

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

CABINET – TUESDAY, 28 JULY 2026



Title of Report	LOCAL GOVERNMENT REORGANISATION UPDATE	
Presented by	Councillor Richard Blunt Leader of the Council PH Briefed ☐	
Background Papers	Cabinet report – 9 January 2025 Cabinet report – 25 February 2025 Cabinet report - October 2025 LGR Decision Letter for Leicester, Leicestershire and Rutland	Public Report: Yes Key Decision: Yes
Financial Implications	Not applicable.	
	Signed off by the Section 151 Officer: Yes	
Legal Implications	Cabinet is currently responsible for the Council's preparations for Local Government Reorganisation (LGR), pending the Structural Changes Order (SCO) becoming law. The process of reorganisation is statutory, primarily through the SCO and then further directions that will be made. The report details these processes further including the legal implications and considerations.	
	Signed off by the Monitoring Officer: Yes	
Staffing and Corporate Implications	Not applicable.	
	Signed off by the Head of Paid Service: Yes	
Purpose of Report	To update Cabinet on the current position and next steps in the LGR process. To seek endorsement for actions to prepare for, and engage with the Government's LGR process following the decision from Ministry of Housing, Communities and Local Government (MHCLG)	

Reason for Decision	To ensure Cabinet is kept up to date with progress in relation to LGR. To enable voluntary joint arrangements between the LLR authorities.
Recommendations	THAT CABINET: 1. NOTES THE REPORT, GOVERNMENT DECISION AND FURTHER UPDATES REGARDING LOCAL GOVERNMENT RE-ORGANISATION. 2. DELEGATES AUTHORITY TO THE CHIEF EXECUTIVE, IN CONSULTATION WITH THE LEADER OF THE COUNCIL, TO RESPOND TO THE DECISION ON LOCAL GOVERNMENT REORGANISATION. 3. APPROVES, SUBJECT TO THE SIMILAR APPROVAL BY ALL LEICESTER, LEICESTERSHIRE AND RUTLAND (LLR) COUNCILS, THE ESTABLISHMENT OF ONE OR MORE VOLUNTARY JOINT COMMITTEES, IN ACCORDANCE WITH SECTION 101 OF THE LOCAL GOVERNMENT ACT 1972. 4. DELEGATES AUTHORITY TO THE CHIEF EXECUTIVE, IN CONSULTATION WITH THE LEADER OF THE COUNCIL, TO NOMINATE REPRESENTATIVES TO SUCH VOLUNTARY COMMITTEE(S). 5. DELEGATES AUTHORITY TO THE CHIEF EXECUTIVE, IN CONSULTATION WITH THE LEADER OF THE COUNCIL, TO NOMINATE AND APPOINT ANY SUBSTITUTE MEMBER TO THE JOINT COMMITTEE(S). 6. DELEGATES AUTHORITY TO THE CHIEF EXECUTIVE, IN CONSULTATION WITH THE LEADER OF THE COUNCIL, TO APPROVE THE DRAFT TERMS OF REFERENCE OF THE VOLUNTARY JOINT COMMITTEE(S) AND MAKE MINOR AMENDMENTS TO THE SAME.

1.0 BACKGROUND

- 1.1 In December 2024, the Ministry of Communities, Housing and Local Government (MHCLG) published the English Devolution White Paper. Within the Paper, the Government 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. The Government stated that this would lead to better outcomes for residents, save significant money and improve accountability.

- 1.2 Councils were invited to work collaboratively with other local authorities in their area to develop a proposal for Local Government Reorganisation (LGR).
- 1.3 Within Leicester, Leicestershire and Rutland (LLR) three proposals were submitted on the 28 November 2025, within the timescales established. These were a two unitary proposal from Leicestershire County Council, a two unitary proposal with an expanded City boundary from Leicester City Council and a three unitary proposal from the seven District and Borough councils in Leicestershire and Rutland County Council.
- 1.4 A seven-week period of public consultation led by Government was undertaken from 5 February 2026 and based on these three proposals. Councils within Leicester, Leicestershire and Rutland did not receive feedback of the consultation.

