus on place-based care and population health. This will help identify needs early, prevent avoidable hospital admissions and promote independent living
Family First	The Family First reform underpins our commitment to multi-agency Family Help Teams, which bring together social work, health, education, and policing to deliver consistent, relationship-based support at the neighbourhood level. These teams provide early, coordinated help and empower families through family group decision making, ensuring children remain safely within decision making.
Better Start	Better Start reforms aim to give every child the strongest start in life. Our neighbourhood model brings together early years services, health visiting, parenting support, education, housing, and welfare to meet local needs, reduce inequalities, and support school readiness and long-term wellbeing.

Additionally, our model supports a range of Government ambitions and priorities:

Safer Streets	Integrating children's services and Family First Partnerships with community safety teams, enabling multi-agency prevention panels to identify, assess, and support vulnerable young people at risk of criminal involvement
'Kick Starting a Decade of Social Housing'	Our strong strategic housing focus, bolstered by council landlord services and a commitment to invest in housing and strengthen national strategic partnerships, positions us to support the Government's ambitions - and adaptability in housing, while contributing to national house building priorities
Modern Industrial Strategy Get Britain Working White Paper	Good health and meaningful employment are key to prevention. Employment boosts wellbeing, resilience, and self-determination, alignment with the UK Government's 80% employment target and is supported by national strategic ambitions. Through our partnership with Midlands Strategic Alliance, we've embedded economic growth into our neighbourhood model, reinforcing the vital link between health, work, and prevention in Leicestershire and Rutland.

Together, these reforms and national priorities call for a system that is responsive, preventative, and rooted in place. Our approach delivers exactly that by aligning strategic oversight at the council level with neighbourhood-based delivery, we ensure that national ambitions are realised locally. It will also deliver a robust, comprehensive and integrated response to the emerging MHCLG Local Government Outcomes Framework. Our model combines strategic council oversight with agile, neighbourhood-level delivery, ensuring timely, targeted support for children, families, and adults across all communities.

3.8.3 North, City, South: Positioned to Support Wider Public Service Reform Outcomes

Our model offers a commitment to support and enable wider public service reform across LLR, particularly for complex systems including health and criminal justice. At Unitary Council and MSA level, we will work with our public sector partners to make the most of public service reforms for our places, through:

- ✓ **Strategic Alignment and Co-Design:** We will seek to align and co-design place-based approaches to integrate health, housing, social care, and criminal justice services. Working with a shared purpose across common priorities, we aim to drive system-wide outcomes, enhancing accountability and impact.
- ✓ **Efficiency and Resource Allocation:** We will seek to enhance efficiency and impact of and resource allocation, for example by ensuring that commissioning arrangements are streamlined to align with local needs and avoid duplication. We will also ensure that data, systems and insights can

be used most effectively to support shared understanding and to influence decision making, targeted intervention and outcomes.

- ✓ **System Leadership and Shared Purpose:** Unitary Councils will be key partners in the wider system, and will ensure roles are distinct from the MSA, fostering collaboration and integrated approaches (particularly in housing and health). We will build purposeful partnerships with police, probation, and the voluntary sector as new entities but built on trust and existing foundations. We will work collectively across councils to advance shared priorities, drive innovation, and improve outcomes on cross-cutting issues
- ✓ **National Policy Alignment and Reform Readiness:** Our approach means that we will be ready to embrace devolution, enabling the MSA to take on devolved powers and funding to support innovation, growth and devolved accountability as soon as possible. The alignment of North, City, South with other national reform priorities creates a solid foundation upon which wider reforms can be supported end enabled – if we don't make the most of reform, LLR will miss out.

Together, these reforms and national priorities call for a system that is responsive, preventative, and rooted in place. Our approach delivers exactly that by aligning strategic oversight at the council level with neighbourhood-based delivery, we ensure that national ambitions are realised locally. It will also deliver a robust, comprehensive and integrated response to the emerging MHCLG Local Government Outcomes Framework. Our model combines strategic council oversight with agile, neighbourhood-level delivery, ensuring timely, targeted support for children, families, and adults across all communities.

3.8.4 Delivering Services at the Right Level of Geography at different levels of geography: big enough to deliver close enough to respond.

The North, City, South approach has been designed on the basis that it will be big enough to deliver, and close enough to respond to community needs. By establishing three unitary councils, focussed on local distinctiveness, this ensures services are tailored to LLR's diverse needs, delivering long-term savings and improved outcomes. It achieves this through a focussed approach, avoiding the need to balance competing regional interests within a larger authority.

Our service delivery model and partnerships enable responsive, efficient, and continuous support across neighbourhood, unitary council, and subregional levels. By aligning services locally and strategically, we will have a resilient, prevention-focussed system. This is crucial for the future of social care. This whole-system approach drives public sector reform and ensures joined-up, safe, and cost-effective services for children, families, and adults, balancing efficiency with local responsiveness and strategic leadership.
Our model will be aligned to the following service delivery approaches:

- **Subregional delivery:** Including high-cost, low-volume services and functions that benefit from shared infrastructure and cross-boundary coordination. Complex and high-cost services like residential care, secure placements, and therapeutic interventions, are best delivered through subregional partnerships which can maximise the scale available to support regional commissioning approaches and enabling efficiency, equity and sustainability. The Families First Partnership (FFP) reform exemplifies this model, promoting collaboration across councils to deliver consistent, high-quality care. Subregional delivery will also extend beyond Local Authority borders to support wider public service reform (with NHS and ICB's, Police, Education Providers, Voluntary and Community Sector).

- **Unitary Council Level services:** Strategic oversight and management of specialist functions that require consistent standards, statutory compliance, and economies of scale. These services are typically complex, statutory, or resource-intensive, requiring specialist expertise, strategic oversight, and infrastructure that cannot be efficiently replicated in every neighbourhood but ensures that specialist support is aligned with local priorities and delivered in a way that complements community-based efforts. Key considerations include:
    - Specialist expertise and legal compliance: Many functions, such as AMHP duties or SEND case management, require professionals with advanced training and an in-depth understanding of legislation. Our model ensures that these services comply with statutory frameworks and that complex regulations are applied consistently across the system.
    - Economies of scale and cost-effectiveness: Services such as specialist safeguarding and complex protection arrangements or emergency care. Delivering these functions centrally will allow us to deliver services on a larger scale, negotiate better contracts, manage retention and recruitment, and ensure sustainable budgets.
    - Strategic oversight and quality assurance: Our Councils are uniquely placed to monitor performance across the system, ensure consistency of practice, and implement robust quality improvement plans. This includes setting and maintaining safeguarding standards, overseeing regulated care provision, and supporting workforce development.

- **Neighbourhood aligned services:** Which understand and respond directly to the needs of communities, enabling us to respond quickly to locally assessed needs and to collaborate most effectively with local partners. Effective prevention relies on responsiveness to local conditions and collaboration with partner agencies and community organisations, to identify risks early and co-produce strengths-based solutions, reducing demand on statutory services. Unitary Council services will remain closely aligned with neighbourhoods, demonstrating strong collaboration with public sector and voluntary partners and deep understanding of community contexts trusted relationships. detail on our neighbourhood delivery is included in Principle 5.

The table below provides examples of our proposed alignment against these three arrangements for service delivery in a health, wellbeing and social care context:

Subregional	• Multi-Agency Safeguarding Oversight • Integrated Safeguarding Partnerships (Local Safeguarding Boards and Multi-Agency Public Protection Arrangements) • Specialist residential care and special school provision • Adoption and fostering recruitment (regional approach to widen pool of carers / matching success) • Cross border coordination of youth justice / exploitation services • Therapeutic services • Alignment and interoperability of data and ICT systems • Integrated Hospital Discharge Hubs - unified protocols and clinical pathways • Integrated Community Equipment Loan Service - centralised procurement, logistics and equitable access
Unitary Council	• Customer Contact - the first point of contact to deal with enquiries and referrals (adults, children, mental health) • Safeguarding and complex protection arrangements – including Multi-Agency Protection Teams (MAPTs) for children and adults • Special Educational Needs and Disabilities (SEND) services - coordination across education, health, and social care, supported by statutory Education, Health and Care Plans (EHCPs). • Approved Mental Health Professionals (AMHPs) – delivering statutory mental health assessments under the Mental Health Act • Financial assessments and welfare advice, consistent application of charging policies and compliance with national regulations • Residential and nursing care commissioning • Safe and timely emergency and out of hours care • Specialist mental health services (integration with NHS provision and specialist clinical expertise) • Occupational therapy and reablement • Quality assurance, regulation, and compliance (e.g. care homes, domiciliary providers, and safeguarding interventions)
Neighbourhood Aligned Service Deliver	• Advice, information and guidance • Preventative support (including Family Help teams) • Assessment and support planning • Delivery of evidence based / targeted interventions (e.g. parenting support, family hubs, restorative practices, therapeutic support) • Review of person-centred care and support – frequent, adaptable, inclusive of carers and reflective of real time changes

3.8.5 Housing - A Pillar of Health and Wellbeing

A safe and affordable home is fundamental to health and prevention of ill health. The North, City, South model values housing as a key driver of integration and community impact. Our prevention model, linking housing, health, and social care, is strengthened by a proven track record in strategic and operational housing expertise ranging from strategic housing management, housing delivery, and delivery of services through to council landlord and private sector housing functions. As a foundation for wellbeing and independence, integrated housing and care unlock opportunities to improve services, expand council housebuilding, and support government priorities. Agile, neighbourhood aligned services with a prevention focus will help reduce demand on higher-cost interventions by assisting and empowering residents below social care threshold in a timely way as well as linking with delivery of high-quality homes for our looked after children.

Our model provides a consistent level of service, allowing for better long term investment planning, improving the quality of homes whilst being responsive to local needs. Through a commitment to safe and affordable homes, we will create stability that allows people to pursue education, enter or re-enter employment and volunteer in their neighbourhood. In this way housing becomes not just a service but a platform for people to contribute back to community life. The North, City, South approach commits to integration of housing, health and care in a range of ways:

- **Strategic Housing:** Through a strategic, unified approach to assessing current and future housing needs, developing area-wide housing strategies, affordable housing policies and Local Plans, enabling integration with planning, economic development and social care, and supporting the MSA's housing and regeneration priorities. It will strengthen negotiating positions and partnerships with Registered Providers, developers, and Homes England, aligning with government housebuilding objectives. Opportunities exist for investment in rural exception sites and in accommodation to meet the needs of an ageing population, including to address the continued gap in extra care provision across Leicestershire.
- **High-Quality, Accountable Landlord Services:** Across LLR, councils collectively serve over 35,000 social housing tenants. The new councils will remain responsible for delivering high-quality homes and services, with strong tenant engagement and accountability—both regulatory requirements and core responsibilities. This transition also presents a valuable opportunity to better integrate services that support prevention,

early intervention, and targeted support. Independent engagement has reinforced the importance of strong tenant relationships. Local delivery of frontline housing services will continue, ensuring close ties to tenants and communities. From day one, work will begin to align housing functions, supported by a clear plan to gradually integrate Housing Revenue Accounts (HRAs). Throughout this process, tenants' voices will remain central to decision-making, helping to hold the new, larger landlords to account. The design and governance of the new landlord services will be critical in maintaining compliance with the social housing regulatory regime and ensuring continued focus on tenant need.

- **HRA Investment Potential:** Independent financial modelling shows that consolidating landlord functions under the North, City, South model strengthens financial resilience and expands borrowing capacity. This enables both North and South unitaries to invest in existing homes and grow social housing stock in line with local priorities. By aligning HRA strategies and leveraging Homes England funding, we can better meet housing needs and reduce temporary accommodation costs. Our modelling indicates a potential delivery of 700 additional homes in the North and 450 in the South between 2029/30 and 2034/35, with further opportunities through grants, S106 funding, and capital receipts. Investment decisions will be informed by using data and intelligence from social care regarding supported and specialist housing needs. By combining budgets, resources, including land and assets, and data across key services delivery can be accelerated and prioritised, enabling independent living in suitable

accommodation with appropriate levels of support, thereby reducing the reliance on more costly elements of the care system.

- **Homelessness - Prevention, Rapid Response, and Support:** Preventing and addressing homelessness is central to our approach. The homelessness challenges across Leicester, Leicestershire and Rutland (LLR) reflect the wider national crisis. Integration across housing, social care, and public health will streamline referral routes, reduce duplication, and improve outcomes. The financial and social cost of homelessness are well documented, and the Leicestershire Joint Strategic Needs Assessment (JSNA) recognises the impact of homelessness on health inequalities. Key impacts of homelessness include reduced life expectancy, higher NHS costs, risk of chronic illness, mental health and substance misuse issues. Temporary accommodation costs are also significant pressures for councils. A key benefit of integration is the ability to simplify referral routes, access to services and outcomes across housing, health and social care.
- **Temporary Accommodation and Specialist services:** Our model reduces rising temporary accommodation costs by prioritising directly managed and commissioned options over bed-and-breakfasts. Expanding commissioned accommodation across a wider area will boost supply, lower costs, and improve quality. Strategic planning will ensure the right type of move-on accommodation is developed in the right locations. We will build partnerships with private landlords and Registered Providers to increase supply across all tenures. Specialist services will be commissioned at subregional levels where needed, enabling more effective outcomes—such as the countywide Rough Sleeping Initiative.
- **Strategic Approach across Cross-Cutting Priorities:** Our approach will ensure an integrated and responsive approach to ensure key strategic aims are prioritised and inform meaningful outcomes and service delivery arrangements, e.g. Joint Strategic Needs Assessment, Supported Accommodation Strategy, Domestic Abuse Commissioning, Leaving care Strategy, 16/17-year-old homelessness strategy.
- **Tackling Housing Quality and Health Inequalities in the Private Rented Sector:** Our model commits to improve standards within the private rented sector (PRS) and tackle the link between poor housing conditions and health inequalities. Integration across housing, public health, and trading standards, supported by the Better Care Fund, provides the foundation for a more proactive, consistent, and preventative system. Drawing on proven local models such as Lightbulb and the Housing and Respiratory Illness Project, the approach highlights how collaborative, data-led interventions can improve housing quality, enhance enforcement, and directly reduce health risks such as respiratory illness, mental ill health, and childhood wellbeing concerns. Together, these measures will strengthen accountability, improve tenant outcomes, and align local delivery with national reforms including the Renters' Rights Bill and Awaab's Law, creating a resilient and joined-up framework for healthier homes and communities.

Lightbulb: The Lightbulb Service, a national exemplar of integrated service delivery, supports prevention through Disabled Facilities Grants and innovative pilots like the Safe Space Hoarding Project and Assistive Technology interventions. The Housing Enablement Team (HET) in LLR hospitals reduces discharge delays, ensuring patients return to safe homes. Lightbulb and HET services enhance efficiencies and early interventions to keep residents independent, delivering savings across public services. Bringing the services and current partners within a Unitary structure will enable pooled budgets to actively address need and break down barriers focussing on the delivery within the prevention model.

