

EXECUTIVE SUMMARY

NORTH
CITY
SOUTH

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

North, City, South: Big Enough to Deliver, Close Enough to Respond



Foreword

An exceptional track record of partnership working amongst the 8 local authorities.

This plan is the collective outcome of the dedicated joint work of leaders and politicians committed to building a sustainable and prosperous future for Leicestershire and Rutland, the heart of Middle England. It proposes the creation of three new unitary councils, recognising the natural shape of the area, through a North, City and South approach. *It builds on an exceptional track record of partnership and excellent service delivery amongst the 8 local authorities from which it arises.*

It represents a bold vision that will save £43 million a year, streamline local government structures and deliver a route map to a significant reduction in service demand, through innovative, preventative service planning, reducing expensive social care demand. Additionally, it aims to grow the local economy by leveraging our core assets, including an international freeport, global logistics, cutting-edge manufacturing, world-class tourism and cultural assets, and the best university in the world for sports.

We have made unlocking the benefits of devolution a priority and our exciting plan would facilitate the establishment of a new Mayoral Strategic Authority across Leicester, Leicestershire and Rutland whilst concurrently reorganising local government in a way that will work best for our communities.

This plan is based on a democratic renewal that recognises: people as the assets at the heart of our agenda; long-term, multi-agency preventive services that are sustainable and affordable and economic development that unlocks the future prosperity of the area. Building on existing Local Plan delivery, our model is well placed to deliver forthcoming Spatial Development Strategies, planning for ambitious local growth targets to meet housing and employment needs and meeting the dynamic economic growth mission.

We are focused on the best interests of those we serve in Leicestershire and Rutland and have strongly resisted a more simplistic and inward-looking approach, which seeks to protect the interests of existing organisations and elevate the needs of institutions over those of our communities. Our model encompasses the whole of our area, recognising the historic bonds between Leicestershire and Rutland and in striving for an even broader consensus, we continue to welcome further dialogue with colleagues at both the City and County Councils.



Cllr Phil Allnatt
Melton
Borough



Cllr Stuart Bray
Hinckley and
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Borough Council



Cllr Richard Blunt
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District Council



Cllr Samia Haq
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Cllr Phil Knowles
Harborough
District Council



Cllr Jewel Miah
Charnwood
Borough Council



Cllr Terry Richardson
Blaby
District Council



Cllr Gale Waller
Rutland
County Council

Leaders of Rutland County Council and Leicestershire District and Borough Councils

This is a comprehensive plan based on seven principles.



1

Sustainable

We are committed to creating authorities of a sensible scale, capable of delivering long-term preventative service outcomes. We have resisted suggesting improbable savings of an unrealistic one-off nature, recognising instead that we can deliver far more sustainable change through integrated community services.

2

Inclusive, Open and Pragmatic

We are bringing together the widest possible coalition of interests from across the area. Our approach is flexible and nuanced, ready to adapt to the positive engagement of others. We are committed to practical solutions that work in the real world.

3

Enabling and Consultative

Our plan is built on a dynamic and wide constituency that shapes the devolution agenda in Leicester, Leicestershire and Rutland. It is informed by a very extensive process of community engagement and strengthened by authentic local partnerships that deliver impact and outcomes.

Together, as the political and professional leaders of 8 councils, we are shaping a future that reflects the aspirations and needs of our diverse communities. We will keep listening and refining our plans to ensure they best respond to the needs of our communities. We have to get this once-in-a-generation opportunity right and we will continue to move forward with confidence, determination, and a shared sense of purpose.

4

Prosperity Focused

Looking outward to the growth opportunities around the manufacturing strength of the M1 corridor, the M69 and A1, and forthcoming rail connections to the West Midlands, the rural economic growth opportunities to the east and the skills and science potential of the adjacent Oxford/Cambridge Arc, we are positioning our communities for success.

5

Connected

Focused on localities, our plan exemplifies system leadership delivering concurrently at each level of spatial geography – regional, place, and neighbourhoods. It is grounded in principles of prevention, multi-agency working across the quality-of-life agenda, co-design, asset-based community development, and recognising people's lived experiences.