Government Decision

- 1.5 On 16 July 2026, Government announced the decision of reorganisation for Leicester, Leicestershire and Rutland. The decision which can be found on the link below, is for two unitary authorities: one for an expanded Leicester City; and one for the County areas and Rutland with the city expansion areas removed.
https://assets.publishing.service.gov.uk/media/6a58d25b5ca06bf11ccb42f8/Local_government_reorganisation_-_decision_letter_to_Leicestershire_Leicester_and_Rutland_council_leaders.pdf

Design Phase

- 1.6 Now that a decision has been made, all Councils affected will be required to undertake a significant amount of work to ensure that the new authorities are established in a safe and legal manner by April 2028. This will require working in a large partnership environment on a multitude of complex issues. While the Councils can learn from other unitary examples such as Northamptonshire, Surrey and the Devolution Priority Programme (DPP) areas, there will be issues that are bespoke to LLR.

Structural Changes Order

- 1.7 The legal mechanism which enables reorganisation is the making of secondary legislation through a Structural Changes Order (SCO). An SCO will establish the new single tier of local authority for the relevant area and make provision to abolish the predecessor councils.
- 1.8 Government is currently drafting the SCO for LLR and has asked the predecessor councils a range of questions which will provide the basis of the SCO. The SCO must be approved by both Houses of Parliament and will legislate on matters such as the set-up of the new unitaries, initially as shadow authorities, elections to the new shadow authorities and the responsibilities both the current and successor councils will have in implementing LGR. The SCO is expected to be laid before Parliament in late 2026 and is anticipated to come into force in March 2027, following Parliamentary approval.
- 1.9 The Order will also create the new warding arrangements for the unitary councils and work is ongoing between the ten LLR councils to determine the structure. It should be noted that warding arrangements will be developed in line with Boundary Commission Guidance and follow as much as possible existing arrangements such as district/borough wards, county divisions or parish boundaries.

- 1.10 The current composition of all LLR councils will remain unchanged until April 2028. All councillors will continue to serve in their existing roles throughout this period.

Voluntary Joint Committees and Joint Committees

- 1.11 The government has confirmed that joint committees must be formally established within 14 days of the SCO coming into force. The joint committees, one for each new unitary authority, will bring together members from the existing predecessor councils to begin planning the transition. They will meet until the new shadow authorities are formed following the May 2027 elections. The SCO will confer powers to the joint committees.
- 1.12 The Ministry of Housing, Communities and Local Government (MHCLG) is also encouraging voluntary arrangements to be put in place ahead of the SCO coming into force. The existing councils already have the legal authority to establish a joint committee at any time, regardless of the SCO and LGR. The constituent councils see the benefit in optimising the length of preparation period leading up to the shadow authority elections in May 2027. For this reason, councils are recommended to establish a joint committee on a voluntary basis (voluntary joint committees), as soon as possible, to enable such preparatory work to commence, albeit the specific functions will not be confirmed until the SCO has been made.
- 1.13 Once all councils in the geographical area of LLR agree to collectively establish the relevant joint committees, the joint committees shall arrange to meet to appoint a Chair, appoint an officer implementation team, and agree their forward work programme.
- 1.14 The draft terms of reference for the voluntary joint committees should mirror as closely as possible, the provisions anticipated in the SCO when it comes into force, which is anticipated to be March 2027.
- 1.15 An officer implementation team will support the joint committees until they are dissolved. To date, the current LLR councils have been working together to prepare for LGR through existing meetings including the Chief Executives and Leaders Groups, the Finance Officers Group, the Monitoring Officers Group, and the other thematic groups.
- 1.16 It is anticipated that at its first meeting, the joint committees will appoint an officer implementation team, who will support the joint committees in delivering an implementation plan to transition to the new unitary authorities. A more detailed paper will be presented to members in September.
- 1.17 The delegation sought within this report will facilitate proceeding with the creating of the voluntary joint committees.

Shadow Elections

- 1.18 In May 2027, elections for the councillors who will form the shadow authorities will take place. These elected members will work alongside the existing predecessor councils in a preparatory role for one year and the joint committees will dissolve at this point. The shadow authorities will not have any service delivery responsibilities until vesting day and the launch of the new unitary authorities but will oversee preparations for the new

authorities coming into effect in April 2028. Those members then continue as members of the new unitary authority until the expiry of their term.