Housing and Respiratory Illness Project: The Housing and Respiratory Illness Project, funded by the Better Care Fund and led by Hinckley and Bosworth Borough Council, demonstrates tackling poor housing conditions can deliver measurable health improvements, particularly in preventing and managing respiratory illness. This county-wide initiative addresses damp and mould, bridging housing and health services and is a model for integrated, preventative action.

3.8.6 The Benefits of Improved Integration and Transformation

The North, City, South model will enable a single accountable structure for addressing the wider determinants of health, aligned to the laces that the Unitary Councils serve and connected with the wider system. We are confident that our model strikes the right balance to ensure tangible outcomes including:

- ✓ Reduced hospital admissions for respiratory illness and falls, through early housing interventions.
- ✓ Timely support and access to preventive support to reduce acute demand.
- ✓ Lower care costs, as preventative housing improvements reduce reliance on high-cost residential care.
- ✓ Improved population health, with fewer children exposed to damp/mould and fewer older people living in cold or unsafe homes.
- ✓ Efficiency and coordination through shared intelligence and governance to reduce duplication and streamline commissioning.
- ✓ Stronger, empowered and resilient communities.

North, City, South will ensure that services better reflect the needs and identities of our communities. We will accelerate the integration social care, housing and wider prevention services, embedding a stronger sense of place into care delivery, and developing transformational approaches that span neighbourhood, council, and subregional levels. Our goal is to create a care system that is truly place-based, person-centred, and future-ready.

3.8.7 A New Chapter for Social Care

In Leicestershire, the recent CQC inspection of Adult Social Care shows that the current countywide delivery model requires improvement across the majority of areas assessed.

Quality Statement Scores

Assessing needs	Score 2
Supporting people to lead healthier lives	Score 3
Equity in experience and outcomes	Score 2
Care provision, integration and continuity	Score 2
Partnership and communities	Score 2
Safe pathways, systems and transitions	Score 2
Safeguarding	Score 2
Governence, management and sustainability	Score 2
Learning, improvement and innovation	Score 2

Improvements required include:

- Reducing waiting lists
- Improving access, information, advice and guidance, including digital exclusion
- The carers assessment pathway and support offer
- Further understanding and addressing gaps in support services
- Reviewing safeguarding pathways and processes
- A demand and capacity management review aiming to ensure manageable workloads across all teams

The North, City, South model has taken this into consideration to ensure that any new model can be designed to address current gaps and to build upon strengths, recognising also the vital role that social care staff and commissioned services play. We are clear that integration of council functions, a focus on prevention and connection with communities and neighbourhoods are key factors in supporting improvement.

The North, City, South model will also:

- ✓ Focus on the areas of highest spend (for example, support packages like homecare and residential placements).
- ✓ Strengthen financial assessments, improve debt recovery, and work closely with NHS partners to ensure joint funding and commissioning is in place.
- ✓ Renegotiate provider contracts to ensure value for money and reduce our reliance on agency staff by investing in recruitment and retention.
- ✓ Build on Lightbulb reablement, housing support and assistive technology to help people stay independent for longer.
- ✓ Embed and scale up proven approaches that reduce demand and cost such as Safe Spaces and Housing and Respiratory illness project.
- ✓ Develop extra care/supported housing.
- ✓ For younger adults and those with lifelong disabilities, support transitions to more independent living, grow our Shared Lives programme, and help people build skills and access employment.
- ✓ Support forward planning for transitions from children's services, reducing the need for crisis placements and high-cost packages.

We recognise that for Children's Social Care, there are strong foundations in place in Leicestershire and Rutland, with Outstanding and Good Ofsted inspections respectively. Starting with robust and coherent foundations and valuing the expertise and experience across the current social care authorities, we will ensure a phased evolution of service design that is both ambitious and grounded and seeks to address areas of acute pressure and demand such as SEND. Through smarter, integrated approaches, we'll build services that are

financially sustainable, responsive to local needs, and focussed on helping people live well.

Building on strong foundations we will seek to:

- ✓ Strengthen early intervention to reduce the number of children entering care.
- ✓ Support families to stay together safely
- ✓ Make best use of our in-house fostering capacity and recruit more foster carers.
- ✓ Streamline the process of achieving permanence for children and reduce the time spent in semi-independent accommodation and invest in high-quality homes for our looked after children as a result of the direct links with our housing team.
- ✓ Roll out a new family help model that supports children and families earlier, reducing the need for statutory intervention. This will help families thrive and shorten the time children spend under Child in Need or Child Protection plans.
- ✓ Build stronger multidisciplinary teams and reduce our use of agency staff.
- ✓ Make sure support is targeted and efficient. Review eligibility, promote personal transport budgets, and optimise our internal transport fleet.
- ✓ Support more children in mainstream schools and make proactive decisions about placements in special schools to ensure we're getting the best outcomes and value.

Our approach to disaggregation of social care services is set out in Principle 3 (Section 3.7).

3.8.8 Wider Service Delivery and Interplay with the Mayoral Strategic Authority

The North, City, South approach to service delivery (rooted in prevention and local accountability) and relationship with the MSA will directly benefit other services and functions that impact our places, including:

- **Economic Growth:** MSA leadership of a shared vision for prosperity across Leicester, Leicestershire, and Rutland; coordinating infrastructure, housing, and investment strategies. Principal authorities (North Leicestershire and Rutland, South Leicestershire, and Leicester City) will deliver tailored growth plans aligned to local economies. Economic development capacity will be integrated at council level to ensure strategic focus, resilience, and efficient commissioning. Growth will be rooted in neighbourhoods, connecting communities and businesses to subregional plans and ensuring inclusive regeneration. Skills development will be central, with the MSA coordinating devolved funds like the Adult Skills Fund, and councils working with employers and educators to deliver Local Skills Improvement Plans. Programmes such as Work Well and Connect to Work will support pathways into employment, tackling economic inactivity. The green economy will underpin this strategy, supporting low-carbon innovation, sustainable infrastructure, and green skills. Economic growth will reduce demand on public services by improving employment, financial stability, and health outcomes, embedding inclusive development into neighbourhood delivery.

- **Planning:** MSA leadership of a Spatial Development Strategy (SDS) will align housing, infrastructure, transport, and employment priorities across the subregion. Councils will streamline planning through strategic committees, enabling decisions that reflect wider economic geographies while remaining locally responsive. Planning services will be restructured for full cost recovery, creating a resilient system that supports ambitious growth. Larger authorities will unlock land for development, including potential New Towns, using tools like Mayoral Development Corporations. The MSA will be well place to coordinate funding streams (e.g., Affordable Homes Programme, Brownfield Land Release Fund) to accelerate delivery and embed sustainability. New developments will meet high energy standards and align with transport and employment access, supporting inclusive regeneration across all areas.
- **Highways and Transport:** MSA coordination of strategic transport planning across LLR will support the alignment of investment with growth corridors and climate goals. This includes enhancements to major routes (M1/M69, A46, A1), rail, rural buses, and active travel. Principal authorities will manage local delivery (such as road maintenance, safety, and integration with neighbourhood plans) ensuring tailored responses to local needs. Transport investment will support improved health, reduce emissions, and enable inclusive growth – key health outcomes.

- **Environment and Community Wellbeing:** Environmental action will drive prevention, tackling root causes of poor health and inequality. Councils will deliver Local Area Energy Plans, prioritising community energy schemes for low-income households and supporting local businesses. The Local Nature Recovery Strategy will restore biodiversity and build climate resilience through woodland expansion, wetland restoration, and urban greening. The MSA will lead regional flood and climate adaptation planning, while councils act as Lead Local Flood Authorities (LLFA), delivering community-level interventions. Through integrated neighbourhood working and place-based planning, LLFAs will ensure that flood risk management aligns with local needs and supports the prevention model reducing health risks, protecting homes and businesses, and improving long-term wellbeing. By combining strategic oversight with local delivery, the new authorities will build a climate-resilient region that safeguards communities and supports sustainable growth
- **Waste Services:** Reorganisation will enable a strategic approach to waste collection and disposal. A regional Waste Partnership will enable coordination of service design, infrastructure, and delivery. It will seek to reduce duplication, improve efficiency, and support reforms like Extended Producer Responsibility and the Emissions Trading Scheme. Waste reform will enhance the environment, promote circular economy goals, and support healthier communities.
- **Community Safety and Regulation:** Principal authorities will adopt a prevention-first, place-based approach to community safety. Services (such as enforcement, anti-social behaviour and environmental health) will be aggregated at council level but will benefit from neighbourhood aligned service delivery arrangements. Reducing Community Safety Partnerships to one per council will streamline governance and focus, making best use of collective resources across the wider public sector. Co-locating Trading Standards with safety teams will enable faster, intelligence-led responses, improve public confidence and protect vulnerable residents.

3.8.9 Strategic Use of Technology and AI

Technology is a critical enabler in the transition to unitary authorities and the delivery of improved, efficient services. As part of the North, City, South model, we will embed Artificial Intelligence (AI) and Robotic Process Automation (RPA) to support transformation, streamline operations, and enhance service design through data-driven insights. Our approach will focus on service redesign, operational efficiency and customer experience. We will pilot AI technology in high-impact areas and scale successful models across services and geographies. Examples include predictive analytics for homelessness and adult social care, AI supported planning triage and waste route optimisation, chatbot technology and sentiment analysis to inform policy and engagement.

Our strategic framework includes:

- Vision and Governance: Aligning AI strategy with council priorities, ensuring ethical use and compliance with legislation.

- Service Mapping: Identifying opportunities for automation, risk prediction, and customer experience enhancement.
- Skills and Culture: Investing in digital literacy and AI awareness across staff and elected members.

3.8.10 Equality Impact Assessment

Whatever the final configuration of councils across LLR, structural and service changes through LGR present risks and opportunities with respect equality, diversity and inclusion. The 8 Councils have undertaken a high-level Equality Impact Assessment (EIA), which can be found at Appendix 7. It has been used to inform the strategic direction of the case for change, taking into consideration potential equality, inclusion and social impacts, and recommended mitigations. This has also taken into consideration those who are care experienced. Whilst not a protected characteristic under the Equality Act (2010), it is rightly recognised as such by many councils across Leicestershire and our commitment to this will carry through to the new councils.

As the Local Government Reorganisation (LGR) programme develops, more detailed and targeted EIAs will be produced for specific services, policies, workforce decisions and consultation responses to support residents, communities and staff.

3.9 DESIGN PRINCIPLE 5 - Responds to the Needs of Diverse Communities and Validates Local Places and Identities

Through the creation of larger councils, it is vital that services remain local and connected to communities. The 8 Councils have vast experience of delivering integrated and tailored services to neighbourhoods, working alongside partners, leveraging deep insight and relationships to ensure effectiveness. Whilst LGR offers an opportunity to simplify structures, it must also codify a commitment to integrated service delivery and opportunities for public service reform which deliver services around people and places.

Building on the principles of prevention, collaboration and integration, our proposal sets out a clear path to protect and enhance neighbourhood delivery, establishing Neighbourhood Partnerships ensuring ward members are empowered to deliver for their communities, alongside council teams and partners. The development of Neighbourhood and Community Plans will create a clear framework for delivery and a clear line of sight between neighbourhood, unitary and regional level aspirations.

We consider design principles 5 and 6 (covered in Section 3.10) to be interdependent. Together, they offer a community and neighbourhood model through which integrates services delivery, is responsive to local needs, where communities are connected and empowered, and which is enhanced by strong democratic accountability, community engagement and neighbourhood empowerment at neighbourhood level and with the Unitary Councils.

3.9.1 Background

The establishment of larger councils creates a risk that communities perceive their local services are less accessible, more remote and less responsive to local needs. government has been clear that new unitary structures should enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment. Strategically, a focus on neighbourhoods is embedded within the NHS 10 year plan, and more recently through the Pride in Place Strategy. Through our independent engagement with stakeholders, it is clear that there remains strong preference for new structures that maintain local connections.

Parish councils, voluntary sector representatives, residents, and council housing tenants consistently highlighted concerns about disconnection in oversized structures, emphasising the need for proximity, relationships, and tailored responses. Feedback also identified the perception that county-level services often feel disconnected and inaccessible.

A commitment to ensure communities stay connected with their new councils is embedded in the design of the North, City, South proposal, guarding against a standardised “one size fits all” approach, and instead, offering an approach that favours neighbourhood-focussed delivery that embeds prevention, partnership, and place-based working. By aligning with existing public sector footprints, the model enables collaborative outcomes and an integrated approach to delivering services.

The neighbourhood framework empowers local leaders, residents, and partners to co-design plans informed by data and lived experience. This structure addresses government calls for meaningful participation, with principles emphasising community-led action, collaboration, and flexibility to adapt to evolving needs.

Given the large and diverse demography and geography of LLR, a single unitary structure for the county would significantly undermine the new unitary council’s ability to deliver to neighbourhoods and retain effective community engagement and connections. Our proposal sets out how this could be achieved more effectively as set out below.

3.9.2 North, City, South Neighbourhood Governance - A proposal shaped through experience and engagement

The 8 Councils are clear that alongside establishing financial resilience, the success of any new local government structures will be the extent to which they are recognised and valued by the communities they serve. The North, City, South model has been built on significant engagement with residents and stakeholders. Our model has been designed in a way which ensures that:

- Connection matters
- Local representation and identity matters
- What makes communities unique matters.
- People should have confidence that they are valued and heard
- There is equity of access to services and support, with systems and services designed to meet the needs of people and places

Our neighbourhood approach has been designed based on evidence, experience, insights, engagement and perspectives from a range of stakeholders including

- Parish Councils
- Voluntary, Community Sector and Neighbourhood Stakeholders
- Council Housing Tenants
- Sector engagement and learning
- Building on experience - collaboration in communities

A summary of feedback received from the discussions with these various groups is set out below and more details and direct quotes can be found in Appendix 5.

Parish Councils: perceive the current two-tier system as complex and remote, especially for those services at a county-level. They value their relationship with district councils but see this as an opportunity to simplify governance and improve clarity for communities. They do have concerns regarding loss of influence (as councils become bigger), and the potential for additional responsibilities to be transferred to them. They prefer the 3 unitary (North, City, South) model because it has greater potential to recognise and value local connections.

Voluntary and Community Sector: Similarly find the current two-tier structures difficult to navigate and see the potential for reorganisation to facilitate clearer collaboration. There was strong support for North, City, South due to it increasing the ability to maintain local connections and they were keen to ensure that the new councils established arrangements which could still interact with smaller organisations.

Council Tenants: The importance of the landlord/tenant relationship was highlighted and that LGR would potentially change the landlord relationship for 35,000 tenants and led to fears of reduced connection, responsiveness and influence. There was limited enthusiasm for larger unitary councils.

