

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

CABINET – TUESDAY, 25 FEBRUARY 2025



Title of Report	DEVOLUTION WHITE PAPER UPDATE	
Presented by	Councillor Richard Blunt Leader of the Council PH Briefed <input type="checkbox"/> yes	
Background Papers	Cabinet report – 9 January 2025	Public Report: Yes
		Key Decision: No
Financial Implications	At its meeting on 20 February, Council approved a budget of £100,000 to support any work necessary to respond to the Government's proposals for Devolution and Local Government Reorganisation	
	Signed off by the Section 151 Officer: Yes	
Legal Implications	There are no direct legal implications arising from this report, however, legal advice will be sought, where necessary, in relation to the next steps.	
	Signed off by the Monitoring Officer: Yes	
Staffing and Corporate Implications	The Chief Executive, Directors, the Head of Human Resources and Organisational Development and the Communications Team have been working collaboratively with their counterparts in the district councils and Rutland County Council on the response to the White Paper.	
	Signed off by the Head of Paid Service: Yes	
Purpose of Report	<p>To update Cabinet on the work being undertaken by the Chief Executive and Leader, in liaison with district and borough councils in Leicestershire and Rutland County Council, to meet the Government's initial deadline for draft responses to be submitted from all two-tier areas in response to the Government's English Devolution White Paper by 21 March 2025.</p> <p>To seek delegation to the Chief Executive in liaison with the Leader to submit an initial response to Government.</p> <p>A Final Proposal is required by Government to be submitted by 28 November.</p>	
Reason for Decision	It is a Cabinet function to consider and make proposals in relation to local government reorganisation. Due to the tight timescales, a delegation is required to enable an initial	

	<p>response to be provided by the deadline of 21 March 2025 on a possible approach to local government reorganisation in Leicestershire, Leicester and Rutland. This would be subject to wider stakeholder engagement prior to final proposals being submitted by 28 November 2025.</p>
<p>Recommendations</p>	<p>THAT CABINET:</p> <ol style="list-style-type: none"> 1) NOTES THE WORK BEING UNDERTAKEN BY THE CHIEF EXECUTIVE AND LEADER OF THE COUNCIL TO RESPOND TO THE GOVERNMENT'S ENGLISH DEVOLUTION BILL BY THE DEADLINE OF 21 MARCH 2025 AND PROVIDE ANY COMMENTS TO THE LEADER TO FURTHER INFORM THIS WORK. 2) NOTES THAT THE VIEWS OF MEMBERS OF THE COUNCIL EXPRESSED AT ITS MEETING ON 20 FEBRUARY 2025 WILL ALSO BE CONSIDERED AS PART OF THE PROCESS. 3) DELEGATES AUTHORITY TO THE CHIEF EXECUTIVE IN LIAISON WITH THE LEADER TO SUBMIT A JOINT RESPONSE WITH THE OTHER DISTRICT AND BOROUGH COUNCILS IN LEICESTERSHIRE AND RUTLAND COUNTY COUNCIL ON A SUGGESTED APPROACH TO LOCAL GOVERNMENT REORGANISATION IN LEICESTER, LEICESTERSHIRE AND RUTLAND TO MEET THE GOVERNMENT'S DEADLINE OF 21 MARCH 2025. 4) NOTES THAT FURTHER STAKEHOLDER ENGAGEMENT WILL BE UNDERTAKEN LEADING UP TO THE SUBMISSION OF A FINAL PROPOSAL BY 28 NOVEMBER 2025.

1.0 BACKGROUND

- 1.1 Cabinet was advised at its meeting on 9 January 2025 of the content of the English Devolution White Paper published by the Government on 16 December 2024. The paper set out the Government's ambitions to see universal coverage in England of Strategic Authorities which should be a number of councils working together, covering areas that people recognise and work in. The Government intends to redistribute powers from central to local government to these authorities.
- 1.2 In addition to devolution of powers, the White Paper proposed that all remaining two-tier areas and smaller unitary councils would be expected to develop proposals for reorganisation, with all councils working together in the best interests of the whole area as swiftly as possible. The Government has expressed a preference for new unitary councils to cover a population of 500,000 residents or more, however, the minister has said there may be exceptions to this where it makes sense for an area, on a case-by-case basis.
- 1.3 The Government invited county and unitary councils to express an interest in being part of its priority programme specifically where reorganisation would unlock devolution. Those areas selected will see elections planned for May 2025 being

deferred, with the expectation that elections to shadow authorities take place in May 2026.

