



Meeting: **Scrutiny Commission**

Date/Time: **Monday, 10 November 2025 at 10.00 am**

Location: **Sparkenhoe Committee Room, County Hall, Glenfield**

Contact: **Mrs J Twomey (Tel: 0116 305 2583)**

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Membership

Mrs D. Taylor CC (Chairman)

Dr. J. Bloxham CC	Mrs. K. Knight CC
Mr. M. Bools CC	Mr. M. T. Mullaney CC
Mrs. L. Danks CC	Mr. O. O'Shea JP CC
Dr. S. Hill CC	Mr. B. Piper CC
Mr. A. Innes CC	Mr J. Poland CC
Mr. P. King CC	Mr. K. Robinson CC

SUPPLEMENTARY AGENDA PACK

<u>Item</u>	<u>Report by</u>
7. Local Government Reorganisation - Draft Business Case. <ul style="list-style-type: none">• Covering report• Draft Business Case and appendices• Note on Collaborative Working• Note on Data Sharing	Chief Executive, Director of Corporate Resources, and Director of Law and Governance

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SCRUTINY COMMISSION - 10 NOVEMBER 2025

SUPPLEMENTARY REPORT: LOCAL GOVERNMENT REORGANISATION - DRAFT BUSINESS CASE

JOINT REPORT OF THE CHIEF EXECUTIVE, THE DIRECTOR OF CORPORATE RESOURCES AND THE DIRECTOR OF LAW AND GOVERNANCE

Purpose of the Report

1. Following the meeting of the Commission on 29 October, the purpose of this supplementary report is to attach the draft business case for local government reorganisation in Leicester, Leicestershire and Rutland for members' consideration.

Background

2. Members are asked to note that the business case is still in draft form and there is some additional information to be included. In particular, the impact on the county of the option being put forward by Leicester City Council for an expansion to the city boundaries to include Oadby and Wigston Borough, Blaby District and Harborough District will be modelled and the business case will be revised accordingly.

Resource Implications

3. There are no resource implications arising from the recommendation in this report. Work completed to date on LGR has been delivered using internal resources, however LGR will be a significant undertaking that will have an impact on the Council's financial position in future years. More detail is set out in the draft business case.

Timetable for Decisions

4. The Council's final Business Case must be submitted to the Government by 28 November 2025. It will be considered by a meeting of full Council on 12 November, and the Cabinet at its meeting on 25 November will then be asked to approve the final business case for submission.

Equality Implications

5. Due to the complexity/scope of the proposal and possible wide scale impact of the changes proposed the Council will adopt a strategic approach to conducting Equality Impact Assessments during all programme phases and stages.

Human Rights Implications

6. There are no human rights implications arising from this report.

Recommendations

7. The Scrutiny Commission is asked to comment on the draft Business Case setting out the proposals for LGR for Leicestershire. These comments will be shared with the full Council at its meeting on 12 November.

Circulation under the Local Issues Alert Procedure

8. This report will be circulated to all members of the Council.

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Background Papers

Acting Leader's Position Statement to the County Council meeting on 19 February 2025 <https://democracy.leics.gov.uk/ieListDocuments.aspx?CId=134&MId=7391&Ver=4>

Notices of Motion to the County Council meetings on 2 July and 20 July 2025 and minutes of those meetings -

<https://democracy.leics.gov.uk/ieListDocuments.aspx?CId=134&MId=7859&Ver=4>

<https://democracy.leics.gov.uk/ieListDocuments.aspx?CId=134&MId=8218&Ver=4>

Reports to the Cabinet and minutes of those meetings -

17 December - "English Devolution White Paper"

<https://democracy.leics.gov.uk/ieListDocuments.aspx?CId=135&MId=7512&Ver=4>

18 March 2025 - "English Devolution White Paper: Local Government Reorganisation"

<https://democracy.leics.gov.uk/ieListDocuments.aspx?CId=135&MId=7874&Ver=4>

7 February 2025 - "English Devolution White Paper: Local Government Reorganisation - Including Urgent Action Taken"

<https://democracy.leics.gov.uk/ieListDocuments.aspx?CId=135&MId=7873&Ver=4>

13 September 2025 - "Local Government Reorganisation"

<https://democracy.leics.gov.uk/ieListDocuments.aspx?CId=135&MId=7879>

Presentation to the Scrutiny Commission on 29 October 2025 –

[Agenda for Scrutiny Commission on Wednesday, 29 October 2025, 2.00 pm - Leicestershire County Council](#)

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Local Government Reorganisation

Proposal for change in
Leicester, Leicestershire
and Rutland

DRAFT

LGR Draft Business Case

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Executive Summary

At a glance – our proposal

- **One, new council for Leicestershire and Rutland – based on current boundaries:**
 - Saves around £40m a year - through fewer senior officers and elected members, and reduced back-office costs, maximising the amount of Council Tax spent on front line services
 - Joins up services so there is only one council to contact – making it easier for residents
 - Avoids breaking up highly-rated and vital care services
 - Unlocks devolution quickly – bringing more money and autonomy to Leicestershire
 - Keeps services and decision-making local
 - Retains Leicestershire's heritage and traditions
- **Empowers communities:**
 - 90 councillors – representing around 6,500 electors each
 - Cabinet and leader model
 - Could devolve services to community groups and local town and parish councils
 - New 'area committees' - giving more power to people to be involved in local decisions
 - Made up of elected members, local partners, town and parish councils and members of the public – with potential for a budget to support local priorities
- **Preserves our heritage and identity:**
 - Retains historic borders
 - Doesn't change our border or move swathes of land into Leicester City
- **In line with Government's criteria:**
 - Covers an 800k population
 - Creates high quality and sustainable public services which people depend on
 - Unlocks more money and control locally

- Avoids breaking up services
- **Shaped by feedback:**
 - From around 1,000 people – and just under 800 online responses



Change for Leicestershire

This summary explains a plan to change how local government works in Leicester, Leicestershire, and Rutland. The goal is to make services simpler, better, and more cost-effective for everyone living in these areas.

Why change is needed

The Government wants to reduce the number of councils in England by moving away from two-tier councils and creating unitary councils which would deliver all local services.

Right now, local government is split into many different councils – a county council and seven districts for Leicestershire, and unitary councils for Leicester City and Rutland. There are also parish and town councils in some areas.

This makes it harder for residents to know who is doing what, and sometimes services are duplicated or not as efficient as they could be.

Back in February 2025, the Government asked all councils in Leicester, Leicestershire and Rutland to propose a single tier of local government. The Government asked that our proposal:

- Should be the right size to save money and withstand financial shocks
- Must deliver high quality and sustainable services
- Should show how local councils have worked together to meet local need
- Must enable devolution (more power and money locally)
- Should enable stronger community engagement and empower neighbourhoods

There are a few main reasons for making changes:

- The financial challenge, especially for Leicestershire County, which gets less funding than almost any other area in England. This disparity means tens of millions less to spend than other areas
- More people are living here, and many are older, so services need to adapt and work together better – particularly housing, social care and health services
- Some parts of the region are struggling with poverty or lower productivity
- The current system makes it harder for the county to get more funding and powers from the national government (known as devolution)

Studies from other parts of the UK show that bringing councils together into one larger group can save money and help services run more smoothly.

How the plan was made

Leicestershire County Council and Leicester City Council worked together to share financial data. We also worked together with the City, districts and Rutland to identify and share a wider range of service and socio-economic data.

We listened to what residents and voluntary sector, businesses, and other groups had to say. Independent experts checked the financial calculations to make sure the proposals are realistic, and special care was taken so that changes won't negatively affect vulnerable people.

Options explored

The team looked at six possible ways to reorganise local government:

- Just one council for Leicestershire (not including Leicester City or Rutland)
- One council for both Leicestershire and Rutland (not including Leicester City)
- Three options for expanding Leicester City's boundaries and having another council for the rest of Leicestershire and Rutland
- Three separate councils for North, City, and South areas

After scoring each option, the best solution was to have a single council for both Leicestershire and Rutland. This was found to be the most effective for providing quality services, saving money, and strengthening local decision-making.

No option of local government reorganisation will fully solve the overall financial challenge facing the city or county, but it has the potential to significantly help.

A single council for Leicestershire and Rutland is the most financially beneficial.

Scenarios which have been explored	A single council for Leicestershire and Rutland City unchanged	Three separate councils (North, City, South)	A single council for Leicestershire and Rutland And the city boundary expanded
Ongoing net savings	c. £40m	Half the saving	Similar to single county

Share of the savings	100% to Leicestershire and Rutland as city not impacted	100% to Leicestershire and Rutland as city not impacted	Shared – city take some re-organisation benefit and some of counties' economies of scale
One off transition cost	£20m	Significantly higher due to splitting of county council services	Highest due to splitting of county and district services
Service risk	Low – primarily back-office impact	High – splitting services risks service delivery disruption	High – increases if district boundaries split

Our work shows that a bigger city council will save a similar amount overall. But it costs money and adds risk to move council boundaries and transfer services, without any benefit. It doesn't save any more or improve services.

It would also be disruptive at a time when all councils are under pressure.

Savings would be shared between the city and county, but disproportionately benefit the city because it would gain economies of scale from the county. The bigger the city expansion, the worse off the county will be.

Splitting the county areas delivers lower savings, as two sets of organisation management and overhead are required. Significant investment is required splitting existing county services, which also risks service disruption without delivering any improvement in services. A postcode lottery would be created on service provision, as well as a continued inconsistency over fees, charges, planning policy for example.

No option of local government reorganisation will fully solve the overall financial challenge facing the city or county, but it will help.

Here's what this would mean:

- All services will be managed together, so things like waste collection, housing, and social care are organised in a simpler way
- Working with other groups (like health and police services) will be easier, so support for residents would improve

- Less money will be wasted on running lots of separate offices, having separate Chief Executives and management teams at all levels
- The region would get more powers and funding from national government, and have an elected mayor to represent local interests
- Local communities will have an enhanced voice, with area committees and an enhanced role for parish and town councils
- The area's unique history and character will be protected, and services like healthcare, education, and housing will improve

Examples of service benefits:



Housing development is supported by the infrastructure



Joined up services reduces homelessness



Local plans reflect resident and business priorities



Active wellbeing service provides a universal offer and coverage



Waste management – standard collection service across Leicestershire, from collection to disposal



Support for the voluntary and community sector



Economic growth and business support

How communities would be involved

Area Committees

New Area Committees will allow local people to have much greater involvement in decisions that affect them and their local area. These will be made up of elected members, local partners, town and parish councils and members of the public.

The Area Committees will not be responsible for direct service delivery, but they are likely to have an oversight function, ensuring services are delivered effectively and that they reflect the needs of local areas.

There is potential for funding to be provided to the Area Committees to support local priorities.

Parish and Town Councils

Our proposal builds on the framework for service devolution developed with the Leicestershire and Rutland Association for Local Councils in 2019 – but councils are free to opt out.

We recognise that not all areas are parishes. We would seek community and stakeholder views on their appetite to establish these in such cases. Unparished areas would still be covered by Area Committee arrangements and services will continue to be delivered by the new unitary council.

Local models of delivery

Our proposal builds on Leicestershire County Council's strong track record of devolving services (e.g. community managed libraries, and the flood warden scheme, both of which are run by volunteers).

An example of a devolved service is the development of Community Managed Libraries. Starting in 2015 the County council has supported 35 community managed libraries. Whilst continuing to receive professional library services, book stock and operational support from the Council, these libraries are run and managed by local people, for local people. Each library has developed as an invaluable community asset providing a range of community services reflecting its local population and local area.