Learning from the sector and other new unitary councils: In building our proposed neighbourhood governance model, we have taken on board sectoral learning and expertise from other unitary councils. Crucial to the success of any model is ensuring effective cross-council working; sometimes inhibited when organisations become too large and functionalised. There is also widespread recognition that to engender trust, neighbourhood delivery needs to be sufficiently flexible and embed co-design to support and engender community trust. Effective unitary councils must embed local relationships and neighbourhood working into their operating models.

We have engaged with other unitary councils across the country to identify effective practices and developed a flexible model that can adapt with our partners and communities. Our Neighbourhood model also embraces government priorities and draws on good practice for working most effectively in places, including LGA good practice e.g. Trusting place: Improving the lives of local people through place-based approaches which recommends that “Place-based working should be implemented as ‘the way we do things’, not as a ‘programme’ or ‘initiative’. For place-based approaches to be successful they must be part of the day-to-day work”.

3.9.3 Valuing diversity and inclusion across North, City, South

The North, City, South proposal values, celebrates and supports the diversity of cultures and faiths across our communities and allows for meaningful and trusted relationships with community and faith leaders. Through neighbourhood aligned service delivery, our model enables a relational approach to community engagement and community cohesion, and the new

unitary councils will benefit from being able to scale up services and support, without losing meaningful connection and trust.

Our model also builds on learning gained from culturally sensitive engagement, flexible service delivery and relationships built on trust to address health and inequalities to improve health outcomes, such as cervical and breast screening uptake within ethnic minority communities.

3.9.4 Building on a track record of collaboration around neighbourhoods

The North, City, South model builds on a track record of collaboration across communities, the 8 councils and partners. It leverages existing partnerships and networks; for example, the 7 Community Health and Wellbeing Partnerships across Leicestershire or the existing and locally responsive, district-led Community Safety Partnership structures. It establishes a clear path for services to be co-ordinated and managed at scale but delivered into and tailored for neighbourhoods, ensuring local relevance and responsiveness. It supports both rural and urban communities and mitigates from the risk of ineffective standardisation and centralisation.

Examples of how this neighbourhood-based approach already delivers include locally organised events which increased access and uptake of the County Council's Quit Ready smoking cessation service, or targeted interventions designed to address low breast and cervical screening rates, especially among ethnic minority communities. District-led partnerships worked with NHS colleagues and community leaders to co-design culturally sensitive and accessible solutions which improved uptake. In Melton Mowbray, over 1,450 health checks have been provided to farmers at the livestock market, resulting in 107 NHS referrals since April 2023, including a life saving diagnosis. This bespoke intervention has been developed to address social isolation and access barriers in the farming community.

3.9.5 A Neighbourhood Model for North, City, South

Guiding Principles: It is vital that LGR does not disrupt or undermine the capacity, capability and relationships which enable tailored and effective delivery into neighbourhoods. Our extensive experience and engagement exercise have shaped our proposed neighbourhood approach with a clear focus on people, prevention, place and partnership, ensuring:

- **Collaboration and integration:** Our model for community and neighbourhood empowerment emphasises the importance of recognising and valuing the roles of all stakeholders in the new arrangements, including parish councils, and ensuring a coherent, joined up and locally relevant approach to problem-solving. Our model promotes active engagement and collaboration of the whole of the public sector and the resident to deliver a true preventative approach and real opportunity to identify and target need.
- **Community and Fairness:** Through Neighbourhood Partnerships, our model ensures fairness and equity, enabling local voices to be heard and valuing the role of parishes and communities.

- **Efficiency and Cohesion:** Recognising the opportunity for structural change, our model addresses the current fragmentation in two-tier areas, but through the right size and structures will strengthen communities, decision making and the delivery of cohesive services.
- **Communication and relationships:** Maintaining strong and mutually respectful relationships with parish councils and ensuring meaningful and effective local communication and connection with Unitary Councils and wider system.
- **Locally relevant services and problem-solving:** Implementing a coordinated and efficient approach to Neighbourhood Partnerships and neighbourhood aligned service delivery, ensuring collaboration, maximising the continuum of prevention and adopting a problem-solving approach that recognises the distinct roles and strengths of each part of the new system.
- **Collaboration and integration at the right scale for the right things:** Our model is clear that there should be flexibility to deliver services at relevant scales and spatial geographies. The North, City, South model will benefit from collaborative delivery and efficiency, without diluting accountability. Where collaboration and integration work at a partnership (LLR) scale, this will continue – this is the case for key strategic partnerships such as safeguarding boards and some specialised commissioned services.

Embedding Prevention: As set out in Section 3.8, embedding prevention within the organisational blueprint for the new unitary councils is key to their long-term financial sustainability.

A focus on prevention, outcomes for residents and sustainable delivery of services including those under pressure, such as social care is key. Our delivery model will, through meaningful co-design that draws on knowledge and skills across councils and partners, connect, integrate and align social care with other key council and partnership services as part of a new neighbourhood model. This is a model that maximises the opportunities from housing, to health, to safe and cohesive communities, from health, wellbeing and physical activity to community connection, and from financial independence to personal and community resilience.

Aligning and integrating a wide range of Local government functions and services and ensuring they are locally responsive is essential to supporting and enabling independence, and in reducing or delaying the need for access to acute services and care. Research undertaken by the District Councils Network and Impower (2025) describes **local connection as a prevention superpower.**

Building on this knowledge and capability, our model embeds partnership and prevention into a new normal; leading to services that reflect local relevance, respond to the needs and strengths of people in our communities and enable the effective and outcome focussed deployment of resources. We will maximise outcomes through the integration of council services which will

create a 'toolbox' which can be deployed to benefit our communities in a way that is relevant to them, rather than the disconnected or generic 'one size fits all' approach currently observed at a countywide level.

This is an approach embedded within the North, City, South model, through which our approach to communities and neighbourhoods is structured around five key components:

1. **Defining Neighbourhoods that make sense**
2. **Neighbourhood Partnerships**
3. **Neighbourhood and Community Plans**
4. **Neighbourhood Coordination Team**
5. **Neighbourhood Aligned Service Delivery**

Neighbourhood Impact
People, Prevention, Place, Partners

Neighbourhoods

Building on existing partnerships, structures and connections. Each of our neighbourhoods are aligned where possible with existing public sector footprints (health and policing) to enable collaboration, impact and shared purpose.

Neighbourhood Partnerships

Local leadership and collaboration for each neighbourhood – shared purpose, yet flexible and adaptable. Our partnerships comprise local councillors, parish councils and community stakeholders. Aligned to local and strategic priorities, enabling neighbourhood influence and engagement, leadership and accountability.

Neighbourhood & Community Plans

Evidence-led, outcome-focussed plans for each neighbourhood partnership, co-designed and agreed with the Unitary Council Executive. Key themes include health, prevention, community cohesion, housing, jobs, rurality, digital inclusion, pride in place and regeneration. A key link between local and strategic authorities.

Neighbourhood Coordination Team

Dedicated team within Unitary Councils to support neighbourhood & community plan development, delivery, and collaboration. Brings partnership chairs together to inform council and strategic priorities and coordinate cross-cutting work.

Neighbourhood Aligned Service Delivery

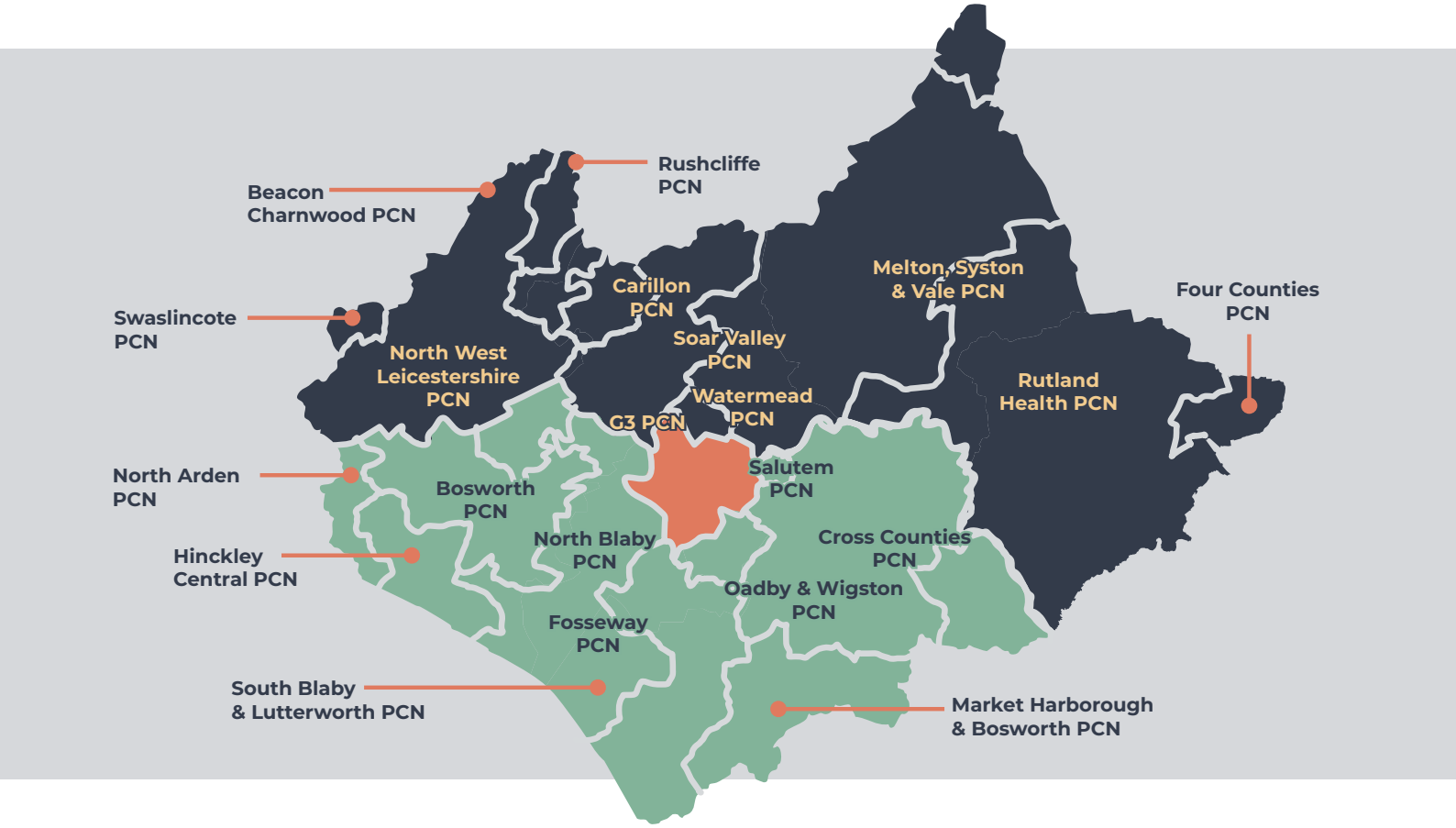
Outcome focussed services delivered through integrated, area-based teams, enhancing community connection, relationships and knowledge. Tried and tested for housing, community safety and pride in place, and enabling joined up working on housing, health and care.

The North, City, South model for Neighbourhoods is described in more detail below.
It directly supports two of our design principles (5 and 6), with Neighbourhood Partnerships directly supporting the commitment to ensure Strong Democratic Accountability, Community Engagement, and Neighbourhood Empowerment.

3.9.6 Defining Neighbourhoods that make sense

Our neighbourhood model connects our residents and parishes to neighbourhoods, and neighbourhoods to the unitary councils and wider system. Our model strikes the right balance by aligning as far as possible with Primary Care Network footprints and ensuring coherence with neighbourhood policing areas. Our Neighbourhoods will cover an average population of 40,000 to 50,000 residents and ensure local/ community relevance and respond most effectively and collaboratively to local need and nuance.

With 9-10 neighbourhoods across each of the North and South Unitary Council areas (and a smaller number for the city) and building on existing strong partnerships, structures and connections in this way, our neighbourhood approach is intentionally aligned as far as possible with existing public sector footprints to enable synergy, impact and outcome focus. This is a significant factor in joining the dots to deliver our commitment to prevention, community focus, collaboration and making public sector reform tangible and positive across our unitary council areas.
This is shown in the image below:



3.9.7 Neighbourhood Partnerships

Each of the defined neighbourhoods will have its own Neighbourhood Partnership. Neighbourhood Partnerships offer a dynamic and locally relevant model of local leadership and collaboration that brings together empowered ward members, council teams, parish councils, local partners, voluntary sector and residents to listen and understand the key issues, agree priorities and drive collaborative action that ensures local and tailored delivery, alongside broader strategic alignment across the wider area. To achieve a strengthened community engagement model, an effective and meaningful model of governance to connect the unitary councils and the Mayoral Strategic Authority to more local areas is key.

Our model for Neighbourhood Partnerships will:

1. **Empower Communities:** Champions resident-led action, preparedness (e.g. flood resilience), and inclusive engagement rooted in democratic leadership.
2. **Drive Outcomes:** Focuses on place-based change through co-designed plans informed by data and lived experience.
3. **Enable and Encourage Collaboration:** Brings together councillors, residents, service teams, and partners (health, police, fire, VCS, businesses, town/parish councils) around shared priorities.
4. **Connect Locally and Strategically:** Anchored in local geographies, linked to Unitary Councils and wider governance structures to ensure coherence and accountability.
5. **Be Evidence-Informed:** Uses data and analytics to shape priorities, monitor progress, and communicate impact.
6. **Remain Flexible and Purposeful:** Operates with clear outcomes, mutual accountability, and the freedom to innovate and adapt to local needs.

Key features of the proposed approach are set out in more detail in the table below:

Community Focussed Leadership and Outcomes	✓ Champion, encourage and enable community-led action ✓ Support community preparedness (eg; flood resilience) ✓ Councillor-led, rooted in democratic local leadership that drives real change and outcomes in places people call home ✓ Represented by local leaders who understand cross-cutting issues and collaborate around a shared purpose ✓ Promote and enable direct resident representation through inclusive and innovative engagement and clear communication ✓ Strongly connected to local service teams, fostering trust, access, and confidence in service delivery
Collaborative and Connected	✓ Built around local geographies to support natural collaboration and coherence ✓ Inclusive all of partners, health, police, fire, VCS, businesses, town and parish Councils and Residents Associations ✓ Co-production with local people who bring the lived experience / reality check ✓ Linked with local service delivery teams: key contacts, human connection and confidence in local service offer ✓ Connected to the Unitary Councils including via the Executive and Scrutiny function ✓ Interconnected across Neighbourhood Partnerships to share learning, collaborate on common themes, and support peer to peer support
Data and Evidence Led and Informed	✓ Develop and deliver outcome-focussed, co-designed neighbourhood plans aligned to a wider framework but tailored to local needs ✓ Supported to access and use data and analytics (e.g. health, deprivation, crime, connectivity, employment) to inform meaningful planning and outcome monitoring ✓ Supported by clear mechanisms to communicate outcomes and barriers to the Unitary Council and Strategic Mayoral Authority, ensuring evidence drives action and opportunity that devolution can achieve
Dynamic and Flexible but with Clear Purpose	✓ Operate with a clear set of shared outcomes and mutual accountability ✓ Freedom to innovate and to respond to wider sectoral changes and opportunities ✓ Flexibility in governance to adapt to changing needs and conditions, with autonomy to agree areas of local priority focus

3.9.8 Neighbourhood and Community Plans

The development of Neighbourhood and Community Plans will be guided by an overarching, co-designed framework, and will form the basis of an agreed focus for the Neighbourhood Partnership. The overarching framework will complement wider strategic goals, including devolution priorities and the basis for evidence-based outcomes for neighbourhoods. Within this structure, each Neighbourhood Partnership will be supported and empowered to adapt and tailor its approach, ensuring that its plans and priorities are clear, locally relevant, evidence-based, meaningful, and impactful. This will enable local initiatives, programmes, and plans to be effectively embedded within the community.