- 1.4 Leicestershire County Council wrote to Government in January 2025 to express an interest, in being part of the priority programme. District Councils also wrote to Government asking that this request was not accepted to give sufficient time for proposals to be developed that made sense locally. In February 2025, the Government announced those areas that would be part of its priority programme and Leicestershire was not part of this. County Council Elections will, therefore, go ahead as planned on 1 May 2025.
- 1.5 The Government then wrote to all councils on 5 February 2025 formally inviting councils to work collaboratively with other councils in their areas to develop a proposal for local government reorganisation. A copy of the letter and the criteria and guidance for the development of proposals, and the timeline for this process is set out at Appendix 1.
- 1.6 The Government has made it clear that no change is not an option.

2.0 TIMELINES AND NEXT STEPS FOR INTERIM PLANS AND FULL PROPOSALS

- 2.1 The Government has asked for interim plans to be submitted on or before 21 March 2025, in line with the guidance set out in their letter. This timescale is incredibly challenging. This will not be a pass-fail date for proposals but will commence further discussions with Government on a proposed approach. Ideally, the Government would like to see one proposal per area, but they understand that in some areas this will not be possible. Full proposals need to be submitted by 28 November 2025.
- 2.2 The proposed timescales for the creation of new unitary councils that are not part of the Government's priority programme are that shadow authorities are elected in May 2027 with new councils being created from April 2028.
- 2.3 The timetable for the creation of Strategic Authorities is less clear, however, it is anticipated that new mayoral elections could take place in April 2027.

3.0 LOCAL POSITION

- 3.1 Since the publication of the White Paper, Leicestershire County Council has made it clear that it intends to submit a proposal for a single county unitary for Leicestershire, excluding Rutland. Leaders and Chief Executives of the district and borough councils and Rutland County Council have been working closely together do not agree with the County Council's view.
- 3.2 The Leaders of the district councils and Rutland County Council have issued a joint statement saying that they are extremely disappointed that the County Council is continuing with its proposal to create one single unitary council for the whole of Leicestershire with no discussion or engagement with other councils.
- 3.3 They believe that this is not in the spirit of, or meets, the Government expectations on how it wishes to see local government reorganisation developed.
- 3.4 Although they do not believe the current system is broken, if change is to happen then the collective view is that one single county unitary serving 800,000 residents, one of

the largest in the country, would be too remote, too cumbersome, too inaccessible and ultimately inefficient and unsustainable.

- 3.5 Whilst the County Council has listened to Rutland County Council, who have made it clear that they do not want to be part of a large single unitary for Leicestershire, the County Council's proposal does not address the expectation that change should be coterminous with health, fire and police or that the government expect local government reorganisation proposals that include Rutland.
- 3.6 The district councils in Leicestershire and Rutland County Council are working together and engaging with stakeholders to develop proposals which will deliver localised, high-quality, efficient and sustainable public services for Leicester, Leicestershire and Rutland.
- 3.7 Whilst work is taking shape, it is expected that the approach will not be finalised until close to the deadline of 21 March 2025. This deadline is not of the Councils' collective making. The approach, however, will set out how many new councils would strike the right balance between size and maintaining a strong local connection to communities. There is a desire to keep the local in local government.
- 3.8 Any new unitary councils should reflect the way people live their lives in that area and be aligned to where people live, work, shop and play. Councils are exploring options for smaller unitary authorities which will serve local communities' needs better but also enhance their future prosperity.
- 3.9 Having initially assessed the options, the current direction of travel based on the evidence collected so far is that a preference for a North Leicestershire and Rutland, South Leicestershire and Leicester City Council, three unitary model is emerging. The rationale for this is that it presents a strong place narrative and opportunities regarding working with partners across neighbourhoods and communities.
- 3.10 The Councils want to ensure that the final proposals will build on this initial evidence and backed by engagement with local communities, businesses and organisations.
- 3.11 As the first initial deadline is very tight, some initial engagement is taking place with stakeholders who represent a wide range of people, communities and sectors to help shape our interim plans. In North West Leicestershire this has included a discussion at the Council meeting on 20 February 2025 to enable the Leader to listen to the views of elected members, a meeting with Parish Councils and informal discussions with a range of local partners including the police, health, housing, National Forest.
- 3.12 Given the above timescales, delegation is being requested for the Chief Executive, in liaison with the Leader, to sign off the joint approach to local government reorganisation for Leicester, Leicestershire and Rutland by the Government's deadline. Failure to submit an approach would mean the Government would only receive the proposal from Leicestershire County Council which is not the desired outcome.
- 3.12 It is acknowledged, however, that a more comprehensive package of member and public engagement will need to follow this submission prior to the final deadline of 28 November 2025 for detailed proposals to be submitted.
- 3.13 It is also understood that the Government will also carry out a consultation on any final proposal so there will be ample opportunity for people to get involved.