There is potential to devolve services to community groups.

Cabinet and Leader

We will stick with the 'Cabinet and Strong Leader' model of governance. This ensures that all councillors act as community leaders and bring that experience to strategic decision making.

90 Councillors

90 Councillors will be elected. We think this will ensure residents are well represented and each councillor will represent around 6,500 electors. This will be reviewed by the Boundary Commission to make sure it's working properly.

Councillors will share accountability and scrutiny roles, ensure effective representation of residents and preserve community identity.

How changes would happen

If the plan goes ahead, changes will be made in stages:

- First, planning and setting up new ways of working
- Second, making sure all services keep running smoothly during the switch and from day one
- Third, making improvements to deliver to opportunities that re-organisation offers

Staff, buildings, and digital services would be reorganised carefully. Residents and workers would be kept up to date throughout.

Feedback and engagement

Around 1,500 residents contributed their views to our interim plan, telling us what was important to them about their council.

During October 2025, a series of workshops and events were held to gather views. We met with just under 1,000 residents, businesses, voluntary organisations, parish and town councils and staff members to hear their views and just under 800 shared their feedback online.

Themes

- Almost half (47.6%) of those who responded to the online survey in October agree with proposals for a single unitary council.
- Over two-thirds disagree with any extension of Leicester's boundary and three-quarters of people have concerns about change generally.
- In a focus group, residents said they want simpler, faster services via a single front door, local identity rooted in towns and neighbourhoods and local touchpoints (parish/town councils, area committees) preserved and empowered.
- Parish and town councils expressed relief that Leicestershire County Council is not backing a city expansion and voluntary and community sector organisations want to ensure smaller groups don't get lost in a bigger organisation.
- Business leaders like the idea of a "one stop shop" co-ordinating inward investment, skills, economic development, transport and infrastructure investment – and a single structure plan for housing and development.
- Staff feel that LGR offers the opportunity to boost and improve wellbeing through more effective support, empower communities to make decisions locally, and have concerns about job security.

Conclusion

Moving to one council for Leicestershire and Rutland will make local government simpler and more efficient. It will help services improve, save money, and give local people more say in how their area is run.

- Based on the evidence gathered so far, Leicestershire County Council is proposing a single county unitary for Leicestershire and Rutland as its preferred option
- Given the Government's invitation to extend city boundaries, the final proposal will identify the consequences for the county of an extended Leicester boundary
- Leicestershire County Council and Leicester City Council have agreed the principle that the best option for reorganisation is one unitary for the county and one for the city
- The administration is aware that reorganisation will not fully solve the overall financial challenge facing the authority, but it will help

This is a crucial proposal - designed to shape and improve council services for the next generation.

We're putting our residents first - our goal is securing a viable future council, with sustainable finances, joined up services, strong communities and sensible geography.

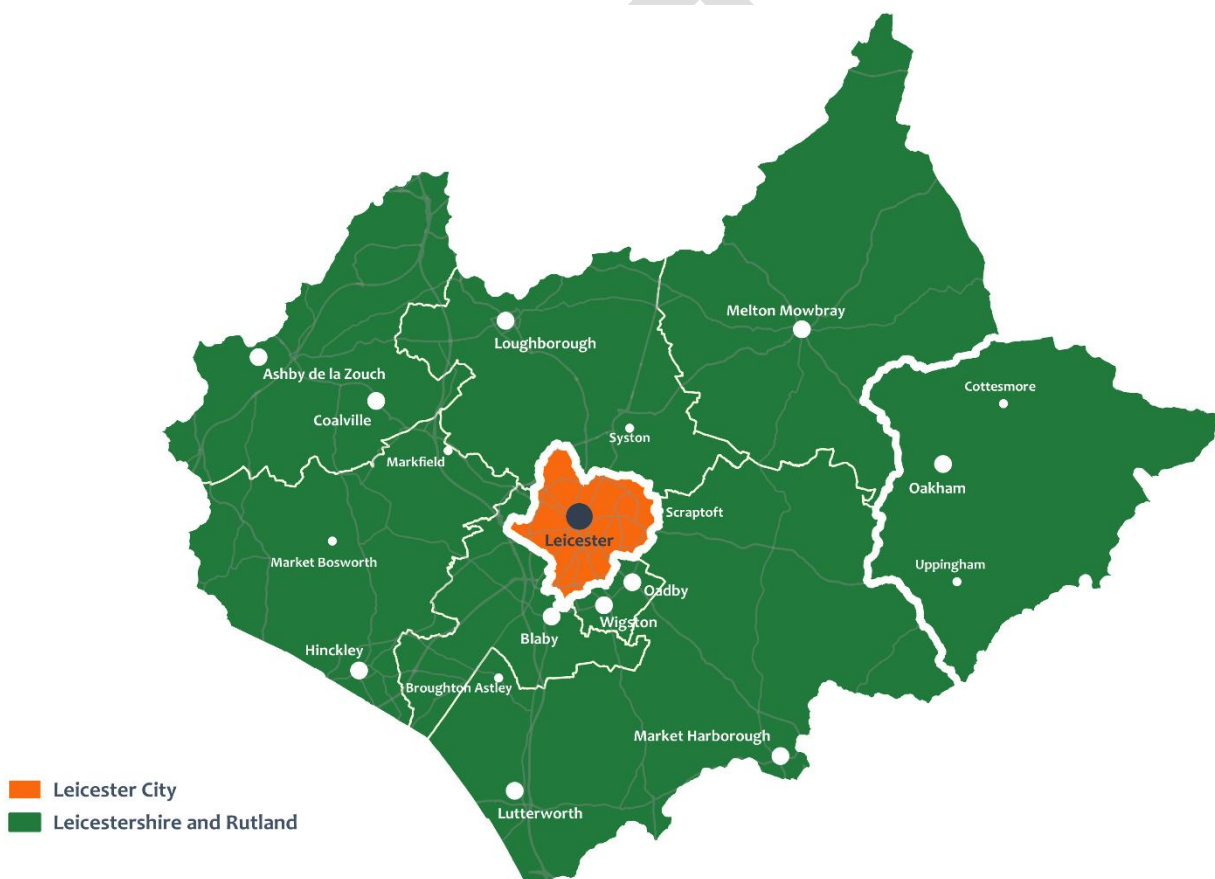
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Context and Case for Change

Context

Leicester, Leicestershire and Rutland (LLR) are in the geographical centre of England, and form part of the East Midlands region. Within the boundary of Leicestershire there are seven district and borough councils. At the heart of the Functional Economic Area (FEA) is the city of Leicester (which became a separate unitary authority in 1997). The FEA reflects the geography within which many economic relationships operate. Nearly 3,000 people move between Leicestershire and Rutland every day for work.

Map 1 – Leicestershire, Leicester and Rutland local authorities, main towns



Leicester, Leicestershire and Rutland benefits greatly from its strategic location on the motorway network and forms the heart of the original ‘golden logistics triangle.’ The logistics industry drives a lot of the areas of employment growth (and economy) but also creates pressure for investment in the strategic road and rail networks. In addition to Leicester City, the area is served by a number of market towns, providing key services to the outlying rural parts of Leicestershire and Rutland.

The economies of Leicestershire and Leicester have traditionally been part of the same Local Enterprise Partnership, with shared initiatives such as the joint Enterprise Zone, that includes sites within city and county. This benefits from shared resources which

has helped to bring hi-tech and innovative businesses in future mobility, life sciences and space to the area. Leicestershire County Council is the lead authority for the East Midlands Freeport, which includes Space Park Leicester as a customs site. Leicester and Leicestershire work together under the banner of ‘Invest in Leicester’ to promote inward investment across the area.

The diverse Leicester, Leicestershire and Rutland economies complement each other, without reliance on a single sector. The city has small manufacturers, such as the traditional textile cluster, large public sector employers in Health and Education, and Space Park Leicester, which has regenerated parts of the city. Leicestershire has more land available and has larger manufactures such as Caterpillar, Walkers and Samworth Brothers. Leicestershire also has large logistics facilities and modern science and technology facilities, such as those in the Enterprise Zones. Rutland’s economy is diverse with no dominant sector, with education, health, manufacturing and tourism all significant employers.

Since 2011 Rutland has been a member of the Greater Cambridge & Greater Peterborough Local Enterprise Partnership (LEP) then the Greater Lincolnshire LEP. Both LEPs were superseded by combined authorities before LEPs were abolished in 2024. Rutland’s economy shrank in the 2010s followed by a more recent recovery. Rutland will benefit from a closer alignment with Leicester and Leicestershire through a new strategic authority which will improve partnership working and involve Rutland in local economic growth bids.

Population

The current Leicestershire population is just under 723,000, with 372,500 in Leicester city and 41,200 in Rutland, giving a total population across LLR of 1,136,660. Charnwood is the largest district in Leicestershire by population, with just over 185,000 people (26% of the county population). Melton is the smallest district local authority by population, with almost 52,400 people (7% of the population). Harborough is the largest local authority in the county by area, accounting for 28% of the total area of the county (almost 600 square km). Oadby and Wigston is the smallest local authority in Leicestershire, accounting for just 1% of the total area (24 square km). Oadby and Wigston has the highest population density by a significant margin, with almost 2,436 people per square km. The next highest is Blaby, with just over 800 people per square km. In comparison, Melton has the lowest population density, with just over 109 people per square km.

Table 1 – ONS Mid-year population estimates and area in sq km, Leicestershire local authorities, 2022

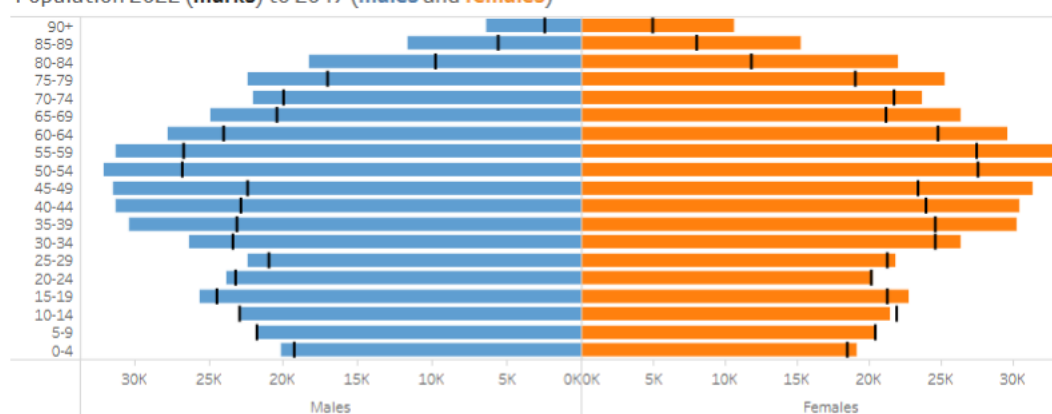
Name	2022 Population	Area (sq km)	Population Density (population per sq km)
Blaby	104,283	130	802

Charnwood	185,266	279	664
Harborough	100,550	593	170
Hinckley and Bosworth	114,315	297	385
Melton	52,404	481	109
North West Leicestershire	107,666	279	386
Oadby and Wigston	58,456	24	2,436
Rutland	41,225	382	108
Leicestershire and Rutland	764,165	2,466	310

Source: 2022 Mid-year population estimates, Office for National Statistics

Leicestershire and Rutland's population is ageing; the 65+ age group is predicted to increase by 66,849 from 162,117 to 228,963 (2022 - 2047).