Community and Neighbourhood Plans will allow local partners to leverage their strengths, fostering innovation and collaboration on issues that are significant to the neighbourhood. The development and implementation of these plans will be informed by data and insights, ensuring they are closely aligned with local needs but retain clarity of purpose, and scope. Neighbourhood Partnerships will be provided with officer support to access and utilise data and analytics, such as health statistics, deprivation

indices, crime rates, connectivity, and employment figures, in order to guide meaningful planning, set priorities, and monitor outcomes.

Each plan is proposed to be discussed and agreed upon with the relevant Unitary Council Executive. This collaboration will help build trust, ensure accountability, deliverability, and the identification of common themes and areas of alignment. Furthermore, it is proposed that the delivery and outcomes of Neighbourhood Partnerships are routinely considered by the relevant unitary councils' scrutiny functions. This process is designed to assess influence, impact, and any constraints faced. Additional, evidence from other areas that have moved to unitary models has shown that having scope to shape and evolve a neighbourhood model such as this will be advantageous.

Neighbourhood and Community Plans are expected to cover a range of themes, including health, prevention, housing, employment, community safety, rural issues, digital inclusion, and regeneration, establishing clear connections between local priorities and strategic authority objectives

The current model of Local Community, Health and Wellbeing Partnership Plans, which operates within neighbourhoods, provides a successful blueprint. This approach demonstrates coherence and effectiveness both at the neighbourhood and wider system level.

3.9.9 Neighbourhood Coordination Team

Within the North, City, South model there is a clear commitment to invest to deliver a prevention focussed model that genuinely engages with and empowers communities and neighbourhoods.

Neighbourhood Partnerships will be supported by a dedicated team within each of the Unitary Councils to support neighbourhood and community plan development, delivery, and collaboration.

It will be necessary to ensure that Neighbourhood and Community Plans are clear, effective and deliverable, that Neighbourhood Partnerships are led and operate effectively, and that they are connected appropriately with the Unitary Council Executive. The Neighbourhood Coordination Team will play a key role in facilitating these connections and relationships and offering advice and support.

3.9.10 Neighbourhood Aligned Service Delivery

Our approach to neighbourhood aligned service delivery is rooted in the belief that the North, City, and South areas will greatly benefit from the simplification of council structures but must remain connected with communities and partners and should leverage existing relationships and networks. By aligning council functions, we will achieve more effective outcomes and provide a streamlined service that meets the needs of our communities.

Central to our model is the creation of integrated, area-based teams that deliver key services with a neighbourhood focus. This structure enhances community connection and local knowledge, ensuring that the relationships and local relevance required for positive outcomes are maintained. By operating in this way, we remain both large enough to deliver essential services and close enough to respond quickly and appropriately to the needs of our residents.

The detail of our service delivery is detailed in Section 3.8 under Principle 4 of our proposal and shows how a neighbourhood aligned service delivery model will successfully operate through an approach that recognises the inter-dependencies of community-based services. This approach also underscores the importance of collaboration in addressing the wide range of needs and issues faced by residents, including housing, health and care, community safety, and fostering pride in place.

Our Neighbourhood Aligned Service Delivery will be community and outcome focussed, with the following objectives:

- ✔ Support Communities
- ✔ Create Safer and Cohesive Communities
- ✔ Create Healthy and Active Communities
- ✔ Connect and Enable Communities
- ✔ Empower Communities

By integrating and aligning community-based services and functions, we will continue to build strong relationships and maintain the flexibility to respond to evolving needs and service demands. Such responsiveness will be particularly important in the context of challenges like the cost of living, refugee resettlement, rural isolation and an ageing population.

3.10 DESIGN PRINCIPLE 6 - Enables Strong Democratic Accountability, Community Engagement and Neighbourhood Empowerment

Sustainable local authorities need to show a clear link between robust governance, insightful decision making and local communities. This section sets out the basis for clear democratic accountability, a robust governance framework and how this will interface with the Neighbourhood Governance and Partnerships structure described in Section 3.9.

Examples of effective and accountable governance in other settings and key documents such as "The Bigger You Go the Less You Know" demonstrates this approach and represents the optimum level of engagement. Significantly larger structures face real governance challenges in reconciling the outcomes of neighbourhood working and achieving the crucial linkages between people and services. Councillors will have a key role both in leading the new unitary councils and establishing the new Neighbourhood Partnerships as they continue to represent their communities.

3.10.1 Background

This section builds on the Section 3.9, setting out the clear role for local councillors in ensuring strong democratic accountability, clear and effective governance, and community engagement, and will be embedded and empowered within the enhanced neighbourhood governance model. The proposed approach also has regard for ensuring value for money, efficiency and effectiveness in any new democratic structures.

3.10.2 Role of a Councillor

Councillors are pivotal in local governance, acting as elected representatives who bridge communities and decision-making processes. They champion residents' interests within their wards, ensuring local needs shape council policies. In the proposed North, City, South model, councillors operate within revised ward structures, aligned with Neighbourhood Partnerships, fostering community-led governance. Their role involves active participation in these partnerships, collaborating with voluntary sector colleagues, residents, and public sector partners to address local priorities, promote prevention, and enhance neighbourhood empowerment. Councillors advocate for community identity, considering geographic, rural, and urban factors, guided by the principles of electoral equality and effective governance.

Councillors serve on committees, including Full Council, Overview and Scrutiny and Regulatory Committees, ensuring robust decision-making and accountability. They engage in real-time community feedback, co-designing services with residents and parish councils to deliver responsive, evidence-

based outcomes. By fostering strong relationships with town and parish councils, councillors ensure local voices influence service delivery, particularly in disaggregated services like social care. Their leadership transcends service silos, promoting collaboration and innovation to meet strategic priorities, aligning with the government's Outcomes Framework and 10-Year Health Plan, ultimately strengthening democratic accountability and community cohesion.

With a focussed Councillor Development programme we will ensure that the complexity and breadth of the ward councillor is known, understood and embodied by our elected representatives to ensure accountability, voice and support to our residents.

3.10.3 Role of Cabinet Members/Portfolio Holders

Cabinet members/portfolio holders, are senior councillors appointed to lead specific policy areas within the council, such as Governance, Children, Education, or Health. In the North, City, South model, the Cabinet of the two new Unitary councils comprises 10 members, including the Leader, who drive strategic decision-making. They maintain strong links with Neighbourhood Partnerships, empowering local ward councillors and ensuring community priorities inform council policies. Portfolio holders oversee service delivery, foster collaboration across public and voluntary sectors, and align with strategic outcomes. Their leadership ensures efficient, resident-focussed governance, embedding prevention and community engagement while maintaining accountability to Full Council and residents.

3.10.4 Democratic Structures

The model proposes revised councillor numbers, in line with Local Government Boundary Commission for England (LGBCE) guidance, to enhance efficiency while maintaining representation. It will be focussed on the evolution of current wards.

The LGBCE guidance underscores three main principles:

- Electoral equality
- Community identity (encompassing geography, urban and rural information, identity, history, tradition, and public facilities)
- Effective governance (determining the number of councillors needed for democracy, representation, committee seats, and regulatory approaches)1

In line with this, the North, City, South model prioritises a balanced approach to councillor allocation that reduces the overall number of elected members across LLR while retaining strong local representation.

There are currently 384 councillors across LLR at county and district levels. Reorganisation will lead to a natural loss of councillors. Our three-unitary model mitigates this by enabling smaller, more balanced electorates.

To illustrate the **current** landscape, we have considered the existing councillor distributions and ratios:

- **Leicestershire County Council:** Population 775,000; Electorate 550,829; Councillors 55; Ratio per councillor 10,015.
- **Leicester:** Population 373,000; Electorate 256,055; Councillors 54; Ratio per elector 4,742.
- **Rutland:** Population 43,000; Electorate 30,377; Councillors 27; Ratio per councillor 1,125.
- **Blaby:** Population 115,000; Electorate 79,376; Councillors 36; Ratio per councillor 2,205.
- **Charnwood:** Population 204,000; Electorate 133,559; Councillors 52; Ratio per elector 2,568.
- **Harborough:** Population 102,000; Electorate 76,898; Councillors 34; Ratio per councillor 2,262.
- **Hinckley:** Population 125,000; Electorate 89,921; Councillors 34; Ratio per councillor 2,645.
- **Melton:** Population 52,000; Electorate 42,774; Councillors 28; Ratio per councillor 1,528.
- **North West:** Population 118,000; Electorate 83,880; Councillors 38; Ratio per councillor 2,207.
- **Oadby and Wigston:** Population 59,000; Electorate 44,421; Councillors 26; Ratio per councillor 1,709.

Grouping into North and South Leicestershire for the proposed unitaries leads to the analysis set out below:
For the North (Melton, North West Leicestershire, Charnwood, Rutland): Total Population 417,000; Electorate 290,590; Councillors 145; Average councillor to elector ratio 1:2,004.
For the South (Blaby, Harborough, Hinckley & Bosworth, Oadby & Wigston): Total Population 403,000; Electorate 290,616; Councillors 130; Average councillor to elector ratio 1:2,236.

These figures highlight the need for recalibration to achieve electoral equality, appropriate representation and governance.

Drawing from recent LGBCE reviews, such as West Northamptonshire (March 2023, proposing 76 councillors at a ratio of 1:4,283), North Northamptonshire (October 2023, 68 councillors at 1:4,211), Somerset (October 2024, ongoing, targeting 1:4,653), and Cumberland (November 2024, ongoing, 1:4,024), a benchmark ratio of approximately 1:4,200 emerges for unitary councils.

Applying this to the proposed unitaries, with similar electorates in North and South, suggests around 69 councillors each. For Leicester City, maintaining current boundaries would yield a ratio of 1:4,742, but the last review in 2014 projected a ratio of 1:4,409 by 2019, indicating the potential need for an increase.

Geographic considerations are paramount, given the rural character of North and South Leicestershire, which may necessitate slightly more councillors in the North to account for dispersed communities, travel time and effective representation as a direct result. The rural areas are large and spread out, requiring more councillors to cover all the communities and residents effectively.

Residents value a close connection with councillors who understand their specific area, which is more feasible with more councillors for smaller areas. And with more councillors, it's easier to advocate for people whose views are often unheard, such as those within small rural communities.

Rural communities have unique challenges including limited access to services and infrastructure which require dedicated local advocacy and local knowledge to ensure voices are heard and effectively represented. A greater number of representatives representing the rurality difference between North and South ensures that the governance structures are more reflective of the community's needs, leading to better decision-making and more responsive services.

Effective governance further informs councillor numbers. The model must ensure sufficient members for committees without overburdening individuals.

Our proposed structure includes:

- Full Council: 70 (South) / 72 (North) members.
- Cabinet and Leader Model: 10 members (including Leader, Governance, Children, Education, Adults, Place, Finance and Assets, Digital Connectivity and Customer Access, Regulatory Services, Health).
- Regulatory and Accountability Bodies: Streamlined where possible, with one planning/licensing committee rather than multiples based on legacy boundaries.
    - Integrated Hospital Discharge Hubs
    - Audit Committee: 7.
    - Standards Committee: 7.
    - Regulatory Committee: 15 (with sub-committees).
    - Licensing Committee: 15 (with sub-committees).
    - Planning Committee: 15.
- Overview and Scrutiny Committees: Resources (15), Health and Wellbeing (15), Place (Highways and Environment, 15), People (Adults and Children, 15).
- Staffing Committee: 7.
- Pension Committee: 7.
- Community Panels: One per current boundary area, linking to parish and town councils.

This totals 143 committee seats, equating to a minimum of two positions per councillor, ensuring robust decision-making without dilution.

The proposal is:
- **City:** Population 373,000; Electorate 256,055; Councillors 54; Ratio 4,742.
- **North:** Population 417,000; Electorate 290,590; Councillors 72; Ratio 4,036.
- **South:** Population 401,000; Electorate 290,616; Councillors 70; Ratio 4,152.

This framework balances electoral equality, community identity, and governance efficiency, directly supporting democratic accountability.

The LGBCE will be engaged to work to supporting the warding arrangements prior to the creation of the new Authorities and a full review welcomed post transition.

3.10.5 Neighbourhood Partnerships

Section 3.9 describes plans to establish Neighbourhood Partnerships as part of the key organisational architecture of the new unitary councils. Whilst partnership forums, they will also be embedded within the new councils' Governance framework and therefore a number of key elements related to this are set out below:

Neighbourhood Partnerships will:
- Be Councillor-led – rooted in democratic local leadership that drives change and improvement within local communities.
- Promote and facilitate direct resident engagement and representation
- Directly connected to the Executive and Scrutiny functions of the unitary council.

The table below represents the roles, responsibilities of Neighbourhood Partnerships

Feature / function	Neighbourhood Partnerships
Delivery of local services	Not directly – but will monitor service delivery outcomes relevant to the neighbourhood area
Develop and Oversee Neighbourhood and Community Plans	Yes
Delegated decision making	Scope to include with formal accountability
Partnership collaboration to administer grant funding	Scope to include with formal accountability
Devolved council budgets for local projects	Scope to include with formal accountability
Scrutiny of local service delivery	Yes (with clear links to unitary council governance structures)
Consultee on significant council service changes	Yes
Consultee on planning applications	Relevant individual partner organisations will remain statutory consultees however there is opportunity to use Neighbourhood Partnerships as a forum to engage with local communities.
Informed and engaged on matters relevant to the local area	Yes
Raise taxation to invest in local issues	No
Dedicated officer support	Yes , including to assist with coordination and development and delivery of Neighbourhood and Community Plans

3.10.6 Planning Committee

A single Planning Committee is proposed for each Unitary Authority of 15 members; this enables a cross section of representation from across the Unitary area. In terms of operation of the Committee it is proposed that the location of the Planning Committee meeting move around the area in order to maximise the engagement of the public.