6

Innovative and Engaging

Our approach embraces community wealth building and recognises that local councils need to be close enough to their natural communities of interest to achieve these sustainable approaches. It paves the way for meaningful and sustainable community and voluntary sector relationships, recognising that our communities are ready and willing to shape the future with us. It focuses on creating re-imagining and re-invigorating public services, creating 21st century local government.

7

Democratic Renewal

We recognise the importance of retaining the separate ceremonial County status of both Rutland and Leicestershire and the value of the civic and historic roles associated with all of our communities, including Lord Lieutenants, High Sheriffs and Mayors. Our plan enables a democratic reset, reducing the scale of local authority governance while opening up new opportunities at the neighbourhood level.

Introduction

Our plan focuses on unlocking the benefits of devolution at the earliest opportunity and delivering the best corresponding local government reorganisation for Leicestershire and Rutland.



There is broad agreement, from all 10 local authorities, that a Mayoral Strategic Authority should be established across Leicestershire, Leicester and Rutland(LLR). For some, this support is contingent on being underpinned by the right form of Local Government Reorganisation (LGR), and for the City Council meeting their specific requirements. In considering the options for reorganisation, the seven Districts and Rutland have given full regard to the criteria set out by the government, and particularly considered the following:

- How best to unlock devolution and deliver for our region, our places and our neighbourhoods
- How to ensure the right balance between size and maintaining strong local connections with communities, with councils that reflect the way people live their lives and work
- How best to deliver savings and ensure sustainable organisations
- How to ensure social care remains safe and legal, which also better facilitates integration and prevention
- How best to retain local democratic accountability
- How best to ensure a strong focus on neighbourhoods, and community partnerships
- How best to preserve local heritage and civic identities

After an options appraisal, we concluded that the North (including Rutland), City, South approach is the most balanced and sustainable way forward. Through our analysis, we identified:

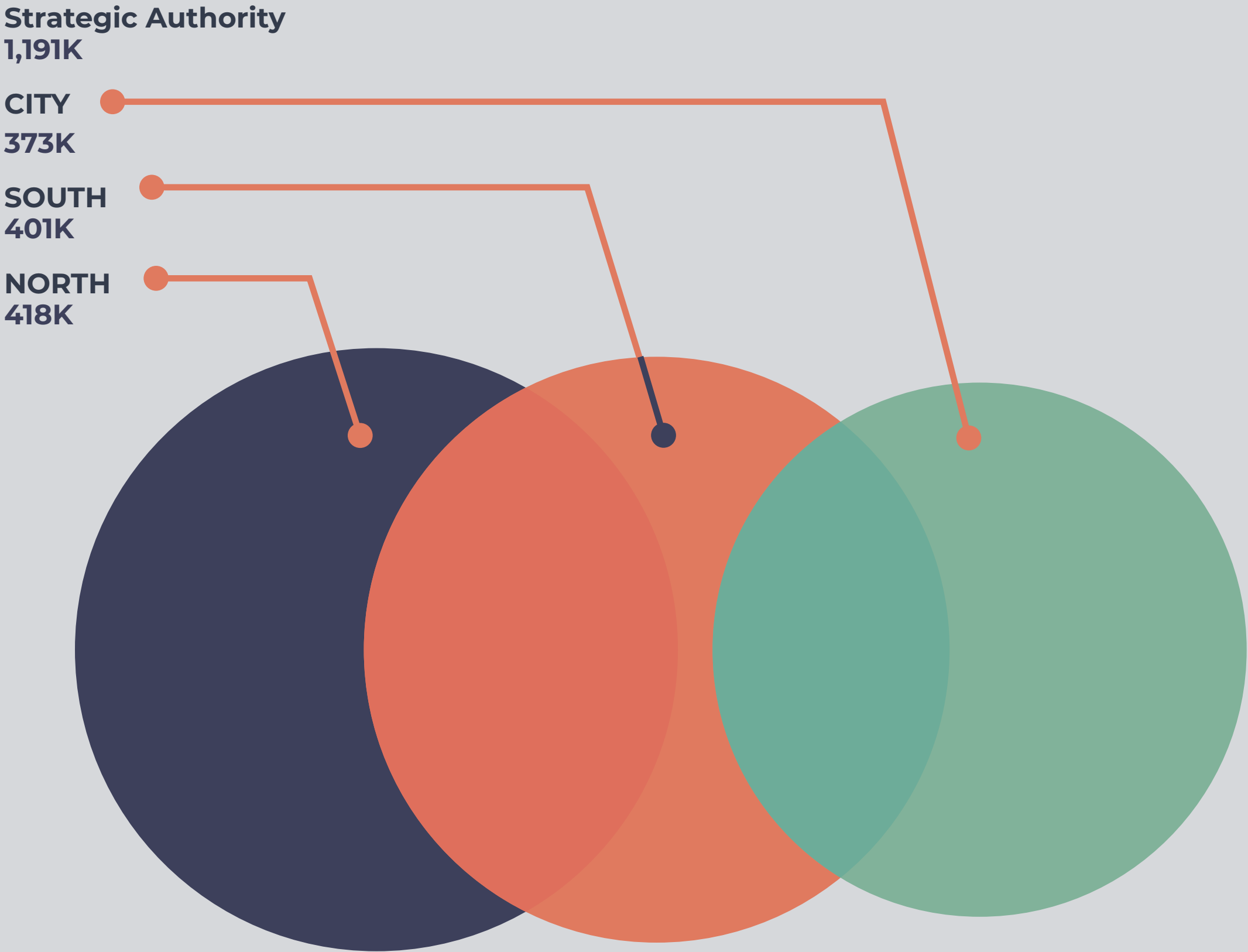
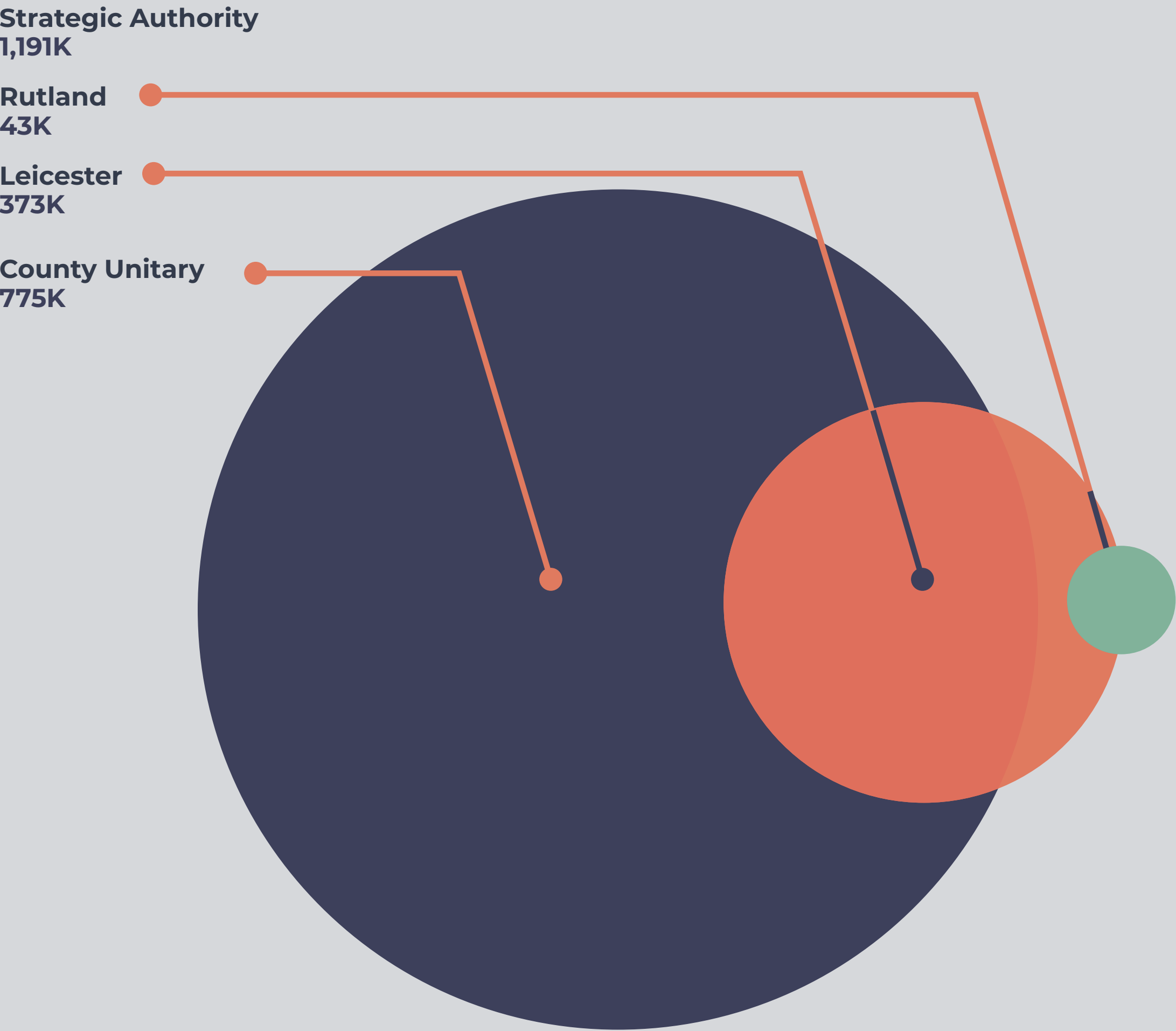
- A single county unitary is too big, and too remote to respond effectively. It is highly unbalanced when linked to Leicester in terms of population (775,000 vs 373,000), less logically connected to economic drivers outside the county boundary, and at risk of a confusing overlap with any future Strategic Authority across Leicester, Leicestershire and Rutland.
- A north/south (including Rutland) configuration is less sustainable in terms of population balance, commuting, housing, and children's and adult social care pressure proxies.
- An east/west configuration has an unbalanced population, including a less sustainable pattern of where people live and work, a less even debt gearing across the three new authorities, and a more unbalanced population density.

