

CORPORATE SCRUTINY COMMITTEE – THURSDAY, 4 DECEMBER 2025

ITEM 6 - CABINET RESPONSE TO SCRUTINY RECOMMENDATIONS

Scrutiny Comments on Final Proposals for Local Government Reorganisation in Leicester, Leicestershire and Rutland and response from Cabinet

Date submitted to Cabinet: 28 October 2025

	Comments from Scrutiny	Advice provided by Officers	Cabinet Response
C1	Ward Sizes and Community Representation: Questions about how the new ward sizes (neighbourhoods of 50,000) will maintain a sense of community, especially in villages and areas near authority boundaries. Concerns about how these areas will be divided and the impact on local identity.	It was stated that the proposed ward sizes would roughly double current district seats but remain smaller than current county divisions, aiming to balance community identity and effective representation. It acknowledged the importance of not splitting up villages unnecessarily.	It was noted that single-member wards have helped councillors stay in touch with constituents, and the initial idea was to have single-member wards but noted that a LGBCE boundary review would be required following reorganisation.
C2	Chief Executive Salary and Staff Competition: Queries on how chief executive salaries will be set to attract the right candidates and avoid competition between the new councils for top staff. Also, questions about aligning terms and conditions across councils.	It was explained that all staff except the chief executive would transfer on existing terms and conditions, and future structures would be designed to avoid competition between councils, with mirrored job descriptions and terms for senior roles.	Noted

C3	Member Allowances: Concerns were raised about ensuring member allowances are appropriate to attract quality candidates and reflect increased responsibilities.	It was clarified that member allowances would be determined by the new councils, with savings anticipated from reducing the number of councillors. It was also noted that increased responsibilities and spend for members would be considered in the new member allowance schemes.	Noted, but acknowledged that it would be up to the new authorities to consider the allowances through a newly formed IRP.
C4	Parish Council Splits: Comments were made on the challenge for parish councils that might be split between two neighbourhood areas, potentially reducing their influence.	The challenge was acknowledged, with the intent to avoid splitting villages and to ensure neighbourhood areas were meaningful and manageable for both members and parish councils.	Noted. Also noted that a LGBCE boundary review would be required following reorganisation
C5	Financial Modelling Comparisons: Questions were raised if the financial modelling for the North City South proposal could be directly compared to the County Council's proposal, and whether the same input data and assumptions were used. It was also asked if modelling of the county's proposal would be done before final submission.	It was confirmed that while the same baseline data was used, the North City South team would not model the county's proposal due to time constraints and differing assumptions; each proposal's assumptions would be transparent for comparison.	Noted

C6	Growth Rate Calculations: The basis for the predicted growth rates in the proposal and whether they are comparable to other models was questioned.	It was indicated that growth rates and other metrics were based on agreed methodologies, but direct comparison with other models may be limited by different assumptions and calculation methods.	Noted
C7	Neighbourhood Hubs: It was asked if the £100 million investment in assets would include a local hub for each neighbourhood partnership with concerns expressed that not having one would devalue the partnerships.	It was clarified that the model assumed one main customer service hub per main town, not one per neighbourhood partnership, but local staff would work in neighbourhoods using existing assets and drop-in points	Noted.
C8	Preventative Work with Children and Families: Questions were asked about the rationale for expecting savings from intensive one-to-one preventative work with children and families, given its expense.	It was explained that national evidence showed investment in prevention reduced long-term costs by reducing the number of children entering care, but acknowledged it required targeted, data-driven intervention.	Noted

C9	<p>Inflation Stress Testing: It was asked if the financial model had been stress tested for higher inflation rates (4-5%), especially regarding wage costs.</p>	<p>It was confirmed that the model included inflation assumptions (mainly 2%) and had been stress tested for higher rates, with sensitivity analysis showing significant impact if inflation was higher.</p>	Noted
C10	<p>Savings Impact on Funding: It was questioned whether the £44 million savings would be re-fed into the model for later years or if central government funding would be reduced as a result.</p>	<p>It was advised that the £44 million savings were recurring and intended to close budget gaps and invest in prevention, with the expectation that government would not reduce funding as a result.</p>	Noted
C11	<p>Service Harmonisation and Levelling Down: It was asked about the risk of service "levelling down" during harmonisation, referencing previous county proposals that achieved savings this way, and how frontline services would be protected.</p>	<p>It was clarified that the model did not assume levelling down of services; policy decisions on service levels will be made by the new councils, not by officers at this stage</p>	Noted.

C12	Parking Charges and Green Bin Fees: Concerns were expressed about the assumption of levelling up parking charges and green bin fees across the area, noting the potential impact on localities.	It was explained that harmonisation of fees was an assumption for modelling purposes only; actual decisions would be made by the new councils.	It was acknowledged that harmonisation assumptions are for modelling only, and actual decisions will be made by the new councils. It was also noted that the current council is the only one not charging for green bins, so realistically, charges may be introduced
C13	Learning from Other LGRs: It was asked if the team had learnt from other LA's that had gone through the local government reorganisations, such as Northamptonshire, especially regarding harmonisation issues.	It was noted officers had reviewed other reorganisations (e.g., Northamptonshire), noting most chose to harmonise council tax in the first year for equity, but details would be for the new councils to decide. Post Committee meeting Note: Officers advised after the meeting that most take two or more years.	Noted – The Director of Resources drew members attention to an update that had been received from Rutland CC that most councils took two or more years to harmonise council tax.
C14	Devolution and Collaboration with Lincolnshire: It was asked about the benefits of devolution for the area and the extent of collaboration with Lincolnshire councils.	It was noted that the proposal aligned local government reorganisation with devolution to accelerate benefits, and there was no formal collaboration with Lincolnshire; Rutland's involvement with Lincolnshire is a separate issue.	Noted.