Where possible the location of the meeting will reflect the locations of the applications for consideration. Maximising the opportunities for engagement with our communities is a key focus of our proposal, on that basis the Neighbourhood Partnerships offer an opportunity for feedback and consultation on major schemes and provide another mechanism for public engagement in the planning process.

3.10.7 Civic and Ceremonial Identities

The North, City, South model values and celebrates the historic and ceremonial identity of its localities. In terms of civic roles Leicester's Lord Mayor serves as a principal dignitary for Leicestershire. For Rutland in particular, public engagement established that the name and ceremonial status are considered very important to preserve the County's unique history, character and local identity. Consultation also highlighted Rutland's name/brand as being central to the future success of established businesses and the local visitor economy. The civic regalia associated with the District Councils will be retained or adapted by the new authorities. In some areas, it may be necessary for this to be passed onto any newly established Local/Town Councils.

Whilst these are civic, and not local government roles, they nevertheless need to be retained in any reorganisation of Leicestershire and Rutland. The North, City, South model values and celebrates this as an important strand of place identity. The civic regalia associated with the Town and District Councils can be retained or adapted by the new unitary authorities, and in some areas, it may be necessary for this to be passed onto any newly established Parish or Town Councils. New regalia can be thoughtfully designed for the new authorities which can incorporate various elements of history and identity. A review of localised ceremonial traditions would need to be undertaken, and localised traditional events would be supported to continue wherever possible, linking with other key partners such as Parish or Town Councils.

Where places do not have town or parish councils created, Charter Trustees will be requested by predecessor councils as a temporary body to enable local councils to retain ceremonial duties and safeguarding historic and civic regalia.

Section 4: Demonstrating how Councils have worked together and Engaged

Partnership working and co-design underpins effective local government. The LGR process is complex and requires thorough engagement with all stakeholders. Demonstrating an unprecedented level of collaboration the 8 councils have developed the most inclusive, wide-ranging and consultative approach to planning the future of local government in LLR. This has underpinned the development of the North, City, South proposal at every stage and will ultimately lead to the most efficient, resilient and effective new local authorities.

4.1 Background

Working alongside colleagues at Rutland County Council, the Leicestershire district and borough councils have a long track record of collaboration, working across party political lines on strategic agendas and shared service delivery. Throughout this process, we have used these relationships as a foundation for ensuring LLR secures the right response through reorganisation. We have also sought to exemplify this approach more widely, creating opportunities for broader engagement across all 10 councils within LLR. This section sets out the approach we have taken to build consensus and the extensive public and stakeholder engagement undertaken throughout. It also summarises the discussions which have taken place or been attempted with Leicestershire County Council and Leicester City Council through this process.

4.2 Collaboration

The development of this LGR proposal reflects an unprecedented and sustained level of collaboration among the 8 councils to reset, reimagine and reinvigorate local government in LLR.

The Leaders of the partner councils span the political spectrum and, along with officers, have collaborated on an unprecedented scale to seize this once-in-a-generation opportunity and make lives better for residents.

This section outlines the collaborative frameworks established to create the North, City, South model, addressing government criterion 4, which requires evidence of councils working together to meet local needs informed by local views. It responds to MHCLG's requirement for effective collaboration and data-sharing.

Following the publication of the White Paper, the district and borough councils organised a meeting of all 10 councils to establish a collaborative approach to evaluating options and responding to the government's objectives.

The adoption of a single process for evaluating and considering options is something the 8 councils were keen to explore as part of a collaborative process. Unfortunately, without further discussion, Leicestershire County Council declared its intention to pursue a single unitary council for Leicestershire. The City Council chose to reserve its position at this stage.

Further attempts were made to initiate a more unified approach following receipt of the formal invitation letter in February 2025. With limited progress made, particularly with the election cited as a reason for limited engagement, the 8 councils forged ahead and submitted a collective Interim Plan in March 2025. The deep collaboration has continued since then.

While separate interim plans, advocating a different LGR approach, were submitted by Leicester City and Leicestershire County Councils, attempts were made to agree a joint letter, signed by all 10 Leaders, which would confirm our collective support to establishing a Mayoral Strategic Authority for LLR. This was rejected by the City and County Councils, and whilst some constructive discussions have taken place with the City Council, particularly over their contemplation of boundary changes, discussions with the County Council have been limited and lacking commitment from them to any meaningful discussions or joined up approach.

4.3 How eight councils worked together

Reporting to a regular informal partnership meeting of the council leaders, the 8 councils established a comprehensive governance structure which has overseen the development of this proposal. Led by a Chief Executives group, supported by a senior level steering group, the proposal has been built on a series of collaborative workstreams covering all sections within this

submission, underpinned by wide professional expertise and representation from all the constituent councils.

Where appropriate, and particularly for those workstreams considering economic growth and public sector reform, extensive engagement and collaboration with external partners has also taken place – details of which is set out below. Additionally, external expertise has been commissioned to support particular workstreams, including Opinion Research Services, Housing Finance Associates and Economic Intelligence Unit who have provided independent expertise and objectivity in support of our submission. Our financial modelling has been supported by LGFin, Waje Consulting and Housing Finance Associates.

A dedicated governance sub-group has supported reporting and decision-making processes, ensuring consistent inputs to scrutiny, cabinet, and council meetings.

On receiving feedback from government on the interim plans the 8 councils undertook a critical evaluation of the developing proposal and also commissioned an independent assessment from Inner Circle Consulting. The learning from this has fed into the development of this final submission.

4.4 Data-sharing and evidence base

The government rightly highlighted the importance of data sharing in developing the best possible proposals. In March 2025 the 8 councils made an initial request for data from the County Council, for which a response was received, but which did not provide the required level of detail. In June, having received the government's feedback letter on Interim Plans, we reasserted the importance of both agreeing common datasets, but also supplying data of sufficient detail and granularity to enable effective modelling to be undertaken. Multiple requests were made to initiate discussions and the data sharing protocols to allow this to happen. Despite our best efforts, limited progress was made, and the matter was escalated to MHCLG colleagues several times, and specifically with the Director General and Baroness Taylor.

Eventually, and following concerted effort from the 8 councils, the city and county councils agreed to form a data sharing group, and data sharing agreements were finally entered into in early September 2025.Since the formation of the group, the approach has been more productive and those involved representing all the councils, have worked collaboratively. Agreements have been reached on shared datasets, on the financial years being used as the basis for proposals and ensuring consistency across all parties. A shared portal was developed to house all datasets, supporting easy access and streamlined communication. Nevertheless, the length of time taken to secure progress and repeated attempts to frustrate a more collaborative approach, is yet another example of the challenges faced during the development of LGR proposals. Fortunately, this has not undermined the credibility of this submission.

4.5 Community Engagement

Our comprehensive community engagement programme has been fundamental in shaping the North, City, South model, ensuring that the proposals genuinely reflect the diverse perspectives, priorities, and needs of residents, businesses, and stakeholders across LLR. Conducted between 9 June 2025 and 20 July 2025, this extensive engagement process was independently managed and reported by Opinion Research Services (ORS) to ensure transparency, objectivity and impartiality.

The programme used a robust blend of quantitative and qualitative methods to promote inclusive, accessible, and informed participation. It included:

- An open online questionnaire available to all residents and stakeholders (with paper and accessible formats)
- A representative telephone survey with residents to capture balanced demographic insights
- Public focus groups for in-depth discussions and targeted workshops with stakeholder groups such as parish and town councils, voluntary and community sector (VCS) representatives, business leaders, and vulnerable groups
- In-depth interviews with key stakeholders to explore strategic perspectives.

In total, over 6,400 people across Leicester, Leicestershire and Rutland contributed to shaping the proposal. This included 5,401 responses to the open questionnaire, 150 participants attending various focus groups and workshops, and 15 key stakeholders sharing their views via in-depth interviews (including representatives from the Integrated Care Board, Loughborough University, and local business networks). A telephone survey featured a weighted sample of 844 residents, carefully calibrated across demographics including age, gender, ethnicity, disability, tenure, and working status to ensure it was representative of the overall area.

The engagement programme achieved strong geographical coverage from all local authority areas, with particularly high participation from Charnwood (23%), Blaby (18%), and Oadby & Wigston (12%). Notably, 42% of responses came from the proposed city expansion area—well above its 28% population share—highlighting strong interest from those most likely to be affected. This ensured that local views, especially in high-impact areas, were well represented in shaping the final proposal. Deprivation levels were also considered using Indices of Multiple Deprivation (IMD) data, and respondents from a diverse range of socio-economic backgrounds provided feedback.

4.6 Key quantitative findings: Awareness and support for change

The quantitative data revealed strong awareness of current council structures and a clear appetite for reform, particularly supporting the North, City, South model. In the open questionnaire, 77% of respondents felt well informed about which councils deliver which services. Support for streamlining services to achieve efficiencies while maintaining quality was equally robust, with 74% overall agreement across the areas.

On the principle of replacing the two-tier system with unitary authorities, overall 48% agreed, with 41% disagreeing. In Rutland disagreement was higher at 54%, reflecting concerns around preserving local identity.

Support increased when respondents considered the specific proposal for three unitary councils, with 56% in favour and 36% opposed. Regarding the proposed North, City, South boundaries, 61% agreed (32% disagreed).

Among telephone survey participants, 48% agreed with the proposed areas for each unitary council, and 51% supported the North, City, South boundaries.

On a Leicester City boundary expansion, 86% preferred a limited approach, with only 6% supporting larger changes. This concern was echoed in the open-text comments of the open questionnaire, where 40% of the 2,155 submissions expressed disagreement with any form of city boundary expansion, highlighting deep concerns about the impact on local communities. Overall, there was widespread resistance to urban expansion across quantitative and qualitative methods.

Table 1: Support for key proposals – open questionnaire (individual respondents)

Proposal	Overall Agreement
Streamlining services	74%
Replacing two-tier with unitaries	48%
Three unitary councils	56%
North, City, South boundaries	61%
Limited city expansion	86% preference

Table 2: Support for key proposals – telephone survey (representative sample)

Proposal	Overall Agreement
Streamlining services	53%
Replacing two-tier with unitaries	42%
Three unitary councils	48%
North, City, South boundaries	51%
Limited city expansion	64% preference

4.7 Deliberative insights: Support for North, City, South

Deliberative engagement—focus groups, workshops, and interviews—provided deeper insights, if a decision to move forward with three unitaries was taken, then participants consistently highlighted the North, City, South model as the preferred structure due to its ability to balance efficiency with local responsiveness.

Residents in focus groups valued the potential to simplify governance, reduce duplication, and ensure consistent service standards, but raised concerns about democratic accountability, loss of local identity (particularly in Rutland), and risks of resources favouring high-demand areas. Despite these, North, City, South was seen as the optimal solution, as it preserves community identities, aligns with existing socio-economic differences, and ensures services remain accessible.

The majority of parish and town councillors strongly supported the model, citing its ability to maintain existing collaborations and reduce remoteness. They appreciated its alignment with service locations and geographical affinities, with comments like, “If change is inevitable, three makes sense for simplicity and savings.” Key stakeholders and business representatives were largely in favour of reorganisation, and those who supported the North, City, South proposal considered it the most logical approach to improving efficiency without losing local focus, noting, “The area is too large for two, three keeps services localised.” VCS representatives, while concerned about funding for smaller charities, preferred the model for mitigating risks of losing local voices, with one stating, “It potentially gives the opportunity for like-minded districts to work together.”

Young people and council tenants, though more cautious, supported North, City, South over alternatives, valuing its accessibility and focus on local needs like housing repairs. Rutland-specific feedback (from workshops) acknowledged disappointment at losing standalone status but saw integration with North Leicestershire as the best way to maintain identity and links, with comments like, "We'll have the opportunity to save local services with North Leicestershire." Opposition to two-unitary models was strong, driven by fears of remoteness, inefficiencies in disaggregating services (56% Rutland disagreement), and a weaker national presence. City expansion was widely opposed (86% for limited expansion) as a perceived 'money grab' threatening rural character and green spaces.

Table 3: Reasons for preference of North, City, South – from deliberative sessions

Group	Key reasons for preference	Supporting figures/quotes
Residents (focus groups)	Balances scale with locality; preserves identities; reflects socio-economic differences	61% questionnaire agreement; "Best represents existing links between where people live and work"
Parish/Town Councils (workshops)	Minimises remoteness; leverages existing collaborations; aligns with service locations	71 attendees; "Three makes sense for simplicity and savings"
Key stakeholders and businesses (interviews)	Maximises efficiencies; stronger national voice; aligns with NHS/police boundaries	15 interviews; "Area too large for two—three keeps services localised"
VCS representatives (workshops)	Retains local voices; better for smaller charities; minimal disaggregation impact	56%+ preference; "Mitigates risks of losing local direction"
Young people and council tenants (focus groups)	Improves access; protects housing priorities	"Prefer three for accessibility"; "Less remote than two"
Rutland-specific input	Maintains identity ceremonially; best links with North	41% questionnaire agreement but "best opportunity to maintain identity"

4.8 Influence on Proposals and Strategic Alignment

The engagement feedback has profoundly shaped the North, City, South model, directly addressing community concerns and reinforcing its viability. To counter identity concerns we strengthened Neighbourhood Partnerships at c. 50,000 population scale, ensuring local, responsive delivery of services like social care and housing. Area governance, including neighbourhood partnerships, draws on best practices from Somerset, Buckinghamshire and Cumbria to mitigate disconnection fears and democratic deficits, responding to comments about maintaining local voices. Financial modelling now incorporates safeguards for equitable resource allocation, particularly for vulnerable services like social care, SEND, and housing, addressing disaggregation concerns raised in open-ended responses.

The engagement strongly validates the North, City, South model, with 61% boundary agreement and deliberative endorsements highlighting its efficiency, identity preservation, and alignment with existing partnerships (e.g., NHS boundaries noted by over half of workshop attendees). This aligns with our vision for vibrant, inclusive, and resilient communities by 2040, supporting prevention-focussed approaches and ensuring seamless transitions to minimise disruptions. Ongoing post-launch consultations will integrate resident satisfaction metrics, fostering accountability and continuous improvement, cementing the model as a community-driven blueprint for sustainable local governance.

Table 4: How Engagement Shaped North, City, South Proposals

Group	Key reasons for preference	Supporting figures/quotes
Residents (focus groups)	Balances scale with locality; preserves identities; reflects socio-economic differences	61% questionnaire agreement; “Best represents existing links between where people live and work”
Parish/Town Councils (workshops)	Minimises remoteness; leverages existing collaborations; aligns with service locations	71 attendees; “Three makes sense for simplicity and savings”
Key stakeholders and businesses (interviews)	Maximises efficiencies; stronger national voice; aligns with NHS/police boundaries	15 interviews; “Area too large for two—three keeps services localised”
VCS representatives (workshops)	Retains local voices; better for smaller charities; minimal disaggregation impact	56%+ preference; “Mitigates risks of losing local direction”
Young people and council tenants (focus groups)	Improves access; protects housing priorities	“Prefer three for accessibility”; “Less remote than two”

This engagement not only confirms the North, City, South model as the preferred structure but also empowers it as a responsive, community-driven framework for LLR’s future.