Policies and other considerations, as appropriate	
Council Priorities:	<ul style="list-style-type: none"> - Planning and regeneration - Communities and housing - Clean, green and Zero Carbon - A well-run council
Policy Considerations:	None directly arising from the report.
Safeguarding:	None directly arising from the report.
Equalities/Diversity:	There are no equality implications arising from the recommendations in this report. In developing any proposals for a unitary structure regard will be given to equality implications and how the proposals might affect those groups with protected characteristics.
Customer Impact:	None directly arising from the report although depending on the future structure of local government services customers may be impacted. This will need to be given detailed consideration.
Economic and Social Impact:	None directly arising from the report.
Environment, Climate Change and Zero Carbon:	None directly arising from the report.
Consultation/Community/Tenant Engagement:	Local people should be engaged in shaping proposals that will impact on how they receive services in the future.
Risks:	<p>There is no consensus on local government arrangements in Leicester, Leicestershire and Rutland will be reached and a solution could be imposed on the Council by Central Government.</p> <p>Not submitting a suggested approach would mean the only proposal on the table for Government to consider would be the one received from Leicestershire County Council for a single County unitary.</p> <p>Local services could be impacted negatively. Financially the biggest drain on council budgets is with social care. Putting this huge important and costly service in the same authority as other services that are important to local people – things like street cleaning, anti-social behaviour, parks, leisure centres – could put these services at risk as the cost of providing social care increases.</p>
Officer Contact	Allison Thomas Chief Executive allison.thomas@nwleicestershire.gov.uk



Ministry of Housing, Communities & Local Government

Jim McMahon OBE MP

*Minister of State for Local Government and
English Devolution*
2 Marsham Street
London
SW1P 4DF

Your reference:

Our reference:

To: Leaders of two-tier councils and
unitary councils in and neighbouring
Leicestershire

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

5 February 2025

Dear Leaders

This Government has been clear on our vision for simpler, more sustainable, local government structures, alongside a transfer of power out of Westminster through devolution. We know that councils of all political stripes are in crisis after a decade of decline and instability. Indeed, a record number of councils asked the government for support this year to help them set their budgets.

This new government will not waste this opportunity to build empowered, simplified, resilient and sustainable local government for your area that will increase value for money for council taxpayers. Local leaders are central to our mission to deliver change for hard-working people in every corner of the country through our Plan for Change, and our councils are doing everything they can to stay afloat and provide for their communities day in, day out. The Government will work closely with you to deliver these aims to the most ambitious timeline.

I am writing to you now to formally invite you to work with other council leaders in your area to develop a proposal for local government reorganisation, and to set out further detail on the criteria, guidance for the development of proposals, and the timeline for this process. A formal invitation with guidance for the development of your proposals is attached at Annex A. This invitation sets out the criteria against which proposals will be assessed.

Developing proposals for reorganisation

We expect there to be different views on the best structures for an area, and indeed there may be merits to a variety of approaches. Nevertheless, it is not in council taxpayers' interest to devote public funds and your valuable time and effort into the development of multiple proposals which unnecessarily fragment services, compete against one another, require

lengthy implementation periods or which do not sufficiently address local interests and identities.

The public will rightly expect us to deliver on our shared responsibility to design and implement the best local government structures for efficient and high-quality public service delivery. We therefore 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.

This will mean making every effort to work together to develop and jointly submit one proposal for unitary local government across the whole of your area. The proposal that is developed for the whole of your area may be for one or more new unitary councils and should be complementary to devolution plans. It is open to you to explore options with neighbouring councils in addition to those included in this invitation, particularly where this helps those councils to address concerns about their sustainability or limitations arising from their size or boundaries or where you are working together across a wider geography within a strategic authority.