Population 2022 (marks) to 2047 (males and females)



Health and Wellbeing

According to the 2021 Census, 82.4% of respondents in Leicestershire reported being in good or very good health, whilst 3.9% reported being in bad or very bad health.

Rutland had slightly more people reporting good health (84.6%) and fewer in bad health (3.5%) Life Expectancy at birth in Leicestershire has remained significantly better than the England average since 2001-03. Healthy Life Expectancy (HLE) at birth in Leicestershire for males (62.7 years) and females (62.6 years) is similar to the national average in 2021-23. For males, HLE has decreased since 2015-17 and for females, HLE has decreased since 2014-16. People living in our most deprived areas live about 5-6 fewer years than those in the least deprived areas. In order to reduce this inequality, more focus needs to be toward those in greatest need and working together to reduce any factors that may have a negative influence on their health. HLE in Rutland has fallen for both males and females in the latest ONS data (2021-23), from a peak of 72 to under 70 in both cases.

Children and Young People

The current Leicestershire population aged 0-19 is 161,600 while the equivalent figure for Rutland is 9,000. In both Leicestershire and Rutland, more children achieve a good level of development at the Early Years Foundation Stage and at Key Stage 2 than national figures. Levels of attainment at Key Stage 4 are above national averages in Rutland but similar to national averages in Leicestershire. As with other data, attainment at a county level hide poorer educational outcomes within some communities. Nearly 8,000 primary and secondary school pupils travel between Leicestershire and Leicester City for school each day, with more travelling for post-16 education.

There are complex and systemic issues facing the education and children's services sector. Demand for services and the complexity of cases continues to increase, with the number of children being looked after in Leicestershire and Rutland rising from 697 in 2020 to 753 in 2024. Leicestershire has historically experienced a net gain in terms of looked after children's placements, with more children from other local authorities being cared for in placements in the County. Conversely, Leicester City has historically shown a net loss in terms of placements, with more Leicester children placed outside the City. Reported numbers for Rutland are very small. There has also been an increase in demand for services for young people with Special Education Needs and Disabilities (SEND). The number of young people with an Education Health and Care Plan in Leicestershire and Rutland has risen 71% between 2018/19 and 2024/25 to 7,572, with local data suggesting a further sharp rise is to be expected.

Rurality

Leicestershire and Rutland are rural by area but urban by population. Overall, 66% of the population of Leicestershire and Rutland live in areas classed as urban, whilst 20% percent live in larger rural settlements. The remaining 14% live in areas classed as smaller rural settlements. Oadby and Wigston has the highest urban population, being classed entirely as urban, while Blaby has the next highest urban population (80%), followed by Charnwood (76%). Rutland has the highest population living in small rural settlements (46%), followed by Melton (32%) and Harborough (26%). 100% of the population of Leicester City lives in areas classed as urban.

Nature and Culture

Leicestershire and Rutland benefit from a rich blend of natural beauty, historical significance, and cultural vibrancy. Much of the area's landscape is protected or designated for its environmental and heritage value, including areas within the National Forest. These protections help preserve the county's ancient woodlands, rolling countryside, and diverse wildlife, but also mean that development of housing and infrastructure must be carefully managed to maintain the integrity of these spaces.

The impact of flooding is a growing concern along the River Soar, which flows through the heart of Leicester and many low-lying areas. Leicester, Leicestershire and Rutland's environmental assets make joint resilience planning all the more vital, as communities seek to protect both natural habitats and built environments.

Leicestershire and Rutland have a distinctive cultural identity shaped by their history and traditions. Market towns such as Melton Mowbray, famed for its pork pies and Stilton cheese, and Market Harborough, with its elegant architecture and vibrant arts scene, contribute to the county's charm. The Great Central Railway, Bosworth Battlefield, Bradgate Park and Rutland Water are just a few of the landmarks that connect residents and visitors to the area's past.

The area is also home to thriving food and drink producers, including award-winning breweries and artisan makers, as well as a growing reputation for sustainable farming and local produce. With its blend of rural heartlands, historic towns, and dynamic urban centres, Leicestershire and Rutland offer a rich blend of community, heritage, and natural beauty that is deeply cherished and forms a vital part of its identity. Leicester and Leicestershire work together under the banner of 'Visit Leicester' to promote tourism and cultural activities across the area.

Deprivation

As a whole, Leicestershire and Rutland are not deprived; Leicestershire is ranked 137th out of 152 upper tier authorities in England for multiple deprivation, where first is the most deprived. All seven Leicestershire districts fall within the least deprived half of all local authority districts within England; North West Leicestershire is the most deprived district in the county (ranked 216th out of 326) while Harborough is the least deprived (ranked 308th out of 326). Rutland has low deprivation levels overall and is ranked 303rd of 326 authorities.

However, pockets of significant deprivation exist; four neighbourhoods in Leicestershire fall within the top decile (most deprived 10%) in England. These areas can be found in Loughborough and the Greenhill area of Coalville. In Leicestershire the Education, Skills and Training deprivation domain and Barriers to Housing and Services deprivation domain have a higher number of neighbourhoods in the top 10% deprived nationally compared to some of the other deprivation domains.

There is a significant contrast between the deprivation profile of Leicester City and the parts of the 'principal urban area' that fall outside the city boundary. The latter area has a similar deprivation profile to the remainder of Leicestershire and Rutland.

Economy

Productivity

Productivity in the Leicestershire and Rutland area is below the national average level; in 2022 GVA per filled job was £54,059, compared with £52,914 in Leicester City and £62,751 in England. The productivity gap between Leicestershire and Rutland, and England has remained fairly consistent since 2009.

Businesses

There are almost 32,000 businesses in Leicestershire and Rutland, with almost a quarter of all businesses located in Charnwood (6,610, 22%), followed by Harborough (5,410, 18%). The smallest number of businesses can be found in Rutland (1,905, 6%).

Table 2 - Business counts by size band, Leicestershire local authorities, 2024

Local Authority	Total Count	Micro (0 to 9) Count	Small (10 to 49)	Medium-sized (50 to 249)	Large (250+)
Blaby	4,165	3,705	365	70	20
Charnwood	6,610	5,825	640	110	35
Harborough	5,410	4,875	450	75	15
Hinckley and Bosworth	4,440	3,985	375	65	20
Melton	2,575	2,335	200	35	5
North West Leicestershire	4,295	3,740	405	115	35
Oadby and Wigston	2,200	1,980	175	40	5
Rutland	1,905	1,695	165	40	5
Leicestershire and Rutland	31,600	28,140	2,775	550	140

Source: Nomis, 2024. Totals may not sum due to rounding.

The majority of Leicestershire and Rutland businesses are micro businesses (28,140), with 10 times the number of micro businesses as there are small businesses. In addition, there are 550 medium-sized and 140 large businesses. The greatest number of large employers can be found in North West Leicestershire and Charnwood (both 355), followed by Blaby and Hinckley and Bosworth (both 20). Business rates growth has been strong in recent years across Leicestershire and Rutland.

Employment

The largest number of jobs in Leicestershire and Rutland can be found in the Manufacturing sector (41,750 jobs, 12% of total). This is followed by the professional, scientific and technical sector (40,250 jobs, 12%) and Transport and Storage (38,450, 11%). The logistics sector is estimated to account for 59,450 jobs (by aggregating the wholesale and transport/storage sectors)

Earnings

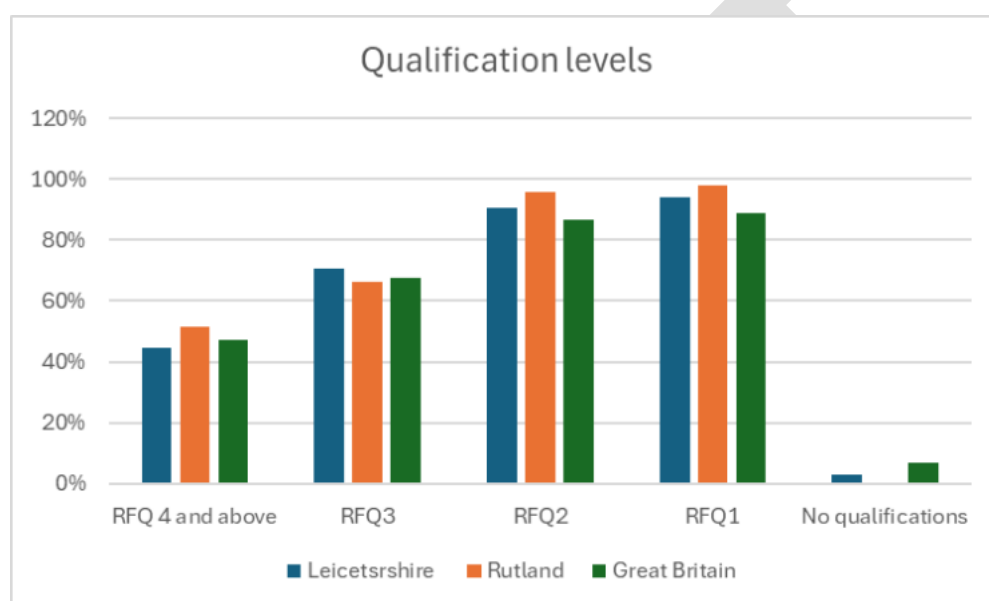
Leicestershire resident earnings are slightly below the UK figure, earning just over £36,428 gross annual pay, compared with £37,430 for the UK as a whole. Earnings in

Leicester City are considerably lower (£29,839). Residents of Rutland are the highest earners in the East Midlands at £40,227, whilst those working in Rutland earn less at £35,458.

Qualifications

Leicestershire resident qualification levels are well above the England level at RFQ levels 1, 2 and 3 equivalents. However, the proportion of the workforce qualified to RFQ Level 4 and above (degree level) is slightly behind the national figure. Over half of residents in Rutland are qualified to Level 4 or above and this is also above national levels.

Chart: Qualification levels, 16 - 64 year olds, Leicestershire, Rutland and Great Britain, 2024



Out of Work Benefits Claimants

The rate of Universal Credit claimants who are out of work is relatively low in Leicestershire and Rutland, representing 2.4% of Leicestershire's working age population in August 2024, equating to 10,761 people. Leicestershire claimant rates are consistently lower than both the East Midlands rate (3.6%) and Great Britain rate (4.0%). The claimant rate in the city is much higher at 5.9%. Rates within Leicestershire districts are low with Harborough having the lowest rate of 1.8%. The claimant rate in Rutland is also low at 1.9%.

Transport

The counties of Leicestershire and Rutland are in the East Midlands and situated centrally to the national transport network, including the M1, M69, A1, A5, A42 and A46 corridors of the Strategic Road Network, the Midland Mainline of the National Rail Network, and with ready access to East Midlands Airport as an international gateway.

Leicestershire has a close working partnership with Leicester City Council, as the City is located at its heart and presents the central hub for key elements of the transport network including the rail network and bus network. At least 70,000 people travel between Leicestershire and Leicester City for work each day. Leicestershire and Rutland also border neighbouring counties including Derbyshire, Lincolnshire, Nottinghamshire, Northamptonshire and Warwickshire. We work in partnership with neighbouring authorities to deliver a reliable, resilient and efficient transport network which promotes the health and wellbeing our communities, safeguards the environment and enables economic prosperity.