Section 5: Transition and Implementation

Introduction

This section outlines the transformation and implementation process, ensuring a smooth transition to three unitary councils by April 2028, aligning with the government's first-wave goals in the Devolution White Paper (2025). The approach emphasises early action, robust data sharing, staff involvement, and a 'safe and legal plus' framework for Day 1, maintaining essential services while building a foundation for prevention-focussed delivery and public sector reform.

5.1 Governance and Programme Structure

Transition to the North, City, South model will be underpinned by the collaborative approach adopted throughout the development of this proposal. It will utilise the principles and approach set out in detail in Section 3.7, to maintain service continuity and statutory obligations, ensuring a pragmatic, 'safe and legal plus' approach to day 1 provision, which incorporating the foundations for long term innovation and transformation.

Before the Structural Change Order (expected late 2026), representatives from all ten predecessor councils—Leicester City, Leicestershire County, Rutland County, and the seven districts—will be involved in monthly meetings. This will include diverse political input to manage resource allocation, handle risks, and address dependencies. Efforts will focus on workforce transition and TUPE compliance, asset management and economic development, finance and HR harmonisation, ICT integration, and budget management, with regular progress updates. This reflects the collaborative spirit noted throughout this document.

The Data Workstream, initiated in September 2025, will continue using a shared portal to manage demographic data, service demand indicators (pensioner credits, children in poverty, temporary accommodation costs), and financial records, based on 2023/24 baselines. This aligns with MHCLG requirements and ensures consistency across the 2021 Census and 2028 population projections used in Section 2.2. External reviews and consultant input will refine the approach, leveraging expertise to address complex areas like financial rebasing and service integration.

After vesting on April 1, 2028, each council will adopt a Cabinet and Leader model. Indicative electoral arrangements, guided by Local Government Boundary Commission principles, propose approximately 72 councillors for North, 70 for South and 54 for the City, reducing the total from 384 to 196. This adjustment balances representation and efficiency, particularly in rural areas like Rutland, where population density requires additional focus on service access.

Neighbourhood Partnerships, set at around 50,000 population, will support resident engagement, oversee local budgets, and provide feedback loops, building on the community-driven model supported by 61% of consultees. Risks, such as service continuity issues or staff morale challenges, will be tracked and mitigated through early planning and dual ICT systems to ensure no disruption during the transition. Monthly progress reports and quarterly updates to MHCLG will maintain transparency. This approach leverages the councils' history of working together on shared services, overcomes initial hurdles, and supports long-term financial targets (a projected £151 million surplus by 2037/38 from a 2028 £109 million gap) and MSA integration, as outlined in the economic growth strategy in Section 3.3.

5.2 Transition Timeline

The transition to the North, City, South model spans October 2025 to April 2028 (vesting day), with transformation extending to 2033/34 to fully realise savings and service improvements. This aligns with the government's first-wave objectives, incorporating feedback from the June 2025 MHCLG review of interim plans to accelerate data sharing and planning.

Government Stage	Programme Phase	Timing	Responsibility	Key Activities
Inviting unitary proposals	Preparation and Mobilisation	Oct 2025 – Mar 2026	MHCLG, Councils	Submit proposals; audit services, assets, workforce; plan shadow elections; start Neighbourhood Partnerships; map MSA links.
Statutory Consultation	Design and Planning	Apr 2026 – Mar 2027	MHCLG, Councils	Consult nationally/locally; plan 'safe and legal' Day 1; map staff/TUPE; rationalise assets; plan ICT; co-design prevention; elect shadow councils May 2027; update risks; model finances with 3% council tax rise.
Decision to implement		May - July 2026	MHCLG	Secretary of State decides.
Making secondary legislation		Before Summer 2026	MHCLG	Lay Statutory Instruments; approve legislation.
Transition Period	Implementation and Go-Live	Apr 2027 – Apr 2028	Councils	Build workforce, disaggregate services, transfer assets; test SEND/housing; launch Partnerships; audit readiness.
New authority goes live	Stabilisation and Transformation	May 2028 – Mar 2033	New Councils, MSA	Start 'safe and legal plus'; embed reforms; monitor KPIs; integrate MSA.
	Full Maturity	2033+	New Councils, MSA	Sustain services; achieve £8bn economic return; adapt to policies.

The timeline ensures a phased approach, starting with preparation to gather baseline data on services, assets, and workforce from October 2025 to March 2026. This includes planning shadow elections and planning for Neighbourhood Partnerships.

The design phase from April 2026 to March 2027 involves detailed service planning, staff mapping for TUPE, asset rationalisation, and financial modelling.

Implementation from April 2027 to April 2028 focuses on workforce development, service disaggregation , and readiness audits. Post-vesting from May 2028 to March 2033 embeds reforms, realising £44 million in savings and investing in prevention, with full maturity beyond 2033 targeting an £8 billion economic return for Treasury. Risks like legislative delays are mitigated by parallel planning, ensuring progress despite potential setbacks.

5.3 Service Transition Planning

We will focus on transitioning services to ensure statutory duties are met while shifting to prevention-focussed delivery, using LLR's existing three upper-tier infrastructure to minimise disruption. Having established a programme management approach and with project resources in place, we will use sectoral expertise and experience of LGR to design a sensible and practical approach to transition to new Unitary Councils. Section 3.7 provides more details on our service design for 'safe and legal plus' transition, with a pragmatic approach taken for Day 1, and the foundations and plans established for subsequent improvement and transformation.

The following table maps out initial projected considerations with opportunities for these to be developed further as part of the development of the more detailed Implementation Plan which will be part of the next stage of the process:

Service Area	Transition Type	Day One Requirement	Year Two+ Transformation	Key Risks	Mitigations
Back Office (ICT, HR, Finance)	Aggregation	Safe payroll, finance, ICT	Joint processes and integration of services and systems	ICT issues	Phased migration, dual running
Adult Social Care	Disaggregation	Care package continuity	Prevention model	Rising demand	Safeguarding Board, phasing
Children's Services	Disaggregation	Placement stability	Early help expansion	Workforce shortages	Shared protocols, digital
Education and SEND	Disaggregation	Safe admissions	Health / social care links	Integration gaps	DfE agreements
Homelessness and Housing	Aggregation	Duty continuity	1,000+ homes, prevention	Gaps/ duplication	Joint planning, risk register
Waste and Environmental	Aggregation	Safe collection, disposal	Recycling, sustainability	Contract issues	Early standardisation
Transport	Aggregation	Highway maintenance continuity	Integrated mobility plans	Service gaps	Coordinated scheduling
Public Health	Disaggregation	Duty continuity	Prevention focus	Data splits	Shared records
Planning	Aggregation	Casework stability	Efficiency gains	Sensitivities	Standardisation
Regulatory (Licensing)	Aggregation	Licensing continuity	Streamlined enforcement	Process delays	Unified systems
Cultural/ Community	Aggregation	Library, leisure access	Community-led programmes	Funding cuts	Resident input, partnerships
Revenues and Benefits	Aggregation	Benefit payments	Digital efficiency	Payment errors	Robust checks

Considerations for effective service transition include:

- For back office functions, ensuring safe and effective payroll, finance, and ICT operations on Day 1 will be imperative. ICT systems will need to be mapped out clear and as aggregation proceeds, dual running of systems is likely to be necessary to maintain stability.
- For adult social care preserving care package continuity will be imperative, and a phased implementation will be necessary to establish the prevention model – overseen by a transition board with robust safeguarding and oversight mechanisms maintained throughout.
- For Children's services maintaining placement stability, safeguarding and child protection arrangements will be key and ensuring effective

maintenance of data systems and managing an effective balance and distribution of social workers across the new councils will be imperative. Early appointment of statutory officers will be crucial in advance of vesting day.

- Homelessness and housing services will require effective service continuity, both in terms of case management but also maintaining landlord obligations, with the opportunity to, over time, plan for the development of over 1,000 new homes
- Public health will play a key role in developing the prevention model, working alongside social care, housing and health colleagues.
- Review of waste and environmental provision and service contracts will create opportunities for harmonisation over time, and opportunities to create unified strategy and delivery.
- Ensuring continuity of highways maintenance schedules during transition, with plans to develop integrated mobility plans, with coordinated scheduling preventing service gaps.
- Planning Productivity reviews on process, systems and casework management, as well as proactive engagement with developers and agents to manage transition prior to aggregation of services.
- Regulatory services (such as licensing) would also prioritise day 1 continuity, but with opportunities to streamline enforcement with unified systems to avoid delays.
- Revenues and benefits would priorities payment and processing continuity on day 1, with opportunities to explore greater digital integration and process simplification going forward.

5.4 Phasing of Service Change

Service changes are phased to ensure stability and long-term benefits, avoiding disruption.

Short-Term (2025-2028): Focus on transition—aggregate district services like housing, disaggregate county functions such as social care using existing structures. ‘Safe and legal’ prevents gaps, with Neighbourhood Partnerships piloted locally to gather input. This phase includes initial audits and planning from October 2025 to March 2026, ensuring baseline data collection on services, assets, and workforce.

Medium-Term (2028-2033): Standardise processes to achieve £44 million per year in savings and invest in prevention with 300 staff, targeting care demand reduction through early interventions. Roll out core services in Year 1 (including SEND continuity), and growth initiatives in Years 2-3 via MSA strategies, aligning with the £8 billion economic return goal in Section 3.3. This reflects the phased approach from April 2026 to March 2027, focussing on service redesign and efficiency gains.

Long-Term (2033+): Achieve sustainable services and the £8 billion economic return, with annual KPI reviews on poverty reduction and satisfaction. This

aligns with resident priorities for identity preservation and mitigates risks using integrated planning, supported by financial projections.

The phasing ensures a structured progression, starting with service continuity, moving to efficiency gains, and culminating in long-term sustainability.

5.5 Transition Costs

One off transition costs total £20 million, based on detailed modelling, with £12 million for redundancy and pension strain, £1.0 million for asset reviews, and £7.1 million for ICT and project expenses. These costs are funded by capital receipts from asset rationalisation, in doing so we will follow these principles:

- Avoid compulsory redundancies where possible.
- Provide support and wellbeing resources for affected staff.
- Use redeployment, trial periods, and pay protection to ease transitions.
- Follow a fair, transparent, and inclusive process for any restructuring.

The detailed breakdown spans several years:

Transition Costs	2026/27 (£000)	2027/28 (£000)	2028/29 (£000)	2029/30 (£000)	2030/31 (£000)	Total (£000)
Redundancies	0	1,600	8,000	2,400	0	12,000
ICT costs	250	500	1,000	1,000	250	3,000
Project efforts (24 months)	600	1,200	600	0	0	2,400
Smaller project team	0	0	125	250	125	500
Expert advice	100	500	1,000	500	100	2,200
Total	**950**	**3,800**	**10,725**	**4,150**	**475**	**20,100**

Significant investment in the first three years will support the neighbourhood prevention model, with an estimated 50:50 split between staffing and service provision, employing 230 extra staff to manage demand pressures.

Asset reviews, costing £1.0 million, will ensure value-for-money disposals through detailed assessments, as planned in the transition roadmap.

The £100 million borrowing covers additional ICT costs for hardware and system harmonisation, reconfiguration of property estate, ensuring service continuity and allowing for flexibility for further investments if justified. No disaggregation costs are included, leveraging existing infrastructure.

This approach ensures fiscal responsibility, with savings outweighing costs over time, supporting financial sustainability and our transition principles.

5.6 Concluding Remarks

In conclusion, this proposal for the North, City, South model represents a transformative blueprint for local government in Leicester, Leicestershire, and Rutland—one forged through genuine co-design with our communities. Drawing on the insights of over 6,000 consultees, we have crafted structures that align seamlessly with the geographical patterns of daily life. This configuration emerged as the most popular option in our extensive public engagement, with 61% support for its boundaries, reflecting a clear preference for balanced, responsive governance over alternatives that risked remoteness or imbalance.

Our vision prioritises long-term sustainability over short-term expedients, addressing the profound challenges facing local government - financial pressures, rising service demands, and the need for resilient public services. By projecting £44 million in annual savings through efficiencies in workforce, procurement, and assets, whilst reinvesting in preventative approaches that could reduce social care needs, we offer a durable solution. This is not mere cost-cutting but a strategic reinvigoration, harnessing digital innovation and integrated partnerships to deliver high-quality, value-for-money services that empower residents and businesses alike.

Looking outwards, our model positions LLR as a pivotal contributor to the broader East Midlands economy. Through tailored economic strategies in each unitary area -leveraging logistics in the South, advanced manufacturing in the North, and urban innovation in the City - we aim to achieve an 83% GVA growth by 2050, adding £8 billion to public finances. This outward focus fosters collaboration with neighbouring regions, unlocking infrastructure and skills investments that propel regional prosperity.

Central to our approach is maximising connections with our communities, and new Neighbourhood Partnerships, will embed co-production, democratic accountability, and community empowerment, ensuring services are shaped by lived experiences and local priorities. This exemplifies joint working at its finest: the unprecedented collaboration among our eight councils - spanning political divides - has built a foundation of trust and shared purpose, supported by independent analyses from experts like the Economic Intelligence Unit and Housing Finance Associates.

We respond directly to government priorities in the English Devolution White Paper, accelerating a Mayoral Strategic Authority by May 2027, as urged by our business community. Their voices, alongside those of all our stakeholders, underscore the urgency of devolution to drive growth and reform. Evidence-led and rigorously appraised, our proposal can build on the remarkable consensus achieved so far, planning a bold, unified future that resets, reimagines, and reinvigorates local government for generations to come. This is our collective commitment: simpler, stronger, and truly community-led local government for the benefit of our communities.

A large print version of this document is available upon request.

Blaby District Council · Charnwood · District of Harborough · Hinckley & Bosworth Borough Council · Melton Borough Council · North West Leicestershire District Council · Oadby & Wigston · Rutland County Council · North City South

Ministry of Housing, Communities & Local Government

3 June 2025

LOCAL GOVERNMENT REORGANISATION

INTERIM PLAN FEEDBACK: LEICESTERSHIRE, LEICESTER AND RUTLAND

To the Chief Executives of:
Blaby District Council
Charnwood Borough Council
Harborough District Council
Hinckley and Bosworth Borough Council
Leicestershire County Council
Melton Borough Council
North West Leicestershire District Council
Oadby and Wigston Borough Council
Leicester City Council
Rutland County Council

Overview

Thank you for submitting your interim plans. The amount of work from all councils is clear to see across the range of options being considered. For the final proposals, each council can submit a single proposal for which there must be a clear single option and geography and as set out in the guidance, we expect this to be for the area as a whole; that is, the whole of the area to which the 5 February invitation was issued, not partial coverage.