Transition Period – Shadow Elections to Vesting Day

- 1.19 During the transitional period, the shadow authorities will prepare for the delivery of services for the new area and take over the implementation plan from the joint committee.

This includes:

- Establishing governance arrangements, including drafting and adopting a constitution, adopting codes of conduct and members' allowances etc.
- Appointing statutory positions - Head of Paid Service, Chief Finance Officer (Section 151) and Monitoring Officer
- Setting budgets, financial strategies and council tax
- Coordinating with existing councils, staff transfer, transfer of functions, service disaggregation / aggregation, asset and contract novation

- 1.20 The Government will also issue a direction under Section 24 of the Local Government and Public Involvement in Health Act 2007, requiring predecessor councils to secure the consent of the new shadow authority for certain financial decisions as below:

- 1.20.1 Disposal of any land if the consideration for the disposal exceeds £100,000
- 1.20.2 Entering into any capital contracts where consideration exceeds £1m; or which includes a term allowing the consideration payable to be varied
- 1.20.3 Entering into any non-capital contract which exceeds £100,000 where the period of the contract extends beyond a date set out in the direction; or under the terms of the contract, the period may be extended beyond that date
- 1.20.4 Including an amount of financial reserves in a calculation under section 31A(3) or 42A(3) of the Local Government Finance Act 1992

Expected Time Scales

- 1.21 Existing councils will continue to be responsible for the delivery of services and will be subject to a duty to cooperate with each other and the new authorities. An indicative timeline is set out below:

July 2026	Decision on future of LGR for LLR made
Autumn 2026	Voluntary Joint Committees formed
	Draft SCO Expected
Spring 2027	SCO expected to be approved in Parliament
May 2027	Shadow Authorities established to begin transition
	Elections to Shadow Authorities

During 2027	Recruitment to key senior posts (including statutory officers)
April 2028	Vesting Day – New Authorities formally take effect for service delivery

2.0 PROGRAMME MANAGEMENT PROGRESS

- 2.1 Throughout 2026, the predecessor councils have been focusing on ‘no regrets’ activities for work that will be required irrespective of the decision that has now been made by Government. This has been based on best practice and advice from MHCLG. A programme management structure was established and all chief executives across the ten councils have been meeting since February 2026 to discuss LGR related matters.
- 2.2 These are supported by a Steering Group with a representative from each of the County Council, City Council, Rutland County Council one from the District and Boroughs. Thematic groups have also been set up, each with a Chief Executive sponsor and an initial work programme. The groups cover Workforce and HR, Finance, Legal and Governance, Transition and Resources, ICT and Cyber, Procurement and Contracts, Asset Management, Communications and Elections and Boundaries. Across the ten councils a large number of staff are now engaged in these groups.

3.0 FINANCIAL IMPLICATIONS

- 3.1 There are no new financial implications as a result of this report. Council agreed, as part of its 2026/7 budget, to set aside a sum of £2million to support the transitional work required by the Council in support of LGR. With the “minded to” decision now made, officers will undertake a review to understand whether this budget meets the original requirement or needs to be increased to incorporate any new commitments for this Council or the emerging transitional cost share for delivering the new model. Any recommendations will form part of a separate report to member in the autumn.

4.0 OPTIONS CONSIDERED

4.1 Not to establish voluntary joint committees

- 4.1.1 Rather than establishing voluntary joint committees now, there may be a preference to wait until the formal joint committees are required by the SCO. This option is not recommended as it would not assist with the initial planning and preparation, and is not in accordance with MHCLG Guidance

Policies and other considerations, as appropriate	
Council Priorities:	- 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:	In developing the draft final proposal regard was given to equality implications and how the proposals might affect those groups with protected characteristics and there are no areas of concern.
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:	A comprehensive public and stakeholder engagement programme was undertaken between 9 June 2025 and 20 July 2025. The report sets out how the engagement was carried out and the public and stakeholder engagement report has informed the draft final submission document.
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 the Council's residents. Resources will be directed as appropriate and any additional resource be sourced. Resourcing implications of continuing 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 Council and Leicestershire County Council to deliver whichever model is chosen.
Officer Contact	Allison Thomas Chief Executive allison.thomas@nwleicestershire.gov.uk