County Unitary & Leicester

Vs

North, City, South

The diagram below shows the population juxtaposition of a balanced North, City, South approach compared to a county unitary and Leicester configuration:



North, City, South recognises the different spatial characteristics of the area and the different delivery challenges our diverse communities face. It delivers three very balanced councils in terms of population, assets, and liabilities. This approach provides annual savings of up to £43 million and a route map to a significant reduction in service demand through prevention and person-centred service integration in relation to adult and children's services.

It is based on a strategy which will facilitate devolution underpinning the 5 missions of Government by:

- **Breaking down barriers to opportunity** through the transformation of the democratic governance and service delivery infrastructure of Leicestershire and Rutland.
- **Contributing to the role of Britain as a clean energy superpower** by creating a high-value, low-cost delivery framework, meeting the socio-economic and climate challenges facing the diverse communities of Leicestershire and Rutland.
- **Taking back our streets** through the facilitation of prosperous, sustainable, and inclusive communities which reflect the lived experience of local people rooted in a sense of place for all residents. Drawing strength from the collective experience of founding councils in reducing crime and building community safety, resilience, cohesion and pride in place.
- **Building an NHS fit for the future** through focused prevention and multi-agency working around health and social care and housing, making best use of services and assets to maximise outcomes and opportunities.



Leicester City: Growth and Sustainability

The Government has indicated in the White Paper and the invitation letter from the Minister that the sustainability of Councils and a sense of place are issues for consideration.

There is also we understand a desire to keep things simple and avoid complicated boundary changes, unless there is strong justification. Therefore, our current preferred option is based on existing city boundaries.

