

Statement from the Chief Executive Officer on agenda item 4: "Local Government Reorganisation - Final Proposal for Leicester, Leicestershire and Rutland (November 2025)"

The body of the report before you is the same as that considered at the Council Meeting on 28 October, giving you the opportunity to have an initial consideration of the 3 unitary North-City-South proposal, and asking you to note the report which was unanimously resolved.

The proposal at Appendix 2 has also not changed to that which was published on 20 October and attached to the report of 28 October, nor the accompanying appendices to the proposal.

Since publication of the final draft proposal on 20 October the other seven districts/boroughs & Rutland Councils have been going through the same process of reports to their Scrutiny and Council meetings for initial consideration before seeking sign off by Cabinet ahead of submission on 28 November (as for the other eight with Leader/Cabinet, the sign off is an executive decision, not Council).

The feedback/questions raised from each Council's meetings were collated for consideration and Officers proposed some changes which were put to Leaders at their meeting last Wednesday, and they agreed informally to support changes to the proposals.

This was after the publication of the report before you, so the changes are set out in Appendix 5 circulated as an agenda update, by way of a summary setting out the general position and direction following feedback. These changes are currently being drafted into the proposal document but due to the short turnarounds from the Scrutiny and Council meetings across the eight Councils they have not been finalised.

I do not intend to go through each as the majority are about enhancing existing documents to continue to strengthen our submission.

The financial model assumptions are having some updates following feedback, and further review by the Section 151 Officers and external consultants, which for the short-term the bottom line is pretty much unchanged, but the medium-term position is improved by around £10 million from 2 baseline changes:

1. Council Tax - we have increased our assumptions on council tax increases to add £15 million to baseline income – based on maximising council tax to April 2028.
2. Disaggregation - to increase the costs attributed to the costs of disaggregation based on further discussions with independent experts and other Councils who have gone through this process. Added £5 million to the base in recognition of the permanent impact of disaggregation.

So, the £15 million increase of council tax income and the increase in cost of disaggregation of £5 million results in around a £10 million improvement on the medium-term position.

The recommendations in the report before you are:

- a) Council to endorse the final proposal for a 3 unitary model for Local Government Reorganisation in Leicester, Leicestershire and Rutland (North-City-South) which is attached at Appendix 2; and
- 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.