In its role as the Transport and Highway Authority, Leicestershire County Council is responsible for the operation, maintenance and management of:

- 2,692 miles of roads across the county
- 1,915 miles of Public Rights of Way across the county
- 6 million miles of public transport routes across the county
- Providing support to 1.2 million miles of passenger transport services per year

Rutland is responsible for the operation, maintenance and management of:

- 352 miles of roads across the county
- 200 miles of Public Rights of Way across the county

Housing

Leicestershire recorded the second largest population growth rate of the two-tier counties between 2011 and 2021 (Census data) and a high rate of population growth is projected to continue into the 2040s. While the rate of delivery of new homes in Leicestershire has remained among the highest of two-tier counties over the past 10 years, thanks to co-operation on strategic planning between the 9 local authorities in the area, affordability remains an issue in many areas. In 2024, the ratio of median house prices to median gross annual earnings was 8.0 in Leicestershire and 8.8 in Rutland.

To date, the majority of new housing in Leicester and Leicestershire has been built on small and medium-sized sites in the city, market towns, villages and rural areas. Some of this development has been unplanned. Often these developments make little or no contribution to infrastructure or services and, instead, rely on existing facilities. This has created significant problems. Some communities feel overwhelmed by the speed and scale of change. Others are disadvantaged by pressures on local schools, health centres and recreation facilities. Congestion on local roads and public transport is a frequent cause of complaint. Sometimes those who want to live in good quality homes close to their place of work find that there is little available within their price range. Several major employers and clusters of economic opportunities are located towards the edge of the county. Not all are close to housing, so a great deal of commuting takes

place. This is a problem, not least for those who do not have a car – public transport is often limited.

Local government reorganisation and the creation of a new strategic authority, in conjunction with government planning reforms, will accelerate the delivery of the new homes that residents need. The new unitary authority for Leicestershire and Rutland will build more development in major strategic locations and reduce the amount that takes place in existing towns, villages, and rural areas. This will allow planning for new housing and employment together with new and improved roads, public transport, schools, health services, local shops and open spaces. The County Council is already working with developers and Homes England to increase the speed at which development sites come forward and are built out. The new unitary authority will continue to seek funding for essential infrastructure to support development.

Homelessness

Demand for homelessness services varies significantly across Leicester, Leicestershire and Rutland. Rates of initial assessments for homelessness in Leicester are more than double Leicestershire's level. Across Leicestershire and Rutland, rates of assessment are highest in Melton and Oadby and Wigston and lowest in Rutland and Charnwood. Response services currently vary across the area.

Partner Landscape

There is a collaborative and positive strategic partner landscape in Leicester, Leicestershire and Rutland. Partners include a wide range of public, private and voluntary organisations working across a number of key areas including health, education, community safety and economic growth. These partnerships are key drivers in regional development and address complex challenges to support change. Key partners include:

- Leicester, Leicestershire and Rutland Health and Wellbeing Partnership (LLR HWB)
- Leicestershire Partnership NHS Trust
- University Hospitals Leicester
- Local Nature Recovery Strategy Partners
- Leicestershire and Rutland Wildlife Trust
- Leicestershire Police and the Police and Crime Commissioner
- Leicestershire Fire & Rescue Service
- Voluntary Action Leicester Shire
- Leicester and Leicestershire Business and Skills Partnership (LLBSP)

- Universities Partnership including De Montfort, Loughborough and Leicester Universities

Case for Change

This proposal will shape council services for the next generation and has residents at its heart.

It:

- Empowers Leicestershire's and Rutland's communities by giving more power to people to take decisions locally.
- Secures a viable future council, setting us on the path to sustainable finances, joined up services and sensible historic borders.
- Saves around £40m a year - on fewer senior officers and elected members, reduced back-office costs and spend on service management – generating vital funds to put back into public services.
- Is shaped by valuable feedback and in line with the Government's criteria.

Crucially, it's a step towards unlocking the greater prize of devolution – bringing more powers and funding for Leicestershire.

This business case has been developed by the County Council in response to the formal invitation from the Minister of State for Local Government and English Devolution, received on 5 February 2025, to create a detailed proposal for local government reorganisation in the area, recognising that the two-tier system and small unitary authorities should be replaced with larger, more strategic unitary councils. It builds on the interim plan submitted in March 2025 and incorporates feedback received from the Government in June 2025.

The County Council has previously considered a unitary structure of local government in Leicestershire. In 2019 a draft strategic business case was developed and externally validated by PwC. Due to the then Government's criteria, the focus of the analysis was on either a single unitary or two unitary councils for the county of Leicestershire (excluding Leicester City and Rutland). The preferred option was for a single unitary council, largely due to the substantial financial savings offered by the proposals, which could be reinvested to support and improve front line services.

A general election was called in December 2019 which changed the political landscape and the Government decided not to proceed with any local government restructuring at that time.

Evidence across the UK, including recent independent analysis undertaken by PwC shows that unitary reorganisation can improve the financial situation for councils and

this is particularly so where larger councils are established that can benefit from economies of scale. Rutland Council has acknowledged that it needs to be part of a larger unitary authority to meet government criteria for population size and service delivery capacity.

The need to address the financial challenge facing local government across England is evident but particularly so in Leicestershire, where the county has the lowest core spending power per head of population of any county council area, resulting in funding of £128 less for each resident than the average county council area and £320 (25%) less than the best funded county council area. This disparity results in tens of millions of pounds less expenditure on services than comparable areas.

Equally important drivers for change are the desire for modernisation, to create a council which is fit for the future and reflects customer demand, with improved service delivery, access and efficiency to eliminate the confusion and duplication that arises from a two-tier structure of local government; to work better with strategic partners; and to have greater influence. These can be achieved through simplified governance which will strengthen Leicestershire's role and voice both regionally and nationally, including through devolution.

The savings that can be generated by moving to a single tier of local government across the whole of Leicester, Leicestershire and Rutland will enable resources to be redirected away from bureaucracy into front line service delivery, enabling demographic pressures to be met without having an adverse effect on other local government services or Council Tax payers. In particular, local services that are often not a statutory requirement can be protected, enhanced and put onto a sustainable footing.

When considering the case for change it is also important to consider what other activities will be delayed whilst re-organisation takes place. There should be a natural preference for quicker, less complex re-organisations so that long term priorities such as Devolution and refocusing Local Plans can be implemented quickly, and resources are not consumed changing or creating administrative boundaries that do not have a direct link to service improvement.

Consideration must also be given to what does not need to change. High performing services, such as the County Council's children's services which are rated 'outstanding' by Ofsted, should not be disaggregated as doing so would undermine service quality, increase costs, disrupt partnerships and reduce the benefits of scale and expertise. Similarly, disaggregating small, specialist services such as flood management, forestry, and transport modelling and data services which already extremely difficult to recruit to would see a loss of economies of scale, resulting in higher costs, reduced effectiveness and potential challenges in resourcing to minimum levels. Keeping these services unified will maintain their effectiveness and efficiency.

Approach/Methodology

This section describes the work undertaken to develop an evidence-driven business case for reorganisation in Leicester, Leicestershire and Rutland. To ensure the proposal is credible and well-grounded, a methodology that incorporated a combination of socio-economic, service and financial data with stakeholder analysis and insight was adopted. These approaches have provided a robust-evidence base, will support informed decision-making and ensure reorganisation in Leicestershire is financially viable and operationally sustainable.

Data Sources

A wide range of data has been used to inform the development of the business case, and a full list has been included at Appendix 1. Early in the process, requests for information were received from different district and borough councils. Responses were provided, however, some of the information sought was unclear or not available. It was hard to understand the basis for some requests, for example, for the home postcodes of all county council employees. A data sharing group was subsequently established with representatives from Leicestershire County Council, Leicester City Council, Rutland County Council and the seven district and borough councils of Leicestershire. The group, which was chaired by the Chief Executive of Blaby District Council, worked constructively to coordinate requests for data from the different local authorities and ensure use of consistent data sources and time periods. A senior officer group was also established with representation from Leicestershire County Council, Leicester City Council and Blaby District Council. A secure online data repository was established by Leicestershire County Council to enable the sharing of datasets between local authorities. While much of the data shared was at middle layer super output area level (c.7,500 people), information sharing agreements were developed and signed by each party.

Local Engagement

Meaningful and constructive local engagement has been undertaken to inform the development of this submission to ensure that it meets local need.

The engagement methodology included:

- **Stakeholder workshops**

The following stakeholders were invited to a series of briefings and workshops to gather qualitative feedback.

- i. Parish and Town Councils
- ii. Businesses

iii. Voluntary and Community Sector organisations

- We were able to gather high quality insight on the following themes:
 - High level financial impact and how savings are unlocked
 - The impact (positive/negative) on services
 - Community empowerment and involvement in local decision making
 - Local identity and cultural and historic importance – and how people feel connected to a place
- Workshops specifically for stakeholders also discussed the potential impact on their operation and future direction, opportunities and minimising potential negative impacts, and how they would expect to be involved in the implementation of reorganisation.

Residents' focus groups

Residents were invited in for specific focus groups to explore their perceptions of reorganisation including benefits, concerns, impact on services, community involvement, local identity and historic importance.

- **Staff briefings/engagement sessions**

Staff were invited to learn more and provide feedback.

Further information on the proposal and an online feedback form was used to gather wider views – and this was shared with a range of local and regional stakeholders as well as being available to residents and staff.

Financial Modelling

The Government had expressed a preference for local regions to be consistent in their approach to financial modelling undertaken to inform proposals around future local government structures across the region, with jointly agreed assumptions underpinning the analysis. To this end, Leicestershire County Council and Leicester City Council jointly commissioned 31Ten to undertake financial modelling across the range of reorganisation options being considered. The results of this modelling inform the options appraisal included in this business case. The Council also undertook its own external validation and quality assurance of the modelling to ensure it was reasonable. This was done by PwC, and the outcome of this work is also referenced in the financial section of the business case.

There is a good track record of the creation of unitary councils to base the modelling on, with adjustments made for the local context. However, this is not the case for options involving the expansion of the City's boundaries where there are no precedents. This lower certainty increases the financial risk of the expansion options. It has also not been possible to model all implications. For example, the location of service delivery

points, such as household waste sites, needs a fundamental review to ensure they remain best placed for the Council Tax payers they serve.

Service Impact Assessments

Service impact assessments were completed to evaluate the potential effects of reorganisation on service delivery, accessibility and equity, particularly for critical services. The service impact assessments were used to help inform the options appraisal and will support the development of the implementation and transition following the submission of the business case.

