

Blaby District Council
Scrutiny Commission

Date of Meeting 28 October 2025
Title of Report **Local Government Reorganisation and Devolution**
Report Author Corporate Services Group Manager & Monitoring Officer

1. What is this report about?

- 1.1 This report presents the final draft of the North, City, South proposal for Local Government Reorganisation within Leicestershire and Rutland. The proposal has been produced for and on behalf of Blaby District Council, North West Leicestershire District Council, Charnwood Borough Council, Melton District Council, Hinckley & Bosworth Borough Council, Harborough District Council and Rutland County Council.

2. Recommendation(s) to Scrutiny Commission

- 2.1 Scrutiny Commission is asked to review the final draft proposal and provide comments which will be considered by Cabinet prior to final endorsement and submission of the proposal to the Ministry of Housing, Communities and Local Government.

3. Reason for Decision(s) Recommended

- 3.1 To ensure that all members have had the opportunity to comment upon and contribute to the final proposal.

4. Matters to consider

- 4.1 On the 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. 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.

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.

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.

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.

Councils were invited to work collaboratively with other local authorities in their area to develop a proposal for Local Government Reorganisation (LGR), an interim proposal 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 ten 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.

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.

On 13 January 2025 Cabinet agreed to delegate to the Leader of the Council and the Chief Executive the authority to engage with other local authorities, the government and relevant partners to develop the proposal to create a Mayoral Strategic Authority (MSA) and develop options relating to local government re-

organisation to ensure that Blaby District Council and its residents are represented as far as possible in ongoing discussions with the government.

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.

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

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.

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.

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

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

The Leaders and Chief Executives of the districts/boroughs and Rutland regularly met to progress the interim plan 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.

Public and stakeholder engagement to inform interim proposal

Public and stakeholder engagement was carried out to inform the draft interim proposal. Feedback from the public was obtained via an online questionnaire, telephone surveys, focus groups and interviews which received over 6,400 responses.

That online survey found:

- Extensive support for the three-council proposal
- Significant opposition to a single unitary authority
- The crucial importance of local representation and identity
- Challenges to really achieve cost savings and efficiency

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

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.

Progress since the interim plan submission

Following submission of the draft proposal to the government, feedback was received from the Ministry of Housing, Communities & Local Government (MHCLG) on 3rd June 2025. 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.

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 supports outcomes and how well they meet the assessment criteria. 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 counterfactual of a single unitary.

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 included negotiations for data-sharing agreements, which whilst protracted were eventually resolved, albeit we have different proposals to them. The workstream has produced standardised datasets, such as population forecasts to support the options appraisal and financial modelling.

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.

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.

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.

Public and stakeholder engagement to inform the final proposal

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

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

Various quantitative and qualitative methods including open questionnaires, focus groups, workshops, telephone interviews and face to face meetings were utilised. This feedback has been instrumental in shaping the final submission to the government as we advocate for two unitary councils alongside Leicester

City, that are sufficiently large enough to deliver services, but close enough to respond to our communities.

A dedicated website (www.northcitysouth.co.uk) was created which provided comprehensive details about the interim proposal and what we believe to be the best structure for local government in the area when reorganisation happens.

ORS have 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.

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.

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.

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 particular preference. The telephone survey respondents also favoured a limited expansion (64%). Of those respondents who left comments in the open-ended text question, some 40% 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.

The overall findings in the ORS public and stakeholder engagement report has 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.

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 which

includes a RAG (Red, Amber, Green) rated table assessing the strengths of each option.

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.
- **Economic Growth:** 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 commissioned from the Economic Intelligence Unit using the Oxford Economic Forecasting Model demonstrates a growth potential realisable through this configuration of authorities of in the region of £8 billion by 2050.
- **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 and 5 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 for 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. 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 over 6,400 survey respondents, focus group 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.

Next steps

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.

5. Environmental impact

No Net Zero and Climate Impact Assessment (NZCIA) is required for this report.

6. What will it cost and are there opportunities for savings?

- 6.1 Finance implications and opportunities for savings are set out in Section 5 of the final draft report.

7. What are the risks and how can they be reduced?

Current Risk	Actions to reduce the risks
Local Services could be impacted negatively	It is noted that during any period of change our services need to continue to be delivered in the best interests of Blaby District residents, Resources will be directed as appropriate, and any additional resource be sourced.
Resource implications to continue to deliver services during a period of change	The Council will ensure that resources are directed appropriately, and reserves utilised to ensure that there is as little impact on service delivery as possible during a period of change.
The proposal is not chosen for implementation	The Councils are committed to continuing to share data and engaging constructively with each other, Leicester City and Leicestershire County Council to deliver whichever model is chosen

8. Other options considered

- 8.1 The options appraisal set out in Section 2 of the proposal considers 5 different options and explains the analysis and judgements made for each. The Council could do nothing and not provide a submission to government, as it is not a statutory requirement, however it is important that the Council expresses a view, otherwise the government has indicated it will impose (through legislation) a solution that it thinks will work for an area. The Council will also be a statutory consultee on all proposals that are taken forward by government for LLR, thus giving the Council the opportunity to comment on alternative proposals at that stage.

9. Appendix

- 9.1 Appendix A – North City South – Final

10. Background paper(s)

North City South draft appendices and summary-
<https://www.northcitysouth.co.uk/draft-proposal>

11. Report author's contact details

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