We are, however, aware that Leicester City Council has published a plan which would seek to expand their boundary as part of Local Government Reorganisation so as to support their future sustainability and growth. These details need to be reviewed and discussed further and we believe that there is space between this interim proposal and November to agree a final proposal that will satisfy government criteria, and all local community aspirations. We will continue to work hard to build consensus with all our local authority partners and which will deliver a balanced and sustainable three unitary approach across Leicester, Leicestershire and Rutland.



Big enough to deliver, close enough to respond.

Our communities deserve to be served by councils that can listen, respond and deliver. Leicester, Leicestershire and Rutland are best served by a balanced, delivery focussed model of three councils, with around 400,000 people per authority. Authorities of this size, will be focused to better plan and deliver services on a preventive basis, working closely with communities and local partners.

Democratic Engagement

This will be driven by multi-agency working and cross-organisation partnerships delivering change at the local level. *This includes retaining the separate ceremonial County status of both Rutland and Leicestershire, as well as preserving civic identities and opportunities for local civic mayors and ceremonial occasions.*

Ensuring Sustainability

We will prioritise social care to ensure the future sustainability of local authorities. This involves a new commissioning focus to enhance service delivery with the voluntary and community sector (VCS) and particularly organisations concerned with primary care. We will leverage housing, health, and community safety insights from district and unitary councils for a connected multi-discipline approach, recognising the role of social enterprises and micro-businesses in inclusive local economies. Our service delivery agenda will integrate actions around neighbourhood, health, and community safety collaboration and planning. Partnerships will focus on local insights, intelligence, and co-design with the VCS and local councils. *This approach will build local organisation capacity and strengthen micro-economies through procurement and service delivery structures, enabling community wealth building.*



Place Narrative

North

The north is home to East Midlands Airport, East Midlands Freeport, the Loughborough and Leicester Science and Innovation Enterprise Zone, along with world renowned Loughborough University and a dynamic further education sector. This is the most rural area within Leicestershire and Rutland and provides great scope for sustainable economic development. This area also sits at the manufacturing heart of the M1 corridor and connects to Nottingham and Derby whilst at its eastern fringe linking through Rutland to the A1 and the major growth node at Woolfox, it also reaches out to Greater Peterborough and the Oxford/Cambridge Arc. Nationally significant tourism assets include - Rutland Water, Vale of Belvoir, the National Forest and the attractive market towns which make up the fabric of the area.



South

Characterised by a network of historic and vibrant market towns, the south is also home to the world-leading Mira Technology Park Enterprise Zone, with strong links to Loughborough, Leicester, and Coventry Universities. This area is central to the Midlands golden logistics triangle which offers investment opportunities around Magna Park and Hinckley Park logistics and distribution centres. There are key national and international tourism attractions such as The Battle of Bosworth site and Twycross Zoo. Blaby is home to Fosse Park, the HQ for Next and Everards Brewery. The district anchors the M69 at its northeastern edge. Oadby and Wigston is home to Leicester Racecourse and the student campus for Leicester University and Botanic Gardens, renowned for its world-changing research, particularly in medicine.



Delivering for Our Region, Our Places, and Our Neighbourhoods

Our approach recognises the diversity of Leicestershire and Rutland as a network of urban and rural communities, and achieves a blended approach, balancing assets and liabilities across the new unitary councils that would serve them. It is based on a clear division of policy development at the Strategic Authority level and insightful local implementation at the unitary authority level. This delivery approach is deeply rooted in partnership with enhanced hyper-local bodies at the parish, town, and VCS levels. Working in partnership across Leicestershire, Rutland and with the City of Leicester, we believe a three-unitary approach best serves this purpose and the needs of local people. Local Plans and housing supply, crucial to realising the Government's agenda, can only be delivered with a strong focus on localities. Our approach will build on the existing strong working relationships currently delivering housing and economic growth. It will achieve this through collaborative working on Local Plans and a forthcoming Spatial Development Strategy.

This requires meaningful area-based accountability structures, built around existing community partnerships, not just consultation through anachronistic area committees, but rather vibrant delivery structures that give people a stake in the organisations that serve them.