Equality Impact Assessment

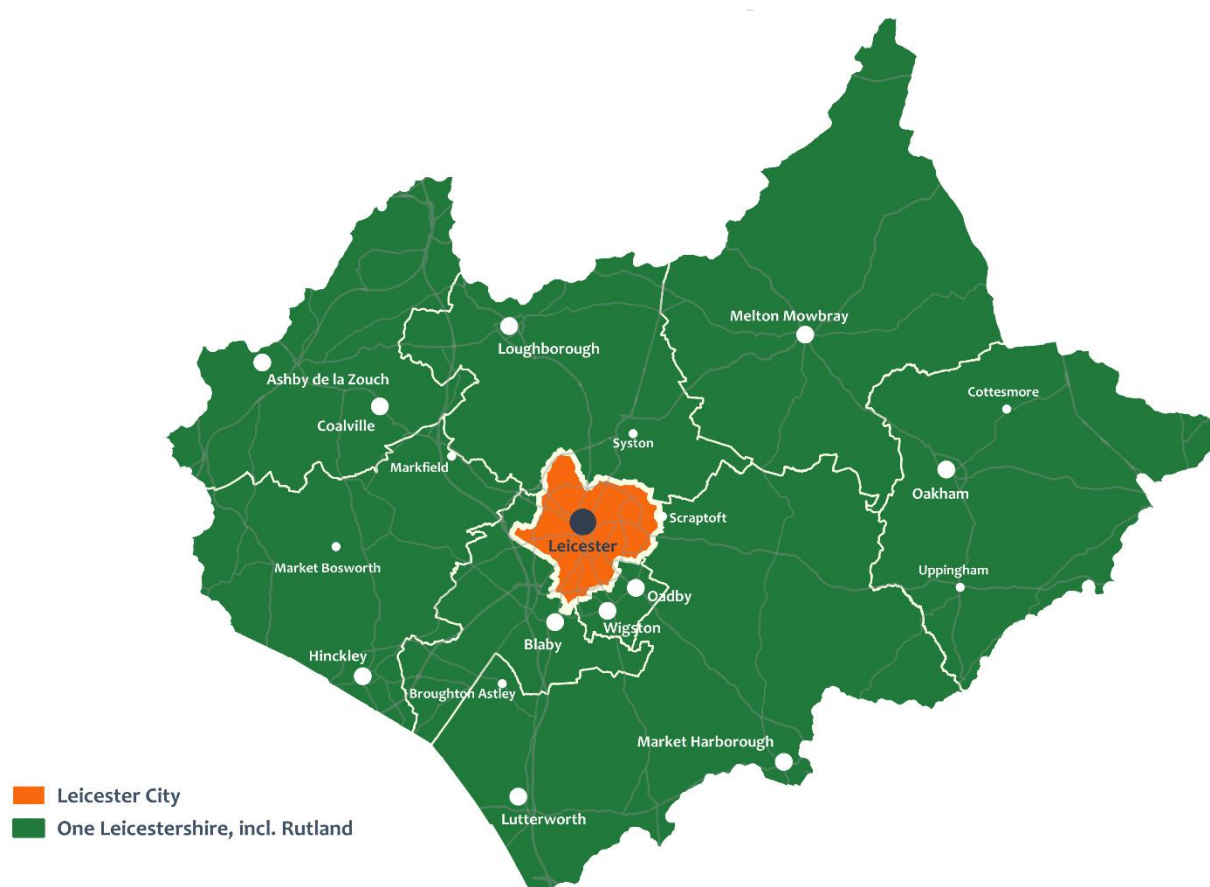
Changes to local government structures may impact on the vulnerable service users who heavily rely on local authority services. As part of the business case development, a high-level Equality Impact Assessment (EIA) was completed to ensure that the preferred option of this business case is fair and inclusive. The EIA has provided a solid foundation to understanding any disproportionate impacts on groups with a protected characteristic under the Equality Act 2010, to help shape our next steps in the implementation and transition plan.

Options Considered

This business case considers six options for local government reorganisation. These options have been assessed against the six government criteria and reflect both local priorities and the wider regional context.

Option 1

A single unitary council for Leicestershire and Rutland, based on existing local authority boundaries. Leicester City Council boundaries to remain the same.



The population of approximately 764,000 (based on ONS mid-year 2022 estimates) meets the Government's threshold for scale and sustainability, for new councils. This option would deliver:

- Financial efficiency and sustainability: avoiding duplication, maximising economies of scale and simplifying governance. It will ensure that 100% of the investment goes to reducing costs and improving services.
- Service integration and quality: reducing fragmentation and postcode lottery effects, the integration of county and district services at scale allows for better strategic planning, investment in prevention and the use of new technologies.

- Risk reduction and implementation feasibility: compared to the alternatives, this model is less complex, reduces the risk of service disruption during transition and avoids the need to split existing services, at a significant cost.
- Enhance the cultural identity of Leicestershire.
- The quickest option to enable devolution and service transformation, delivering additional benefits to residents.

It also recognises that Rutland Council, who have the highest Council Tax rates in the country, needs to be part of a larger unitary authority to meet government criteria for population size and service delivery capacity. To meet the requirements agreed by Rutland Council, this option:

- Recognises and promotes the needs of Rutland's residents, businesses and communities.
- Is based on boundaries that reflect how people live their lives.
- Avoids arrangements that isolate Rutland or diminish its voice in regional governance.
- Ensures that existing partner boundaries are maintained.

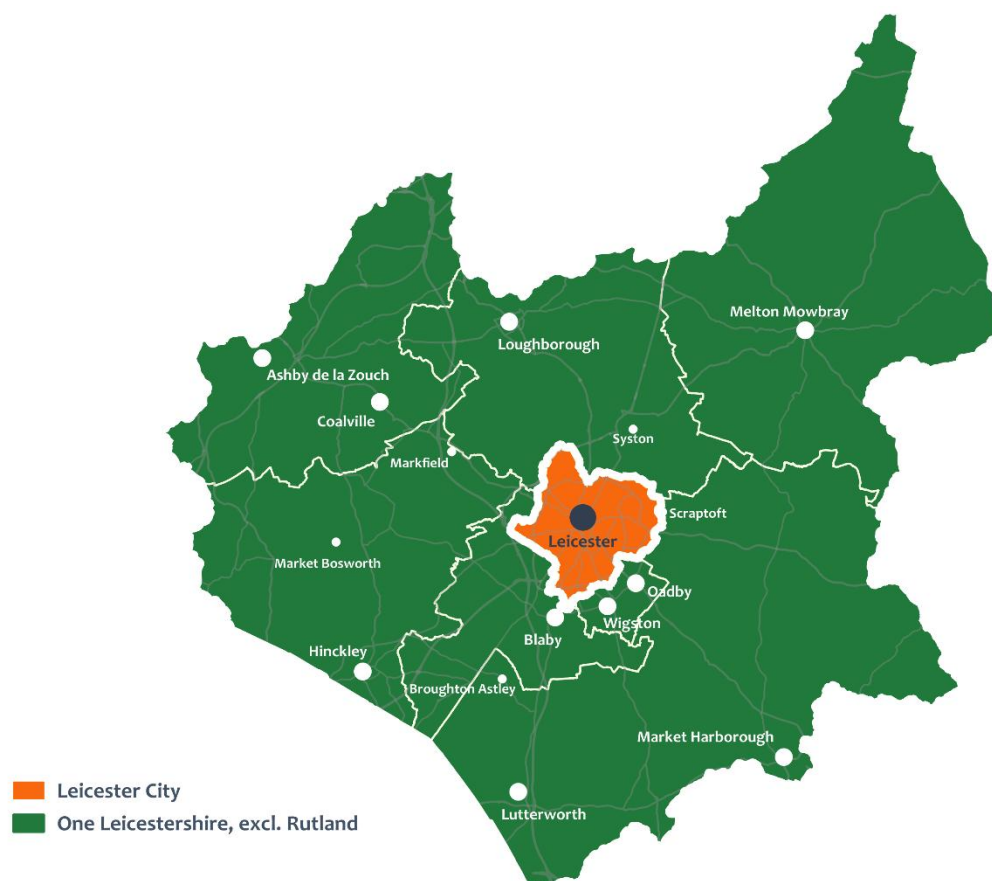
This option does not address the issues about financial sustainability raised by Leicester City Council in its interim plan submission, namely that financial sustainability is a key risk area given the City Council's reliance on reserves and the scale of future budget gaps. However, the financial position of the City Council is not demonstrably worse than the County Council. Neither authority has required Exceptional Financial Support, but both require reserves to balance the budget despite significant savings. Both authorities have also reduced their levels of borrowing over the last 3-years. It is notable that some of the savings areas implemented several years ago by the County Council, such as the dimming and switching off of streetlights and the opening hours of household waste sites have not been required by the City Council.

The impact of Funding Reforms is expected to be gains for the City Council and losses for the County, due to the district councils who were one of the highest gaining areas in the country for business rates. This is now being redistributed through the Funding Reforms. The result is that a change in administrative boundaries to improve the City's financial sustainability, at the expense of the two Counties, is unnecessary and does not reflect the future financial positions of the authorities. It is a concern that re-organisation proposals are being assessed without transparency about what the implications are for funding allocations.

This option does mean that Council Tax equalisation will be slightly more complicated due to significantly higher rates in Rutland, meaning that the majority of savings could be directly to the benefit of the Rutland Council Tax payer.

Option 2

Leicestershire County Council Interim Plan proposal, a single unitary council for Leicestershire, based on existing local authority boundaries and excluding Leicester City and Rutland.



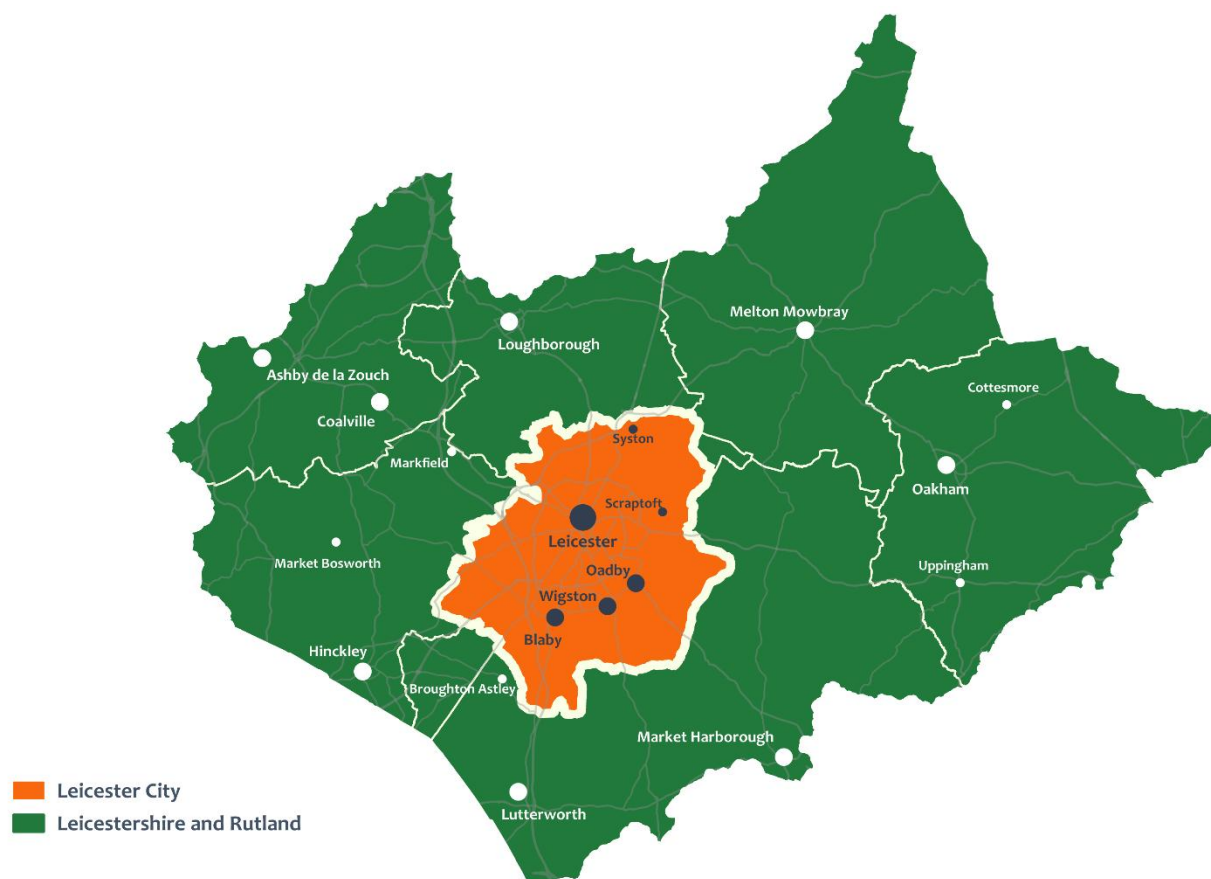
As in option 1, the population of approximately 723,000 would meet the Government's threshold for scale and sustainability. The rationale for this option is similar to that outlined in option 1 and in isolation would be beneficial financially and to services with a marginally simpler implementation. Council Tax equalisation will not be affected by the significantly higher rates in Rutland.