Our aim for the feedback on interim plans is to support areas to develop final proposals. This stage is not a decision-making point, and our feedback does not seek to approve or reject any option being considered.

The feedback provided relates to the following interim plans submitted by Leicestershire, Leicester and Rutland councils:

- The District, Borough and Rutland's case for 'Three Unitary councils in a Future Leicestershire and Rutland'
- The Leicester City Council Local Government Reorganisation – the Case for Change – interim submission

- The Leicestershire Council interim plan – English Devolution White Paper: Developing Proposals for Local Government Reorganisation in Leicester, Leicestershire and Rutland

We have provided feedback on behalf of central government. It takes the form of:

1. A summary of the main feedback points,
2. Our response to the specific barriers and challenges raised in your plans,
3. An annex with more detailed feedback against each of the interim plan asks.

We reference the guidance criteria included in the invitation letter throughout, a copy can be found at: LEICESTERSHIRE, LEICESTER AND RUTLAND – GOV.UK. Our central message is to build on your initial work and ensure that the final proposal(s) address the criteria and are supported by data and evidence. We recommend that final proposal(s) should use the same assumptions and data sets or be clear where and why there is a difference.

We welcome the work that has been undertaken to develop local government reorganisation plans for Leicestershire, Leicester and Rutland. This feedback does not seek to approve or discount any option, but provide feedback designed to assist in the development of final proposals. We will assess final proposals against the guidance criteria provided in the invitation letter and have tailored this feedback to identify where additional information may be helpful in enabling that assessment. Please note that this feedback is not exhaustive and should not preclude the inclusion of additional materials or evidence in the final proposals. In addition, Alex Jarvis has been appointed as your MHCLG point person and is ready to engage with the whole area to support your engagement with government.

Summary of the Feedback:

We have summarised the key elements of the feedback below, with further detail provided in the Annex.

1. We welcome the steps you have taken to come together to date to prepare proposals and we note the intention for the area to reconvene post the May County Council elections. We expect local leaders to work collaboratively and proactively, including by sharing information, to develop robust and sustainable proposals that are in the best interests of the whole area, as per criterion 4:
    a. **Effective collaboration between all councils across the invitation area will be crucial; we would encourage you to continue to build strong relationships and agree ways of working, including around effective data sharing. This will support the development of a robust shared evidence base to underpin final proposal(s).**
    b. **It would be helpful if final proposal(s) use the same assumptions and data sets.**

c. **It would be helpful if final proposal(s) set out how the data and evidence supports all the outcomes you have included, and how well they meet the assessment criteria in the invitation letter.**
d. **You may wish to consider an options appraisal that will help demonstrate why your proposed approach in the round best meets the assessment criteria in the invitation letter compared to any alternatives.**

2. The criteria ask that a proposal should seek to achieve for the whole area concerned the establishment of a single tier of local government (see criterion 1). **For clarity, each council can submit a single proposal for which there must be a clear single option and geography which should cover the whole of the invitation area (Leicestershire, Leicester and Rutland), not partial coverage. As noted in the invitation, it is open to you to explore options with neighbouring councils in addition to those included in the invitation. Where final proposal(s) have implications for a neighbouring invitation area you should consider the impact of your proposals on the whole of the neighbouring invitation area. In addition, we would expect to see engagement and effective data-sharing between council(s) in the invitation area and council(s) in the neighbouring invitation area that are directly impacted. If one or more council(s) in a neighbouring invitation area support the proposal(s) put forward, we would also expect to see this reflected in proposal(s) submitted in response to the letter to the neighbouring invitation area, including a clear single option and geography covering the whole of the neighbouring area, not partial coverage.**

3. We note that Leicester City Council indicates that it will not be viable in its current form after 2027/28. **Consideration of how financial risks, such as this, will be managed would be welcome in final proposals.**

4. In some of the options you are considering populations that would be below or above 500,000. As set out in the Statutory Invitation guidance and in the English Devolution White Paper, we outlined a population size of 500,000 or more. This is a guiding principle, not a hard target – we understand that there should be flexibility, especially given our ambition to build out devolution and take account of housing growth, alongside local government reorganisation. **All proposals, whether they are at the guided level, above it, or below it, should set out the rationale for the proposed approach clearly.**

5. New unitary structures must support devolution arrangements. **Across all local government reorganisation proposal(s), looking towards a future Strategic Authority, it would be helpful to outline how each option would interact with a Strategic Authority and best benefit the local community, including**

meeting the criteria for sensible geography in the White Paper and devolution statutory tests.

Response to your requests for support from government

Please see below our response to the specific barriers and challenges that were raised in your interim plans.

1. **The position of Rutland**

   You highlighted the need for clarity regarding Rutland County Council's preferences towards local government reorganisation. As above, Rutland is part of your invitation area and it is open to Rutland to submit proposals in response to the 5 February invitation letter for Leicestershire, Leicester and Rutland, which cover the whole of the invitation area, not partial coverage**. If one or more council(s) in a neighbouring invitation area support the proposal(s) put forward, we would also expect to see this reflected in proposal(s) submitted in response to the letter to the neighbouring invitation area (Lincolnshire, North Lincolnshire and North East Lincolnshire), including a clear single option and geography covering the whole of the neighbouring area, not partial coverage. We would expect to see collaboration between councils in Leicestershire and Lincolnshire to further develop proposals, and to ensure that the implications of both areas' plans are fully considered within any proposal(s) submitted by council(s) in either area.**

2. **Boundary Changes**

   You have requested feedback on the implications of boundary changes on timescales for local government reorganisation, as well as what approach should be taken to proposed boundary changes in the November submission. As the invitation letter sets out boundary changes are possible, but "existing district areas should be considered the building blocks for proposals, but where there is a strong justification more complex boundary changes will be considered".

   The final proposal(s) must specify the area for any new unitary council(s). If a boundary change is part of your final proposal, then you should be clear on the boundary proposed, which could be identified by a parish or ward boundary, or if creating new boundaries by attaching a map.

   Proposals should be developed having regard to the statutory guidance which sets out the criteria against which proposals will be assessed (including that listed above). If a decision is taken to implement a proposal, boundary change can be achieved alongside structural change. Alternatively, you could make a proposal for unitary local government using existing district building blocks and consider requesting a Principal Area Boundary Review (PABR) later. Such reviews have been used for minor amendments to a boundary where both councils have

requested a review – such as the recent Sheffield/Barnsley boundary adjustment for a new housing estate. PABRs are the responsibility of the Local Government Boundary Commission for England who will consider such requests case-by-case.

3. **Clarity on the population criteria**

   You have asked for clarity on the 500,000 population criteria. As set out in the Statutory Invitation guidance and in the English Devolution White Paper, we outlined a population size of 500,000 or more. This is a guiding principle, not a hard target – we understand that there should be flexibility, especially given our ambition to build out devolution and take account of housing growth, alongside local government reorganisation. All proposals, whether they are at the guided level, above it, or below it, should set out the rationale for the proposed approach clearly.

   We recommend that final proposal(s) should use the same assumptions and data sets or be clear where and why there is a difference.

4. **Direct Ministerial engagement**

   We note the request to have direct engagement and ongoing dialogue with decision makers across government. Government is committed to supporting all invited councils equally while they develop any proposal(s). Alex Jarvis has been appointed as your MHCLG point person and is ready to engage with the whole area on issues you wish to discuss further ahead of the deadline for final proposals on 28 November 2025.

5. **Request to rule out options so as not to incur additional costs**

   The interim plans are not a decision-making point; decisions will be made on the basis of full proposals. This feedback does not seek to approve or discount any option or proposal, but provide feedback designed to assist in the development of final proposals.

6. **Weighting applied to assessment criteria**

   You asked whether government will be weighting the criteria against which final proposals are assessed. The criteria are not weighted. Our aim for this feedback is to support areas to develop final proposals that address the criteria and are supported by data and evidence. Decisions on the most appropriate option for each area will be judgements in the round, having regard to the guidance and the available evidence.

7. **Access to other Government departments**

You asked for access to and facilitation of discussions with other government departments, emphasising the importance of direct communication with key departments to test operating models and understand positions on policy. Alex Jarvis, your MHCLG point person, will be able to support your engagement with other government departments, and MHCLG colleagues will continue to work with HM Treasury on issues regarding local government reorganisation.

8. **Request for temporary protection from any impacts of funding reforms**

We acknowledge the requests for temporary protection from any impacts of upcoming local government funding reforms.

Government recently consulted on funding reforms and confirmed that some transitional protections will be in place to support areas to their new allocations. Further details on funding reform proposals and transition measures will be consulted on after the Spending Review in June.

We will not be able to provide further clarification on future allocations in the meantime but are open to discussing assumptions further if we can assist in financial planning.

9. **Working together and data sharing**

We expect local leaders to work collaboratively and proactively, including by sharing information, to develop robust and sustainable proposals that are in the best interests of the whole area.

10. **Timeframe for local government reorganisation, devolution and interaction with local elections**

You have requested clarity on the timelines for the local government reorganisation programme and the impact on local elections. As set out in the White Paper, we expect to deliver an ambitious first wave of reorganisation in this Parliament.

The Government will work with areas to hold elections for new unitary councils as soon as possible as is the usual arrangement in the process of local government reorganisation. We anticipate that, on the most ambitious timelines, there could be elections to ‘shadow’ unitary councils in May 2027, ahead of “go live” of new councils on 1 April 2028.

Our expectation is that any local authorities dissolved as a result of local government restructuring will cease to exist on the date that new councils “go live”. The role of a shadow authority is to take all the necessary steps to prepare for the assumption of full local government functions and powers on vesting day and

ensure continuity of public service delivery on and after this date. It does not have a role in carrying out the functions of predecessor councils except for where this is expressly provided.

We are clear that reorganisation should not delay devolution and plans for both should be complementary.

11. **Stability of local government finances**

We note your concerns around local government finances and the risk that a delay to local government reorganisation and wider devolution could prevent cost efficiencies being made. Ministers have committed to reforming the way in which local authorities are funded through a multi-year settlement from 2026-27, fixing local audit and creating a sustainable way to fund social care.

As set out above, Government recently consulted on funding reforms and confirmed that some transitional protections will be in place to support areas to their new allocations. Further details on funding reform proposals will be consulted on further after the Spending Review in June. We will not be able to provide further clarification on future allocations in the meantime but are open to discussing assumptions further if we can assist in financial planning.

We would welcome further information about the situation locally, and you are encouraged to discuss the impact on local government reorganisation progress with your MHCLG point person.

12. **Capacity/resources to mobilise and implement a successful transition**

You have identified that local government reorganisation will be reliant upon adequate capacity and resource being available to support developing proposals and the transition. £7.6 million will be made available in the form of local government reorganisation proposal development contributions, to be split across the 21 areas. Further information will be provided on this funding shortly.

In terms of transitional costs, as per the invitation letter, we expect that areas will be able to meet transition costs over time from existing budgets, including from the flexible use of capital receipts that can support authorities in taking forward transformation and invest-to-save projects. We note the estimate of your transition costs and comment further on this in the table below

13. **Clarity on timetable and feedback**

You asked for clarity on the timetable for local government reorganisation, particularly for feedback to support your work to continue at pace. This is our

feedback to support you to develop final proposal(s), and we are open to providing ongoing support to your work towards the 28 November submission deadline. Alex Jarvis has been appointed as your MHCLG point person and is ready to engage with the whole area on issues you wish to discuss further.

14. **Devolution Engagement**

You requested that the district and borough councils be engaged in discussions on devolution in order to reflect the current position on devolution in final proposals for local government reorganisation. The invitation letter sets out that new unitary structures should support devolution. As you will be aware, it is envisaged that the new unitary authorities created through the local government reorganisation process would become the constituent members of any future MCA in the region.

We are encouraged by your continued support for devolution for your area. It is for areas to propose robust devolution proposals, and consensus is needed from all the relevant authorities for these proposals to go ahead. All such proposals will be assessed against the criteria set out in the English Devolution White Paper. District councils, ahead of local government reorganisation, should play an active role in devolution arrangements, via engagement with their upper-tier authorities. We expect all councils in an area to work together and to share information.

15. **Continuation of Ceremonial rights**

Separately to interim plans, questions have been asked in regards to Rutland's ceremonial status and ceremonial rights more generally; there is no intention that the priorities set out in the English Devolution White Paper will impact on the ceremonial counties or the important roles that Lord Lieutenants and High Sheriffs play as the Monarch's representatives in those counties, and ceremonial counties will be retained. Where local government reorganisation might affect ceremonial privileges, we will work with local leaders to ensure that areas retain their ceremonial rights and privileges.

