



Hinckley & Bosworth Borough Council

Forward timetable of consultation and decision making

Scrutiny Commission	6 November 2025
Council	18 November 2025
Executive	19 November 2025

Wards affected: All wards

Leicester, Leicestershire, and Rutland Local Government Draft Reorganisation Proposal

Report of Chief Executive

1. Purpose of report

- 1.1 This report outlines the work undertaken by the District and Borough Councils in Leicestershire and Rutland County Council to produce the draft final Local Government Reorganisation (LGR) proposal for Leicester, Leicestershire and Rutland (LLR). The report also details the public consultation that has been carried out and how this has informed the final submission.
- 1.2 A short summary document of the proposal is attached as an appendix 1 to this report, along with a link to the [full draft proposal document](#).

2. Recommendations

- 2.1 Members consider and endorse the final draft Local Government Reorganisation Proposal for Leicester, Leicestershire and Rutland, along with any comments they wish to make which will be considered prior to final submission to the Ministry of Housing and Local Government (MHCLG) by the 28 November 2025.
- 2.2 That delegation is provided to the Chief Executive in consultation with the Leader for any final changes prior to submission.

3. Background to the report

English Devolution White Paper

- 3.1 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.
- 3.2 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. Based on evidence available, this is still to be widely proven.
- 3.3 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. This was reaffirmed in various ministerial statements following the publication of the Devolution White Paper with references being made that population of 300,000 may be acceptable.

Government Invitation for LGR Submissions

- 3.4 Councils were invited to work collaboratively with other local authorities in their area to develop a proposal for 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 Councils 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. The seven 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.
- 3.5 On 28 January 2025 Council agreed to delegate to the Chief Executive in consultation with the Leader of the Council the authority to continue working with neighbouring local authorities and undertake any work required to facilitate an effective response to the White Paper.

- 3.6 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.
- 3.7 The Leaders and Chief Executives of the districts/boroughs and Rutland met regularly 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.
- 3.8 Work has since progressed on developing the detailed proposal with continued collaboration between Leaders and Chief Executives. Based on the government's current 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. (See conclusion and next steps in section 4).

3.9 Interim proposal development

- 3.9.1 Public and stakeholder engagement was carried out to inform the draft interim proposal from 26 February to 14 March 2025. 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
- 3.9.2 The north/south configuration with Rutland in the north and HBBC in the south, 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 plan is referred to as the North, City, South proposal, reflecting the areas these new unitary authorities would serve. A summary of the design principles and options considered in initial LGR proposal is attached as appendix 2.

3.9.3 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.

3.9.2 Feedback to the initial proposals was received by MHCLG on 3 June 2025 and since then the Leaders and the Chief Executives and other senior officers have continued to meet regularly to respond to the feedback and to support the development of detailed proposals for the creation of three unitary councils – North, City, South.

3.10 Final proposal development

3.11 A comprehensive public and stakeholder engagement programme was undertaken to inform the final proposal development; this commenced on 9 June and ran until 20 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.

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

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 is appended to the submission to MHCLG.

3.13 Key findings from public feedback 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.

3.14 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 three unitary North, City, South proposal on the basis of maintaining local accountability and helping to retain local identities.

3.15 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 the proposal which includes a RAG rated table assessing the strengths of each option.

3.16 **Key Components of the Revised Proposal**

- **Devolution Readiness:** The model supports a Mayor Strategic Authority(MSA) for LLR 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, City, South model is designed to maximise economic growth, housing delivery and infrastructure development. The North unitary will drive innovation through assets such as Charnwood Campus Life Science Park and Loughborough University, while the South will foster enterprise growth through sites such as Mira Tech Park automotive cluster for research and development and the wider M69/A5/A46 growth corridors. Independent economic analysis has been commissioned from the Economic Intelligence Unit using the Oxford Economic Forecasting Model demonstrates a growth potential realisable through this configuration of authorities of £53bn, generating £8bn to the Treasury by 2050 with over 200,000 new jobs created.
- **Prevention Focused 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. 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.

- **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 appendix 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.
- **Responding to diverse communities and validating local places and identities:** Through independent engagement with over 6,400 survey respondents and 71 focus group attendees, 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.

4. Conclusion and Next steps

- 4.1 The North, City, South proposal makes a compelling case as a preferred model for LGR in Leicestershire and Rutland and members are asked to support it.
- 4.2 Following consideration by all Leicestershire Districts and Rutland County Council, the final proposal will be submitted to government by the deadline of 28 November 2025.
- 4.3 The final decision regarding which, if any, of the proposals will be implemented will be made by the Secretary of State. He can choose to do this with or without modifications. Prior to making an order to implement a proposal, all local authorities affected by the proposal (except the authority(ies) which made it) will be consulted, along with other persons considered appropriate by the Secretary of State.
- 4.4 It is currently anticipated that this government consultation will be carried out by spring 2026 and a decision made by recess of parliament in July 2026.
- 4.5 Once a decision is made to implement any proposal, officials would then work with organisations across Leicestershire 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.

- 4.6 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 Leicestershire and Rutland County Council would continue to operate and deliver services until vesting day.

5. Exemptions in accordance with the Access to Information procedure rules

- 5.1 Report to be taken in open session.

6. Financial implications

- 6.1 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.
- 6.2 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 implementation the new Councils.
- 6.3 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 the 1 April 2028.

7. Legal implications [ST]

- 7.1 In preparing this report, the author has considered issues related to Human Rights, Legal Matters, Human Resources, Equalities, Public Health Inequalities and there are no areas of concern.

8. Corporate Plan implications

- 8.1 Contributes to all of the aims and objectives of the Corporate Plan.

9. Consultation

- 9.1 As set out within the report.

10. Risk implications

- 10.1 It is the council's policy to proactively identify and manage significant risks which may prevent delivery of business objectives.
- 10.2 It is not possible to eliminate or manage all risks all of the time and risks will remain which have not been identified. However, it is the officer's opinion based on the information available, that the significant risks associated with this decision / project have been identified, assessed and that controls are in place to manage them effectively.
- 10.3 The following significant risks associated with this report / decisions were identified from this assessment:

Management of significant (Net Red) risks

Risk description	Mitigating actions	Owner
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 HBBC residents, Resources will be directed as appropriate and any additional resource be sourced.	Bill Cullen
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.	SLT
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	SLT

11. Knowing your community – equality and rural implications

- 11.1 An Equality Impact Assessment has been completed.

12. Climate implications

- 12.1 This proposal will not directly impact the Council's current initiative on climate change. These matters will be reviewed during the implementation stage of unitary councils.

13. Corporate implications

13.1 By submitting this report, the report author has taken the following into account:

- Community safety implications
- Environmental implications
- ICT implications
- Asset management implications
- Procurement implications
- Human resources implications
- Planning implications
- Data protection implications
- Voluntary sector

Background papers: - Devolution White Paper published December 2024
- Interim Proposal submitted 21 March 2025

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