However, this option does not meet the Government's criteria because it does not provide a solution for the whole of Leicestershire, Leicester and Rutland. It would be reliant on Rutland becoming part of a unitary authority in Lincolnshire.

It would also require strategic partners such as the Police, Fire Service and NHS to reconsider the existing boundaries of their services, as they currently cover the whole of Leicester, Leicestershire and Rutland. The Government encourages these services to have coterminous boundaries with local government where possible. There would also be viability implications for strategic partnerships such as the Local Resilience Forum which also operate on a LLR footprint.

Option 3

An extension to Leicester City Council's boundaries to include the Principal Urban Area and adjacent rural areas, as set out in the City Council's Interim Plan. The remainder of Leicestershire and Rutland to form a single unitary authority.



This would create two unitary authorities across LLR, with the City Unitary Council having a population of 594,000 and the Leicestershire and Rutland Unitary Council having a population of 543,000, based on ONS mid year 2022 population estimates.

Recognising the Government's guidance that proposals need to use district council areas as building blocks, with a second step of then asking for a Principal Area Boundary Review processes or, as a parallel part of the submission, providing strong justification to the Secretary of State to amend boundaries using their power of modification, this option which does not use district council areas as a building block is not line with Government guidance and is significantly more complex than the majority of other options being considered.

In its interim plan, the City Council outlined the rationale for its proposal as:

- Current boundaries are outdated, splitting communities and limiting housing development, financial resilience, and service efficiency.

- Public services are fragmented, with up to seven councils operating in the urban area, leading to inefficiencies.
- Financial vulnerability in the City due to a narrow tax base and loss of business rates to surrounding districts.

However, Leicester City Council's proposal to expand geographically would impact the unitary structure in the county due to the following:

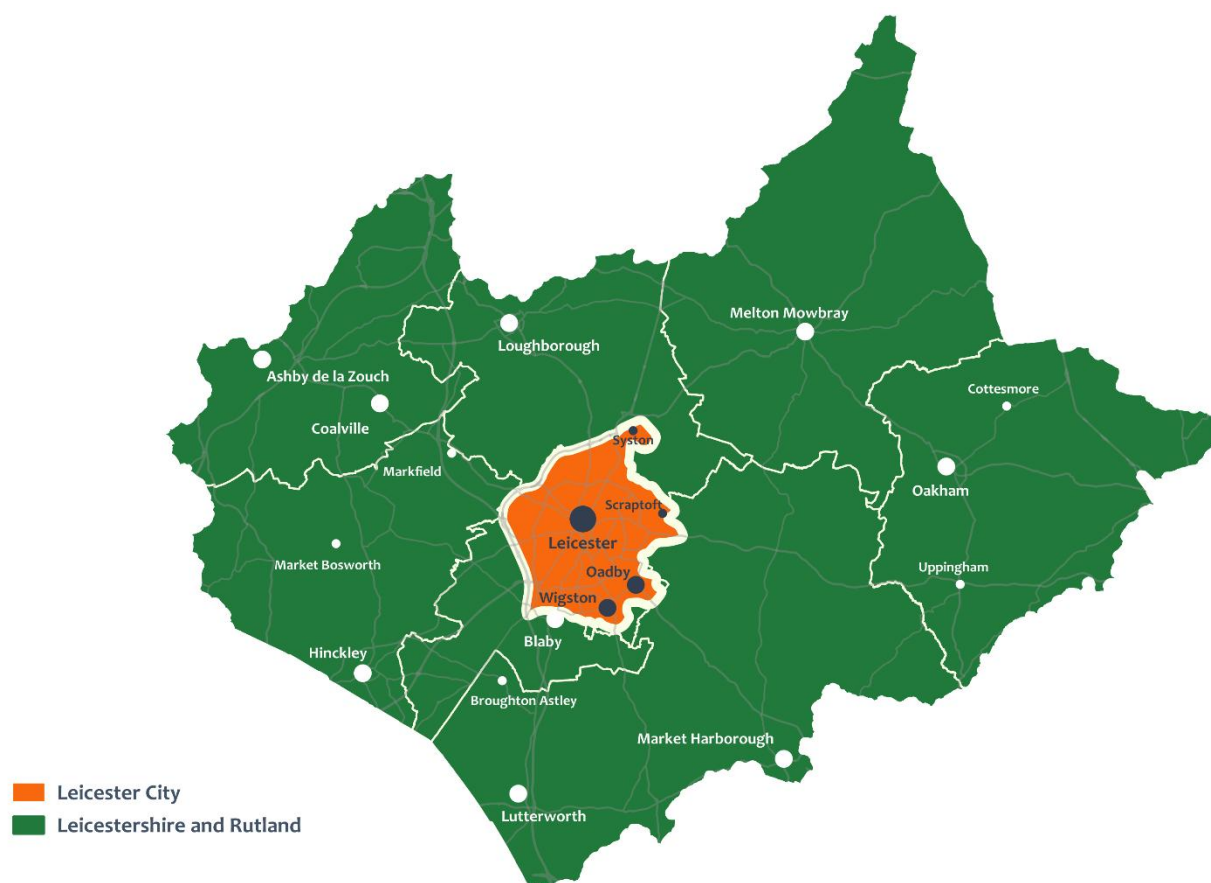
- The loss of funding, associated with the expansion, would be greater than the costs transferred to the City Council, reducing money available to be spent on existing services, unless council tax was increased. This would be due to lost economies of scale for countywide services and organisational running costs.
- Choices of where to access services for remaining county residents would be reduced where physical assets were transferred to the City.
- If the amount of assets transferred was significantly different to the level of residents in the area, service points would need to be opened or closed to rebalance. This would require capital investment that has not been quantified at this time. In addition, some key assets, such as the Whetstone waste site, which is unique in the county, would need to be replaced if transferred to the City. Furthermore, certain assets cannot be easily divided, for example some of the specialist highways equipment held by the County, which supports services across a wider area.
- The complexity and cost of re-organisation would increase significantly as all county services would require disaggregation. There would be no corresponding increase in savings to compensate for this, just a transfer of savings from the county to the city. This would be compounded if existing district areas were not the building blocks of the transfer.
- The preparatory work for change would increase with multiple agreements required to deal with treatment of assets, historic liabilities and arrangements for services that cannot easily be split, such as one street lighting control system.

The implications would be reversed for the City Council, which would gain scale. For the County Council, however, the greater the eventual extent of any city boundary extension, the greater would be the impact on county residents and taxpayers and on the financial sustainability of the unitary structure outside the city.

The City Council did not consider the negative impacts upon the County area in its proposal, nor the high complexity of implementation considered. All County services would require disaggregation as would services in the three districts proposed to be broken up.

Option 4

**An extension to Leicester City Council's boundaries to the Principal Urban Area.
The remainder of Leicestershire and Rutland to form a single unitary authority**



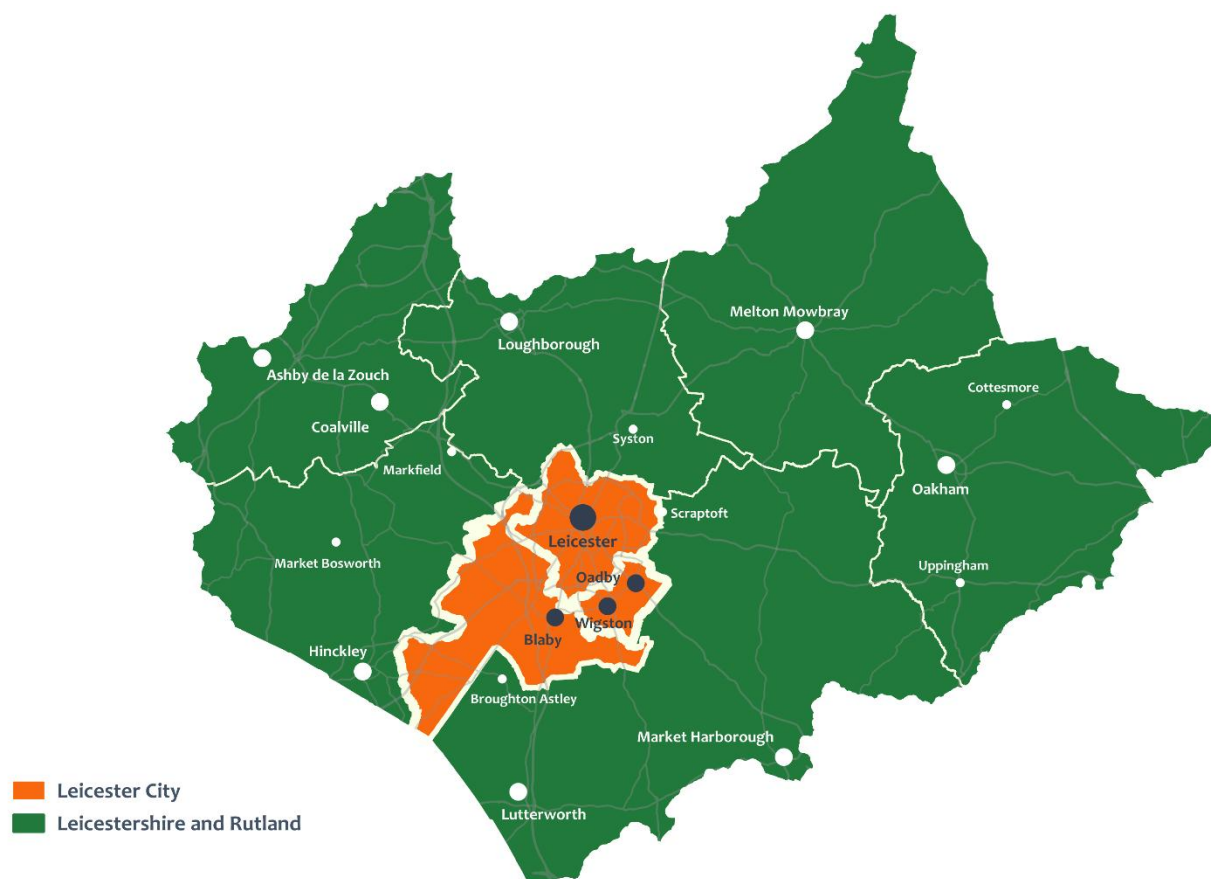
This would create two unitary authorities across LLR, with the City Unitary Council having a population of 509,000 and the Leicestershire and Rutland Unitary Council having a population of 627,000, based on ONS mid-year 2022 population estimates.

Similar to option 4, this option does not use district council areas as a building block and is therefore not line with Government guidance and significantly more complex than the majority of other options being considered.

This option has similar implications to option 3, however the impact on services to county residents, and on the financial sustainability of the unitary structure outside the city, whilst still significant would be reduced due to the expansion of the City Council's boundary being limited only to adjacent, urban suburbs at the edge of the City.