ANNEX: Detailed feedback on criteria for interim plan

Ask – Interim Plan Criteria	Feedback
Identify the likely options for the size and boundaries of new councils that will offer the best structures for delivery of high-quality and sustainable public services across the area, along with indicative efficiency saving opportunities. Relevant criteria: 1 c) Proposals should be supported by robust evidence and analysis and include an explanation of the outcomes it is expected to achieve, including evidence of estimated costs/benefits and local engagement & 2 a-f) - Unitary local government must be the right size to achieve efficiencies, improve capacity and withstand financial shocks & 3 a-c) Unitary structures must prioritise the delivery of high quality and sustainable public services to citizens	We welcome the initial thinking on the options for local government reorganisation in Leicestershire, Leicester and Rutland and recognise that this is subject to further work. We note the local context and challenges outlined in the proposals and the potential benefits that have been identified for the options put forward. Your plans set out your intention to undertake further analysis, and this further detail and evidence on the outcomes that are expected to be achieved of any preferred model would be welcomed. For the final proposal(s), each council can submit a single proposal for which there must be a clear single option and geography and, as set out in the guidance, we expect this to be for the area as a whole; that is, the whole of the area to which the 5 February invitation was issued, not partial coverage. You may wish to consider a fuller options appraisal against the criteria set out in the letter to provide a rationale for the preferred model against alternatives. Proposals should be for a sensible geography which will help to increase housing supply and meet local needs, including future housing growth plans. All proposals should set out the rationale for the proposed approach. Where there are proposed boundary changes, the proposal should provide strong public services and financial sustainability related justification for the change. Given the financial pressures you identify it would be helpful to further understand how efficiency savings have been considered alongside a sense of place and local identity. We welcome the initial financial information provided. In final proposal(s) it would be helpful to include a high-level financial assessment which covers transition costs and overall forecast operating costs of the new unitary councils. Referencing criteria 1 and 2, you may wish to consider the following bullets that it would be helpful to include in a final proposal:

	• high level breakdowns, for where any efficiency savings will be made, with clarity of assumptions on how estimates have been reached and the data sources used, including differences in assumptions between proposal(s) • information on the counterfactual against which efficiency savings are estimated, with values provided for current levels of spending • a clear statement of what assumptions have been made and if the impacts of inflation are taken into account • a summary covering sources of uncertainty or risks, with modelling, as well as predicted magnitude and impact of any unquantifiable costs or benefits • where possible, quantified impacts on service provision, as well as wider impacts We recognise that financial assessments are subject to further work. The bullets below indicate where further information would be helpful across all options: • data and evidence to set out how your final proposal(s) would enable financially viable councils across the whole area, including identifying which option best delivers value for money for council taxpayers • further detail on potential finances of new unitaries, for example, funding, operational budgets, potential budget surpluses/shortfalls, total borrowing (General Fund), and debt servicing costs (interest and MRP); and what options may be available for rationalisation of potentially surplus operational assets • clarity on the underlying assumptions underpinning any modelling e.g. assumptions of future funding, demographic growth and pressures, interest costs, Council Tax, savings earmarked in existing councils' MTFS • financial sustainability both through the period to the creation of new unitary councils as well as afterwards We welcome the information in your interim plans on the disaggregation of services. For proposals that would involve disaggregation of services we would

	welcome further details on how services can be maintained where there is fragmentation, such as social care, children's services, SEND, homelessness, and for wider public services including public safety. Under criterion 3c you may wish to consider:
	• how each option would deliver high-quality and sustainable public services or efficiency saving opportunities
	• what would be the impact of proposals on the shared social care services between Leicestershire County Council and Rutland County Council?
	• what would the different options mean for local services provision, for example:
	  • do different options have a different impact on SEND services and distribution of funding and sufficiency planning to ensure children can access appropriate support, and how will services be maintained?
	  • what is the impact on adults and children's care services? Is there a differential impact on the number of care users and infrastructure to support them among the different options?
	  • what partnership options have you considered for joint working across the new unitaries for the delivery of social care services?
	  • do different options have variable impacts as you transition to the new unitaries, and how will risks to safeguarding be managed?
	  • do different options have variable impacts on schools, support and funding allocation, and sufficiency of places, and how will impacts on schools be managed?
	  • what impact will there be on highway services across the area under the different approaches suggested?
	  • what are the implications for public health, including consideration of socio-demographic challenges and health inequalities within any new boundaries and their implications for current and future health service needs? What are the implications for how residents access services and service delivery for populations most at risk?
	
	We would encourage you to provide further details on how your proposals would maximise opportunities for public service reform, so that we can explore how best to support your efforts.

Include indicative costs and arrangements in relation to any options including planning for future service transformation opportunities. Relevant criteria - 2d) Proposals should set out how an area will seek to manage transition costs, including planning for future service transformation opportunities from existing budgets, including from the flexible use of capital receipts that can support authorities in taking forward transformation and invest-to-save projects.	We note the estimated transition costs included in all plans, and the initial thinking on service transformation and back-office efficiencies. We would welcome further clarity in final proposal(s) on the assumptions and data used to calculate transition costs and efficiencies (see criterion 2d). As per criterion 2, the final proposal(s) should set out how an area will seek to manage transition costs, including planning for future service transformation opportunities from existing budgets, including from the flexible use of capital receipts that can support authorities in taking forward transformation and invest-to-save projects. • within this it would be helpful to provide more detailed analysis on expected transition and/or disaggregation costs and potential efficiencies of proposals. This could include clarity on methodology, assumptions, data used, what year these may apply and why these are appropriate • detail on the potential service transformation opportunities and invest-to-save projects from unitarisation across a range of services - e.g. consolidation of waste collection and disposal services, and whether different options provide different opportunities for back-office efficiency savings? • where it has not been possible to monetise or quantify impacts, you may wish to provide an estimated magnitude and likelihood of impact • summarise any sources of risks, uncertainty and key dependencies related to the modelling and analysis • detail on the estimated financial sustainability of proposed reorganisation and how debt could be managed locally We note the financial pressures that councils are facing. It would be helpful if additional detail on the councils' financial positions and further modelling is set out in detail in the final proposal(s). We would encourage you to work together and recommend that all options and proposals should use the same assumptions and data sets or be clear

	where and why there is a difference (linked to criterion 1c).
Include early views as to the councillor numbers that will ensure both effective democratic representation for all parts of the area, and also effective governance and decision-making arrangements which will balance the unique needs of your cities, towns, rural and coastal areas, in line with the Local Government Boundary Commission for England guidance. Relevant criteria: 6) New unitary structures should enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment.	We welcome the initial assessments made across all interim plans on the options for and importance of democratic representation. We note where early views on councillor numbers have been provided which we will be sharing with the Local Government Boundary Commission for England (LGBCE). There are no set limits on the number of councillors although the LGBCE guidance indicates that a compelling case would be needed for a council size of more than 100 members. New unitary structures should enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment. Additional details on how the community will be engaged specifically how the governance, participation and local voice will be addressed to strengthen local engagement, and democratic decision-making would be helpful. In final proposal(s) we would welcome detail on your plans for neighbourhood-based governance, the impact on parish councils, and the role of formal neighbourhood partnerships and area committees.
Include early views on how new structures will support devolution ambitions. Relevant Criteria: 5) New unitary structures must support devolution arrangements. Specifically 5b) Where no CA or CCA is already established or agreed then the proposal should set out how it will help unlock devolution.	We welcome the consideration of devolution in your plans. We also note the reference to the option for Rutland to join with authorities in Lincolnshire as part of the Greater Lincolnshire Combined County Authority (GLCCA). Across all local government reorganisation proposal(s), looking towards a future Strategic Authority, it would be beneficial to provide an assessment that outlines if there are benefits and disadvantages in how each option would interact with a Strategic Authority and best benefit the local community, including meeting the criteria for sensible geography in the White Paper and devolution statutory tests. If an option of Rutland joining GLCCA is being considered, further information would be helpful on the implications for the governance arrangements in

	GLCCA. Also, consideration of the impact on the remainder of Leicestershire and Leicester would be welcome. We would also appreciate consideration of how this would best benefit the local community, including meeting the criteria for sensible geography in the White Paper and devolution statutory tests. We would also recommend you consult with the GLCCA mayor.
Include a summary of local engagement that has been undertaken and any views expressed, along with your further plans for wide local engagement to help shape your developing proposals. Relevant criteria: 6a&b) new unitary structures should enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment	We welcome the engagement that has taken place to date across all interim plans and how these views have been reflected. We would encourage you to continue with your plans for engagement locally in a meaningful and constructive way with residents, the voluntary sector, local community groups and councils, public sector providers and business to inform your proposal(s). For proposals that involve disaggregation of services, you may wish to engage in particular, with those residents who may be affected. It would be helpful to see detail that demonstrates how local ideas and views have been incorporated into the final proposal(s) including those relating to neighbouring authorities where relevant.
Set out indicative costs of preparing proposals and standing up an implementation team as well as any arrangements proposed to coordinate potential capacity funding across the area. Relevant criteria: Linked to 2d) Proposals should set out how an area will seek to manage transition costs, including planning for future service transformation opportunities from existing budgets, including from the flexible use of capital receipts that can support authorities in taking	We welcome the indicative costs that are set out in plans and recognise the work to consider the costs of preparing proposals and standing up an implementation team. Further clarity on how you arrived at the estimated costs and more detail on the underlying assumptions and data that have informed these figures would also be helpful. We would welcome further detail in your final proposal(s) over the level of cost and the extent to which the costs are for delivery of the unitary structures or for transformation activity that delivers additional benefits. £7.6 million will be made available in the form of local government reorganisation proposal development contributions, to be split across the 21 areas. Further information will be provided on this funding shortly.

forward transformation and invest-to-save projects.	
Set out any voluntary arrangements that have been agreed to keep all councils involved in discussions as this work moves forward and to help balance the decisions needed now to maintain service delivery and ensure value for money for council taxpayers, with those key decisions that will affect the future success of any new councils in the area. Relevant criteria: 4 a-c) Proposals should show how councils in the area have sought to work together in coming to a view that meets local needs and is informed by local views.	We note the intent for all councils to reconvene following the recent May local elections to continue discussions on a way forward for local government reorganisation in the area. Effective collaboration between all councils in the invitation area, and the proposed Mayoral Strategic Authority area will be crucial; areas will need to build strong relationships and agree ways of working, including around effective data sharing to further develop proposals. Should Rutland County Council wish to be included in proposals submitted by a council(s) in Lincolnshire, we would expect collaboration between councils in Leicestershire and Lincolnshire to further develop proposals, and to ensure that the implications of both areas' plans are fully considered within any proposal submitted by councils in each area. This will enable you to develop a robust shared evidence base to underpin final proposals (see criteria 1c). We recommend that final proposals should use the same assumptions and data sets or be clear where and why there is a difference.

SCHEDULE

Guidance from the Secretary of State for proposals for unitary local government.

Criteria for unitary local government

1. **A proposal should seek to achieve for the whole of the area concerned the establishment of a single tier of local government.**

   a) Proposals should be for sensible economic areas, with an appropriate tax base which does not create an undue advantage or disadvantage for one part of the area.

   b) Proposals should be for a sensible geography which will help to increase housing supply and meet local needs.

   c) Proposals should be supported by robust evidence and analysis and include an explanation of the outcomes it is expected to achieve, including evidence of estimated costs/benefits and local engagement.

   d) Proposals should describe clearly the single tier local government structures it is putting forward for the whole of the area, and explain how, if implemented, these are expected to achieve the outcomes described.

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

   a) As a guiding principle, new councils should aim for a population of 500,000 or more.
   b) There may be certain scenarios in which this 500,000 figure does not make sense for an area, including on devolution, and this rationale should be set out in a proposal.
   c) Efficiencies should be identified to help improve councils' finances and make sure that council taxpayers are getting the best possible value for their money.
   d) Proposals should set out how an area will seek to manage transition costs, including planning for future service transformation opportunities from existing budgets, including from the flexible use of capital receipts that can support authorities in taking forward transformation and invest-to-save projects.
   e) For areas covering councils that are in Best Value intervention and/or in receipt of Exceptional Financial Support, proposals must additionally demonstrate how reorganisation may contribute to putting local government in the area as a whole on a firmer footing and what area-specific arrangements may be necessary to make new structures viable.
   f) In general, as with previous restructures, there is no proposal for council debt to be addressed centrally or written off as part of reorganisation. For areas where there are exceptional circumstances where there has been failure linked to capital practices, proposals should reflect the extent to which the implications of this can be managed locally, including as part of efficiencies possible through reorganisation.

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

   a) Proposals should show how new structures will improve local government and service delivery, and should avoid unnecessary fragmentation of services.

   b) Opportunities to deliver public service reform should be identified, including where they will lead to better value for money.

   c) Consideration should be given to the impacts for crucial services such as social care, children's services, SEND and homelessness, and for wider public services including for public safety.

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

   a) It is for councils to decide how best to engage locally in a meaningful and constructive way and this engagement activity should be evidenced in your proposal.

   b) Proposals should consider issues of local identity and cultural and historic importance.

   c) Proposals should include evidence of local engagement, an explanation of the views that have been put forward and how concerns will be addressed.

5. **New unitary structures must support devolution arrangements.**

   a) Proposals will need to consider and set out for areas where there is already a Combined Authority (CA) or a Combined County Authority (CCA) established or a decision has been taken by Government to work with the area to establish one, how that institution and its governance arrangements will need to change to continue to function effectively; and set out clearly (where applicable) whether this proposal is supported by the CA/CCA /Mayor.

   b) Where no CA or CCA is already established or agreed then the proposal should set out how it will help unlock devolution.

   c) Proposals should ensure there are sensible population size ratios between local authorities and any strategic authority, with timelines that work for both priorities.

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

   a) Proposals will need to explain plans to make sure that communities are engaged.

   b) Where there are already arrangements in place it should be explained how these will enable strong community engagement.

Developing proposals for unitary local government

The following matters should be taken into account in formulating a proposal:

Boundary Changes

a) Existing district areas should be considered the building blocks for your proposals, but where there is a strong justification more complex boundary changes will be considered.

b) There will need to be a strong public services and financial sustainability related justification for any proposals that involve boundary changes, or that affect wider public services, such as fire and rescue authorities, due to the likely additional costs and complexities of implementation.

Engagement and consultation on reorganisation

a) We expect local leaders to work collaboratively and proactively, including by sharing information, to develop robust and sustainable unitary proposals that are in the best interests of the whole area to which this invitation is issued, rather than developing competing proposals.

b) For those areas where Commissioners have been appointed by the Secretary of State as part of the Best Value Intervention, their input will be important in the development of robust unitary proposals.

c) We also expect local leaders to engage their Members of Parliament, and to ensure there is wide engagement with local partners and stakeholders, residents, workforce and their representatives, and businesses on a proposal.

d) The engagement that is undertaken should both inform the development of robust proposals and should also build a shared understanding of the improvements you expect to deliver through reorganisation.

e) The views of other public sector providers will be crucial to understanding the best way to structure local government in your area. This will include the relevant Mayor (if you already have one), Integrated Care Board, Police (Fire) and Crime Commissioner, Fire and Rescue Authority, local Higher Education and Further Education providers, National Park Authorities, and the voluntary and third sector.

f) Once a proposal has been submitted it will be for the Government to decide on taking a proposal forward and to consult as required by statute. This will be a completely separate process to any consultation undertaken on mayoral devolution in an area, which will be undertaken in some areas early this year, in parallel with this invitation.

Interim plans

An interim plan should be provided to Government on or before **21 March 2025.** This should set out your progress on developing proposals in line with the criteria and guidance. The level of detail that is possible at this stage may vary from place to place but the expectation is that one interim plan is jointly submitted by all councils in the area. It may be the case that the interim plan describes more than one potential proposal for your area, if there is more than one option under consideration. The interim plan should:

a) identify any barriers or challenges where further clarity or support would be helpful.

b) identify the likely options for the size and boundaries of new councils that will offer the best structures for delivery of high-quality and sustainable public services across the area, along with indicative efficiency saving opportunities.

c) include indicative costs and arrangements in relation to any options including planning for future service transformation opportunities.

d) include early views as to the councillor numbers that will ensure both effective democratic representation for all parts of the area, and also effective governance and decision-making arrangements which will balance the unique needs of your cities, towns, rural and coastal areas, in line with the Local Government Boundary Commission for England guidance.

e) include early views on how new structures will support devolution ambitions.

f) include a summary of local engagement that has been undertaken and any views expressed, along with your further plans for wide local engagement to help shape your developing proposals.

g) set out indicative costs of preparing proposals and standing up an implementation team as well as any arrangements proposed to coordinate potential capacity funding across the area.

h) set out any voluntary arrangements that have been agreed to keep all councils involved in discussions as this work moves forward and to help balance the decisions needed now to maintain service delivery and ensure value for money for council taxpayers, with those key decisions that will affect the future success of any new councils in the area.