I understand there will be some cases when it is not possible for all councils in an area to jointly develop and submit a proposal, despite their best efforts. This will not be a barrier to progress, and the Government will consider any suitable proposals submitted by the relevant local authorities.

Supporting places through change

It is essential that councils continue to deliver their business-as-usual services and duties, which remain unchanged until reorganisation is complete. This includes progress towards the Government's ambition of universal coverage of up-to-date local plans as quickly as possible. To support with capacity, I intend to provide some funds for preparing to take forward any proposal, and I will share further information later in the process.

Considering the efficiencies that are possible through reorganisation, 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.

The default position is that assets and liabilities remain locally managed by councils, but we acknowledge that there are exceptional circumstances where there has been failure linked to capital practices. Where that is the case, proposals should reflect the extent to which the implications of this can be managed locally, including as part of efficiencies possible through reorganisation, and Commissioners should be engaged in these discussions. We will continue to discuss the approach that is proposed with the area.

I welcome the partnership approach that is being taken across the sector to respond to the ambitious plans set out in the White Paper. My department will continue to work closely with the Local Government Association (LGA), the District Councils Network, the County Councils Network and other local government partners to plan how best to support councils through this process. We envisage that practical support will be needed to understand and address the key thematic issues that will arise through reorganisation, including managing service impacts and opportunities for the workforce, digital and IT systems, and leadership support.

Timelines and next steps for interim plans and full proposals

We ask for an interim plan to be submitted on or before 21 March 2025, in line with the guidance set out in the attached Annex. My officials will provide feedback on your plan to help support you to develop final proposals.

I will expect any full proposal to be submitted **by 28 November**. If I decide to implement any proposal, and the necessary legislation is agreed by Parliament, we will work with you to move to elections to new 'shadow' unitary councils as soon as possible as is the usual arrangement in the process of local government reorganisation.

Following submission, I will consider any and all proposals carefully before taking decisions on how to proceed. My officials are available throughout to discuss how your reorganisation and devolution aspirations might work together and what support you think you might need to proceed.

This is a once in a generation opportunity to work together to put local government in your area on a more sustainable footing, creating simpler structures for your area that will deliver the services that local people and businesses need and deserve. As set out in the White Paper, my commitment is that clear leadership locally will be met with an active partner nationally.

I am copying this letter to council Chief Executives. I am also copying this letter to local Members of Parliament and to the Police and Crime Commissioner.

Yours sincerely,

A handwritten signature in blue ink that reads "Jim McMahon". The signature is written in a cursive style with a large initial 'J'.

JIM MCMAHON OBE MP

Minister of State for Local Government and English Devolution

LOCAL GOVERNMENT AND PUBLIC INVOLVEMENT IN HEALTH ACT 2007**INVITATION FOR PROPOSALS FOR A SINGLE TIER OF LOCAL GOVERNMENT**

The Secretary of State for Housing, Communities and Local Government, in exercise of his powers under Part 1 of the Local Government and Public Involvement in Health Act 2007 ('the 2007 Act'), hereby invites any principal authority in the area of the county of Leicestershire, to submit a proposal for a single tier of local government.

This may be one of the following types of proposal as set out in the 2007 Act:

- Type A – a single tier of local authority covering the whole of the county concerned
- Type B – a single tier of local authority covering an area that is currently a district, or two or more districts
- Type C – a single tier of local authority covering the whole of the county concerned, or one or more districts in the county; and one or more relevant adjoining areas
- Combined proposal – a proposal that consists of two or more Type B proposals, two or more Type C proposals, or one or more Type B proposals and one or more Type C proposals.

Proposals must be submitted in accordance with paragraphs 1 to 3:

1. Any proposal must be made by **28 November 2025**.
2. In responding to this invitation an authority must have regard to the guidance from the Secretary of State set out in the Schedule to this invitation, and to any further guidance on responding to this invitation received from the Secretary of State.
3. An authority responding to this invitation may either make its own proposal or make a proposal jointly with any of the other authorities invited to respond.

Signed on behalf of the Secretary of State for Housing, Communities and Local Government.



F KIRWAN

A senior civil servant in the Ministry of Housing, Communities and Local Government

5 February 2025

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.