Financial Proxies for Service Pressures

We have examined three financial proxies to indicate the relative scale of challenges

- **Adult Social Care:** Number of people on pensioner credits
- **Children’s Services:** Number of children living in poverty
- **Housing:** Amount spent by each authority on temporary accommodation

In the north and south pensioner credits at 7% represent a relatively modest challenge. There are proportionately more children living in poverty in the north at 14.8% compared to 11.8% in the south. Total spend on temporary accommodation last year (2023/24) was: south £2.6 million; north £923,000. These figures are very modest when compared to the challenges in Leicester where pensioner credits run at 22%, children in poverty 36%, and housing pressures were £7 million in 2023/24. *This overview shows that the distribution of service pressures between the two areas is relatively modest and evenly split. It forms a clear and equitable division of challenges between them.*

Financial Strategy

The opportunity for financial efficiencies of the three-unitary council model is estimated to be a gross £43m per year. The three-unitary council model enables harmonisation of council tax levels across the county, bringing equity to residents. Our plan for equalisation within one year creates financial certainty, reduces administrative burden, and avoids lengthy equalisation processes, which can be disruptive.

Financial Sustainability

Future financial sustainability of the new authorities is linked to the balance sheet health of the organisations *In our approach, the level of debt and reserves is evenly split across the Leicestershire and Rutland area. This is borne out in the table below.*

Debt Analysis - as at 2023/24	Debt Value £000	% of Net Revenue Expenditure
North	329,787	111%
South	262,964	98%
City	290,165	85%
Total	882,916	



Economic Prosperity

Leicestershire and Rutland have an ambitious growth plan which is best delivered in support of the new Strategic Authority by two new councils in addition to Leicester. The 2018 Strategic Growth Plan sets out a bold agenda for the new councils and demonstrates the level of existing collaborative working to deliver housing and economic growth to be taken forward into new Local Plans and a Spatial Development Strategy. It has been positively prepared through a strong and proactive partnership involving all Leicester and Leicestershire councils and the process has been managed by a joint Strategic Planning Member Advisory Group comprising of Leaders and Senior Portfolio Holders. 96,864 new dwellings are planned to 2036 alongside the following major employment and infrastructure developments:

- 340 hectares of employment land planned to 2036 (split between 42 hectares of office space and 290 hectares of general industrial space)
- 400 hectares of B8 of warehousing/logistics

Major road transport developments include key transport infrastructure projects that impact both the north and south areas of Leicestershire and Rutland: including A5 Hinckley to Tamworth improvements; A46 improvements; M1 J24; A5 – A46 Gibbett Hill scheme, bringing better connectivity to the north and south areas.

The distribution of these proposed employment infrastructure investments naturally segments the historic county of Leicestershire alongside Rutland around complementary north and south influences with 145.9 hectares of employment allocated to the south and 124 to the north in the historic county of Leicestershire. Potential new settlement growth options include the following populations:

- **North:** Isley Walton (up to 5,000), Six Hills (up to 10,000), Woolfox (up to 5,000)
- **South:** Lindley (up to 3,000), Whetstone Pastures (over 5,000), East Lutterworth (up to 2,750)

By 2028, all of Leicestershire will be covered by up-to-date local plans, providing an excellent opportunity to move forward as two ambitious local planning authorities to deliver housing and economic growth.



Local Plans

Ambitious and delivery focused local plans are central to delivering the government’s growth agenda. New Local Plans will build on existing, with coverage across the County expected by 2028, leading to a new Spatial Development Strategy in 2029.

Our approach will build on existing relationships and existing housing and employment delivery to sustainably plan for housing and employment to meet needs, including delivery of new settlements and infrastructure. Local authorities of the scale we propose are optimally equipped to apply local relationships and governance to deliver the most prompt and effective adoption of these plans and deliver the resulting housing and employment growth.