Option 5

An extension to Leicester City Council's boundaries to include Oadby and Wigston Borough and Blaby District. The remainder of Leicestershire and Rutland to form a single unitary authority

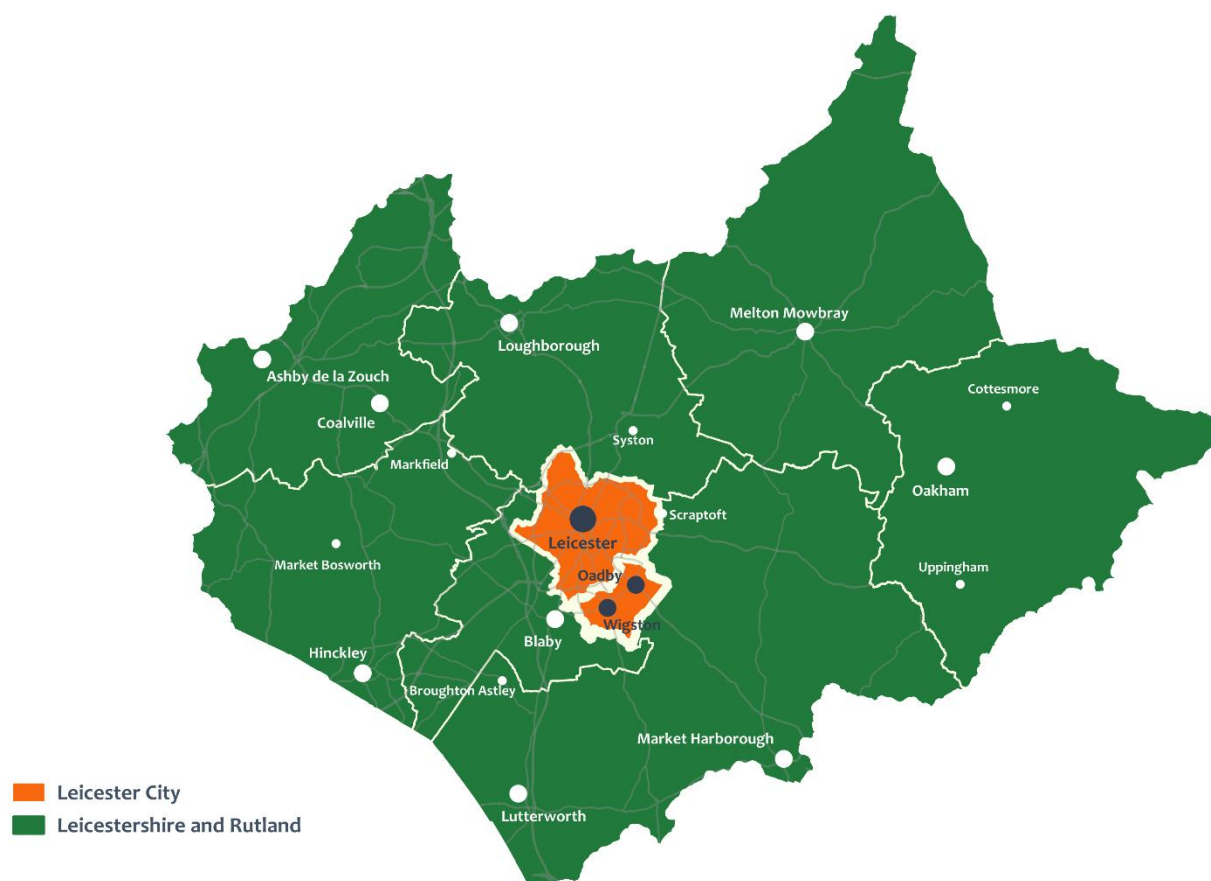


This would create two unitary authorities across LLR, with the City Unitary Council having a population of 535,000 and the Leicestershire and Rutland Unitary Council having a population of 601,000, based on ONS mid-year 2022 population estimates.

This option has similar implications to options 3 and 4, although the transition would be slightly less complex due to whole districts being used as the building blocks.

Option 6

An extension to Leicester City Council's boundaries to include Oadby and Wigston Borough. The remainder of Leicestershire and Rutland to form a single unitary authority

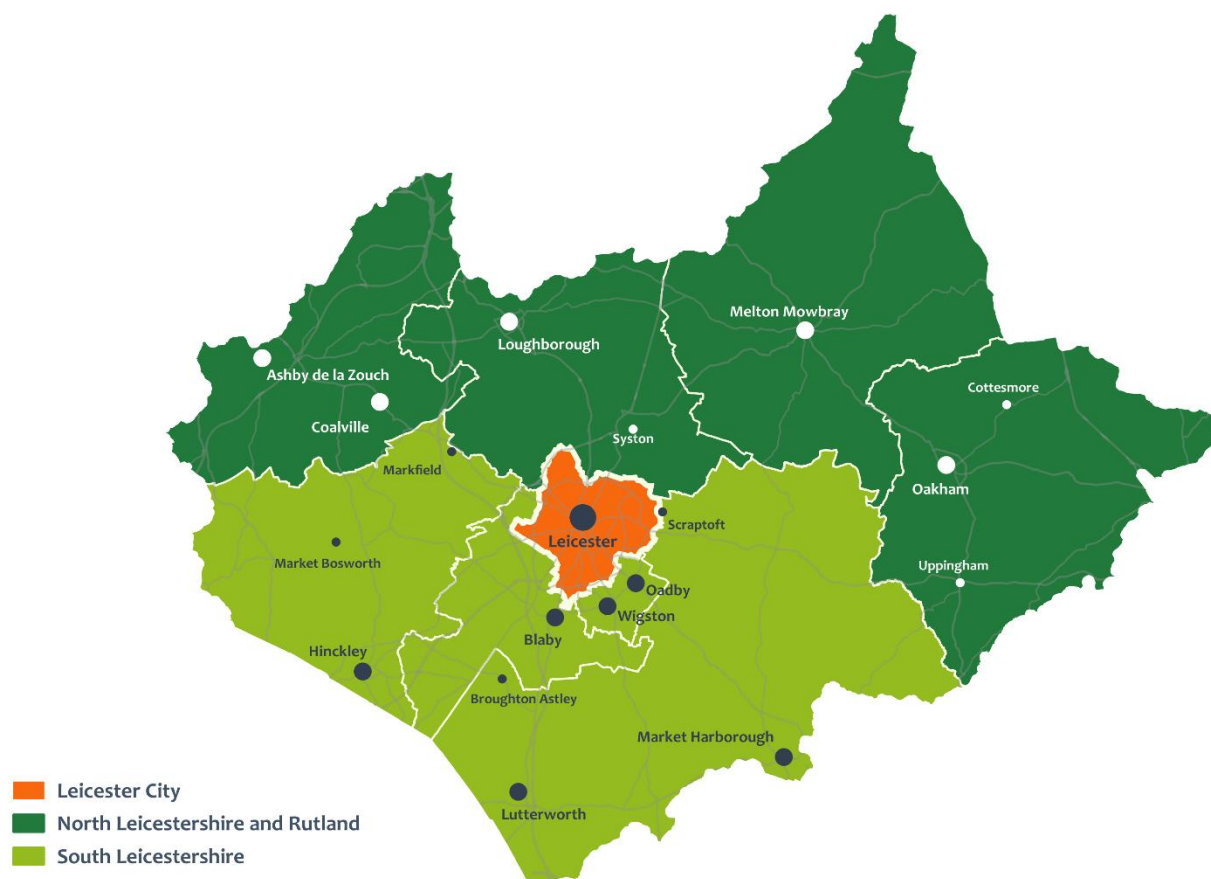


This would create two unitary authorities across LLR, with the City Unitary Council having a population of 431,000 and the Leicestershire and Rutland Unitary Council having a population of 706,000, based on ONS mid-year 2022 population estimates.

The implications are similar to options 3, 4 and 5, however this option would have the least impact on the sustainability of the Leicestershire and Rutland unitary council and lowest level of disruption to services, given the smaller population and number of services that would need to move into the City Council. The district is also the most similar in nature to the City. In the County Council's view, this option is the most preferable of all the options for expanded City boundaries that have been modelled.

Option 7

Three Unitary Councils for the Leicester, Leicestershire and Rutland area (the proposal being put forward by the Leicestershire district councils and Rutland Council)



This option proposes three unitary councils for LLR, as follows:

- North (Charnwood Borough, Melton Borough, North West Leicestershire District and Rutland), with a population of 387,000 based on ONS mid year 2022 population estimates.
- City (existing Leicester City Council boundary), with a population of 372,000 based on ONS mid year 2022 population estimates.
- South (Blaby District, Harborough District, Oadby and Wigston Borough, Hinckley and Bosworth Borough), with a population of 378,000 based on ONS mid year 2022 population estimates.

This proposal would require the disaggregation of county council services, which presents a significant risk both in terms of the complex transition and disruption to service delivery, but also the ongoing challenges which can be summarised below:

- Increased Leadership and Operational Costs: Moving to two unitary authorities would necessitate the appointment of additional chief officers and directors,

leading to immediate duplication of costs across all leadership layers. It would also require a greater total level of management, back-office and infrastructure support, costs which tend to be fixed in nature.

- **Loss of Consistency and Efficiency:** The current model ensures consistent, centrally-led but locally delivered services. Disaggregation would risk losing this consistency of practice and efficiency, particularly in specialist teams that operate effectively at county level.
- **Inefficiency in Specialist Services:** Specialist teams, such as those for exploited children or youth justice, would need to be duplicated, resulting in higher costs and potential dilution of expertise. In addition, Salaries to attract the right people would not be materially lower in the smaller organisations. For some posts, with already a shortage of good candidates, salaries would likely be the same but with potential for salary spiralling and greater agency costs in a competitive and dynamic recruitment market between the two new unitary authorities.
- **Imbalance in Demand and Funding:** Demand for services is not uniform across Leicestershire. Disaggregation could result in the north facing significantly higher demand without corresponding funding, exacerbating financial and delivery challenges and creating an undesirable postcode lottery effect.
- **Loss of Economies of Scale:** Given that the two new unitary councils for Leicestershire and Rutland would be smaller organisations than the existing County Council, there would be a loss of purchasing power and other economies of scale.
- **Reduced Service Accessibility:** Residents would have less choice for how they access physical services, such as libraries and recycling and household waste sites, which would lead to frustration with the changes.
- **Complexity in Service Division and Asset Allocation:** Some assets and services, such as care homes and specialist highways equipment, are not evenly distributed or easily visible. Splitting them could lead to gaps in provision, inefficiencies and disputes over responsibility and funding.
- **Administrative and Governance Complexity:** Managing relationships, contracts and governance across multiple authorities introduces additional bureaucracy and potential for conflict, especially when joint commissioning or shared services are required.
- **Population Threshold not met:** The population does not meet the 500,000 for new authorities guiding principle identified by the Government in the Minister's invitation letter.

This 3-unitary proposal has the financially weakest case. Creating two organisations to run services in the counties of Leicestershire and Rutland will never be as efficient as a single county unitary. This is consistent with the County Council's own analysis, historic reorganisation proposals and the PwC analysis. The North/City/South submission does not provide any comparative financial analysis between the options studied, making it difficult to make a comparative appraisal. The stated benefits of the 3-unitary option are for significantly higher savings than either of the other two proposals for Leicestershire. This anomaly can be explained as follows:

- The £9.5m Income Equalisation claimed savings do not relate to reorganisation. Fees and charges could be increased by district councils independently, hence it is not usual practice to include in a reorganisation business case.
- Higher operating costs from disaggregating County Council services into two unitaries have not been covered. These costs are significant and on-going, for example additional management and specialist teams would be required for Adult Social Care, Children's Social Care, Environment and Transport and support services, with IT system costs being particularly problematic.
- A district council reliance on Rutland as an existing unitary authority whose services can be built on is considered to be misplaced. In the case of social care, for instance, an extensive range of services is now provided to Rutland residents not by Rutland Council but by Leicestershire County Council, which operates at a much larger scale. At any given time, Leicestershire services provide support to over 7,000 individuals, whereas Rutland supports approximately 300. The County Council's services are around twenty times larger, yet operates with approximately ten times the staffing level. This comparison highlights the efficiency gains achieved through scaling. While Rutland has 12 care homes, Leicestershire has 180. Any disaggregation of countywide services would require careful consideration of contracts, quality management, safeguarding, and related operational issues.