Community Leadership and Local Decision Making

The area has 217 Parish Councils, 55 parish meetings, and 9 town councils. It also has a dynamic and diverse VCS, with over 3,000 organisations ranging from grassroots groups to national charities. *We intend to build on our excellent experience of service delivery partnerships at the neighbourhood level. Our approach will facilitate empowered elected members, areas based teams and vibrant community partnerships, preserving local identity and Civic Pride. Creating and sustaining these partnerships requires appropriately scaled authorities that can engage with local communities. Authorities that are too big and distant cannot do this as effectively as those which follow the pattern of people’s working and service consumption activities. We fully recognise the importance of preserving Rutland County’s historic civic status.*





Preventive Savings through System Leadership and Integrated Public Services

Operational demand can be removed through preventive service delivery. Focusing on social care, we aim, over time to reduce this operational demand based on examples of good practice in other settings. This approach enhances service delivery arrangements with the VCS sector, builds the capacity of towns and parishes, and integrates actions around neighbourhood, housing, health, and community safety collaboration and planning. It requires authorities, which are recognised as relevant and locally accountable, and have the capacity to listen and respond.

Preventive Adult and Health Services Rationale

Health and adult social care services are crucial for quality of life, health outcomes, and social inclusion. *Establishing two unitary authorities alongside Leicester allows services to be tailored to specific demographics and geographical needs. A localised focused model fosters a holistic multi-agency approach, promoting resilience and independence among older adults, reducing pressure on social care services, and enhancing residents' overall quality of life.* Councils closer to their communities offer a deeper understanding of unique needs, cultural contexts, and specific challenges, facilitating personalised and responsive services, reducing bureaucratic barriers, and ensuring quicker decision-making.

Children's Services and Prevention

Children's services depend on strong local authority provisions and partnerships with health services, the voluntary sector, and transport networks. *Establishing three similarly sized unitary authorities across Leicestershire, Leicester, and Rutland ensures equity in access to centrally based services and resources, reducing travel times and enhancing support across a balanced geographical area.*

Housing Services and Prevention

Housing is the foundation for enabling a better future. Leicestershire District Councils have well-established Community Health and Wellbeing delivery plans addressing health inequalities. As a key pillar of health, wellbeing, independence and opportunity; housing plays a significant role in this partnership proposal.

Our proposal will enable us to ensure high quality and affordable housing across all tenures, maintain a focus on regulatory requirements, meet future housing need and ensure that housing is embedded as a core part of the continuum of prevention and independent living. *Our commitment to align public health, social care, and housing objectives through a three-unitary authority approach will address social and health inequalities more effectively.*



Housing Growth

Delivering housing growth to meet identified needs at scale is a core priority. Major housing targets and new growth settlements are aligned to local plans and forthcoming Spatial Development Strategies.

Our approach builds upwards from the current district council level, linked to effective housing market interventions and existing joint working arrangements, based on current local plan geographies, which works best when linked to accountable localities.



Economic Prosperity

We propose a plan for delivering economic priorities agreed between the three unitary authorities and the Strategic Authority. *The proposed boundaries for economic development delivery are based on functioning economic geographies, providing scope for a focused agenda supporting the core mission of the Strategic Authority.*

Early tasks will align strategic frameworks in relation to local plans and transport plans, ensuring a coherent and dynamic process with a focus on the economic geography of distinct areas. The new unitary authorities will build on and develop multi-agency working, directing maximum resources to outcome delivery by brokering place-based partnerships.

Effective partnership working with employers is key to supporting employment and skills opportunities and vital to how we will drive economic growth in the area.

Avoiding Fragmentation

This section describes how we are aggregating and disaggregating services.

Our proposal for Leicestershire and Rutland is centred around the establishment of three unitary councils, which aligns with the government's criteria of avoiding unnecessary splitting of services. This approach ensures the retention of three social care authorities within the Leicester, Leicestershire, and Rutland (LLR) area, while rebalancing responsibilities among them. Key points around aggregation of services within our approach are set out below:

Government Criteria Compliance

- The government's criteria emphasises not splitting services unnecessarily.
- Our proposal retains three social care authorities in LLR, albeit over different geographies, ensuring continuity and stability.

Successful Examples of Disaggregation

- Disaggregation has been successfully implemented in other regions, such as Cumbria and Dorset.
- These examples demonstrate that disaggregation should not be a barrier to progress, given the broader benefits of prevention and integration of services with a localised, three-unitary approach.

Efficient Aggregation of Services

- Our approach requires the aggregation of district and Rutland services from only four local authorities, compared to the eight required for a single county unitary.



Civic Engagement

Creating two new councils alongside Leicester, will re-scale the number of councillors and senior paid officials, equating to planned savings through the transition process. Alongside operating cost efficiencies we plan to combine the capacity of a re-energised community sector with strengthened engagement with the social enterprise and VCS community, creating an innovative three-strand approach of local service delivery and community capacity building. We will enhance the commissioning of the VCS sector and link local councils into this process. Additionally, we will build a community partnership infrastructure operating at a delivery scale around communities, with locality managers overseeing delivery.

Devolution Processes

We plan to follow the same timescales for the establishment of the new Strategic Authority following the steps set out below:

- Initial Planning and Consultation: Engage with stakeholders to gather input and build consensus – currently in play
- Formal Proposal Submission: Submit the detailed proposal to the Government for approval – November 2025
- Legislative Process: Establish the new unitary authorities – May 2027
- Implementation Phase: Transition to new governance structures, ensuring continuity of services and minimal disruption – By April 2028.

Consultation Outcomes

Over 4,000 residents have responded to our fast moving and contemporary consultation leading to the creation of this document. Their views, which we have used to inform our approach have emerged clearly and the top 5 messages they have given us are set out below:

- 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.





Conclusion

As we embark on this transformative journey, we stand united in our vision for a brighter future for Leicestershire and Rutland. Our plan is not just a roadmap but a commitment to building vibrant, inclusive, and prosperous communities. By aligning our efforts and embracing innovative approaches, we will create a dynamic environment where every resident, business and visitor can thrive.

Asks of Government and Next Steps

To enable our November submission to be comprehensive, innovative and reflect the views of Government, our communities and Stakeholders we have the following asks from Government:

1

Direct Ministerial Engagement with all Leaders

We are grateful for the engagement we have had to date from Ministers and we would welcome ongoing dialogue to enable effective decision making locally, and to ensure our collective efforts are heading in the right direction.

2

Capacity Funding Support

The Government are aware of the costs involved in developing proposals to support devolution and local government reorganisation and some of the complexities associated with this. We join others in seeking support from Government to fund these additional costs associated with the work required.

3

Decision Making

We are working at pace across complex public sector arrangements to develop the best solution for the communities across LLR. We would ask the Government to provide greater clarity on the timetable, particularly relating to feedback to enable us to continue to move at pace and reflect this in the next iteration of our proposals for submission.

4

Access to Government Departments

When contemplating the future size and shape of services for our area it would be helpful to have access to treasury, home office, DfE and DHSC to ensure any proposals are the best they can be and informed by the most current understanding of Government thinking and policy.

5

Funding Reforms

Proposed funding reforms may impact negatively on our ability to deliver both business as usual and delivery of Devolution and LGR. As such we would ask that during the transition period to a new local government arrangement that we are protected from any significant changes to the funding regime.

6

Boundary Changes

We would welcome views on your expectations regarding boundary changes and the extent to which these should be included in our November submission, to reflect the needs of the City Council to be financially sustainable.

7

Devolution Engagement

Our plan includes a proposal for a strategic mayoral authority for the LLR region, to date being mainly districts and boroughs we have been excluded from any devolution discussions, as these have been held with the County and City authorities in the area. We feel we have been disadvantaged through the lack of engagement and would want to reflect the current Government position regarding devolution within our November submission. On this basis we would ask to be engaged in future discussions involving devolution in LLR.

Next Steps

We look forward to receiving your feedback on our interim plans and discussing these points with Ministers and their officials over the coming months. We will continue to work with our partners, and undertake further public and stakeholder engagement, as we refine and develop our proposals in anticipation of the November submission.



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



Hinckley & Bosworth
Borough Council



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