It is also noted that the 3-unitary proposal includes additional prudential borrowing of £100m, and 230 additional staff. The rationale for this is not clear, nor is the timing and financial impact. It would mean that the new unitaries will start with increased indebtedness and less staffing efficiencies.

Options Appraisal - Summary

Options Appraisal

This section sets out the assessment of the options for reorganisation in Leicester, Leicestershire and Rutland. The options appraisal highlights the extent to which each option meets the criteria for LGR set out by government and delivers improved outcomes for residents.

Each option has been assessed against the criteria for LGR outlined in the government's invitation letter:

- Prioritises delivery of high quality and sustainable services
- Secures financial efficiency, capacity and ability to withstand financial shocks
- Unlocks devolution
- Enables stronger community engagement and delivers opportunities for neighbourhood empowerment
- Provides effective democratic representation and governance structure

The appraisal is informed by public engagement, financial analysis and service and departmental impact assessments. The options have been scored using a framework of very low to very high, with a description of the scores found below. No weighting has been applied to the criteria, and equal importance has been considered for each.

Scoring

- 5 – Fully Meets the Criteria
- 4 – Largely Meets the Criteria
- 3 – Partially Meets the Criteria
- 2 – Minimally Meets the Criteria
- 1 – Does Not Meet the Criteria

Principle	Option 1	Option 2	Option 3	Option 4	Option 5	Option 6	Option 7
	A single unitary authority for Leicestershire and Rutland, retaining current boundaries and leaving Leicester City Council unchanged.	Single unitary authority for Leicestershire, excluding Leicester City and Rutland.	Leicester City Council Interim Plan	Leicester City Council boundary extension to Principal Urban Area	Leicester City Council boundary extension to include Blaby and Oadby and Wigston	Leicester City Council boundary extension to include Oadby and Wigston	Three unitary councils for LLR
Prioritises delivery of high quality and sustainable services	(Score – 5) Integrates services and simplifies access, will make services in Rutland more resilient.	(Score - 4) Integrates services and simplifies access, but excluding Rutland may confuse its residents.	(Score – 3) Integrates services across the urban footprint but fragments services and is inefficient for small rural populations.	(Score – 3) Integrates services across the urban footprint but requires the fragmentation of services.	(Score – 3) Integrates services across the urban footprint but fragments services and is inefficient for small rural populations.	(Score – 3) Integrates services across an urban footprint but requires the fragmentation of services	(Score – 1) Disaggregation of services – additional savings will be required to make up for the shortfall from this model.

Secures financial efficiency, capacity and ability to withstand financial shocks	(Score – 5) Ongoing annual savings of around £43m, high likelihood of successful delivery	(Score – 3) Ongoing annual savings of £37m, high likelihood of successful delivery	(Score – 2) Ongoing annual savings of £46m. Very high risk due to complexity and disruptive to other improvement activity	(Score – 3) Ongoing annual savings of £47m High risk due to complexity and disruptive to other improvement activity	(Score – 3) Ongoing annual savings of £47m High risk due to complexity and disruptive to other improvement activity	(Score – 4) Ongoing annual savings of £47m. Medium risk due to some disaggregation and disruption to other improvement activity	(Score – 1) Ongoing annual savings of £17m
Unlocks devolution	(Score – 4) Geography matches partners, no splitting of services which will ultimately transfer to the Strategic Authority	(Score – 1) Does not cover the LLR footprint	(Score – 3) Geography matches partners but requires complex boundary change, delaying progress	Score – 3) Geography matches partners but requires complex boundary change, delaying progress	(Score – 3) Geography matches partners but requires boundary change and the transfer of services from the county to the city	(Score – 3) Geography matches partners but requires boundary change and the transfer of services from the county to the city	(Score – 2) Geography matches partners but three authorities increases complexity and delays progress
Enables stronger community engagement and delivers opportunities for neighbourhood empowerment	(Score – 5) Area Committees will empower local leaders and preserve community	(Score – 4) Area Committees will empower local leaders and preserve community	(Score – 3) Rural residents may feel disenfranchised, does not preserve	(Score – 4) Residents near the city will benefit from influencing decisions affecting their	(Score – 3) Rural residents may feel disenfranchised, does not preserve	(Score – 4) Oadby and Wigston forms part of the urban footprint, residents will benefit from influencing	(Score – 2) Arbitrary boundaries will damage Leicestershire's identity, lack economic

	identity in Leicestershire and Rutland.	identity in Leicestershire.	Leicestershire's historic identity	services and infrastructure	Leicestershire's historic identity	decisions affecting services and infrastructure within that footprint	coherence and fracture community ties
Provides effective democratic representation and governance structure	(Score – 5) Strong leadership and clear strategic vision	(Score – 4) Risks isolating Rutland and limiting its influence on regional decisions	(Score – 3) Rural populations moved into the city may become disenfranchised	(Score – 4) Residents on the city border may benefit from the same direct representation as neighbouring areas.	(Score – 3) Rural populations moved into the city may become disenfranchised	(Score – 4) A suburban population may not feel its local issues are fully addressed.	(Score – 2) Limited scope for councillors to address strategic issues, risk of setting up complex joint committee arrangements
TOTAL	24	16	14	17	15	18	8

Options Not Being Taken Forward

All options will be taken forward in terms of the financial analysis, as this will demonstrate the robustness of the financial model and provide assurance that due consideration has been given to them. However, Option 2, a single unitary council for Leicestershire on existing boundaries, excluding Rutland, is not being taken forward into the options appraisal as it does not meet the Government criteria for a solution for the whole area of Leicester, Leicestershire and Rutland.

Options 3, 4, 5 and 6 have similar risks and benefits, so are being treated as a single option for the purpose of the options appraisal.

Detailed Options Analysis

The risks and benefits of the three main options have been assessed against the Government's criteria as follows:

Prioritising the delivery of high quality and sustainable public services

This principle emphasises the need to realign resources, structures and processes to ensure services are not only effective and responsive to needs but are also resilient and adaptable. The preferred option should meet the following requirements:

- New structures should improve local government and service delivery and should avoid necessary fragmentation of services.
- Opportunities for public service reform should be identified, including where it will lead to better value for money
- Consider impacts for crucial services such as social care, children's services, SEND and homelessness and for wider public safety.

	Leicestershire and Rutland Single Unitary	City Boundary Expansion Options	Three unitary councils across Leicester, Leicestershire and Rutland
Benefits	<ul style="list-style-type: none"> • Joined up services • Consistency • Easy access for residents • Reduced duplication and no fragmentation of services • Improved co-ordination • Some services already provided on behalf of Rutland – making 	<ul style="list-style-type: none"> • Joined up services across the city • Still delivers benefits of bringing county, district and Rutland services together into a single authority for the county and Rutland • Will allow for more coherent planning across the urban area to unlock housing and infrastructure projects 	<ul style="list-style-type: none"> • Will bring county and district services together, albeit on a smaller footprint with reduced commissioning power • Will make services in Rutland more resilient and give their residents access to a greater breadth of services that might not otherwise be financially viable

Risks	<p>integration more straightforward and efficient</p> <ul style="list-style-type: none"> • Will make services in Rutland more resilient and give their residents access to a greater breadth of services that might not otherwise be financially viable • Keeps County Council services, such as the ‘outstanding’ Children’s Social Care service, together • Risks of a large authority being too remote and not responsive to local needs, requiring mitigation through effective Area Committees and strong partnerships with Parish and Town Councils 	<ul style="list-style-type: none"> • Disaggregation of all services – reduced flexibility and choice for Leicestershire residents, disruption and confusion for those having their services transferred into the City • Reallocation of property/buildings will result in reduced operational bases for county services • Inefficient for City Council to take on rural services for the small rural population 	<ul style="list-style-type: none"> • Disaggregation risks fragmented services and inconsistent practice standards • Impact of splitting up the ‘outstanding’ children’s social care service • More councils for stakeholders to work with • Impact on specialist services – smaller authorities will struggle to recruit and retain skilled professionals for low volume, high specialism services
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| <ul style="list-style-type: none"> • Significant requirement to agree transition arrangements in advance of reorganisation • No increase in developable land, just a transfer to a different planning authority. • Risks of a large authority being too remote and not responsive to local needs, requiring mitigation | <ul style="list-style-type: none"> • Additional savings will be needed to make up for the shortfall from this model • Duplication of back office services, IT systems and management • Rutland Council not sufficiently resilient in terms of service delivery to take the lead for the new 'North' unitary authority |
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Securing financial efficiency, capacity and ability to withstand financial shocks

A new unitary must demonstrate strong financial efficiency, sufficient capacity and resilience to financial shocks. This includes showing how a new unitary structure will reduce duplication and deliver services that are more cost-effective. It must also show that a new unitary structure can withstand financial pressures, ensuring long-term sustainability. The preferred option should meet the following requirements:

- New councils should aim for a population of 500,000 or more
- Efficiencies should be identified to help improve council finances and make sure that council taxpayers are getting the best possible value for money
- 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.

	Leicestershire and Rutland Single Unitary	City Boundary Expansion Options	Three unitary councils across Leicester, Leicestershire and Rutland
Benefits	<ul style="list-style-type: none"> • Ongoing annual savings of around £43m • No disaggregation of services which would incur additional costs and risk • Maximises benefits of merging Housing Revenue Accounts • Maximises consistency of service levels across areas • 	<ul style="list-style-type: none"> • Ongoing annual savings of around £46m (split county £18m/city £28m) • Gains majority of benefit of merging Housing Revenue Accounts 	<ul style="list-style-type: none"> • Ongoing annual savings of around £17m
Risks	<ul style="list-style-type: none"> • Significant support, but not fully mitigate existing budget gaps for newly created authorities 	<ul style="list-style-type: none"> • Fragmentation of existing boundaries and breaking up of services leading to additional costs and resident confusion • Supports but does not fully mitigate existing budget gaps for newly created authorities • Additional service delivery costs from increased mix of service coverage across urban and rural areas • Potential significant investment in asset “relocation” to reflect new boundaries 	<ul style="list-style-type: none"> • Fragmentation of existing boundaries and breaking up of services leading to additional costs • Does not fully mitigate existing budget gaps for newly created authorities • Inconsistency of service levels across Leicestershire • Reduced opportunity for aggregation savings

		<ul style="list-style-type: none"> • Duplicates aims of funding reforms • Significant uncertainty from future local agreements for asset/liability division, funding reallocations, arrangements for shared services 	
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Unlocking Devolution

This principle seeks to reshape local authority structures in ways that will allow for greater devolved powers, funding and decision-making. The Government requires proposals to ensure there are sensible population size ratios between local authorities and any strategic authority.

	Leicestershire and Rutland Single Unitary	City Boundary Expansion Options	Three unitary councils across Leicester, Leicestershire and Rutland
Benefits	<ul style="list-style-type: none"> • Same geography as other partners and economic area. • Complements work of Business and Skills Partnership and "Get LLR Working" • No complex boundary changes enabling quicker access to devolved powers and funding with minimal disruption. 	<ul style="list-style-type: none"> • Same geography as other partners and economic area. • Complements work of Business and Skills Partnership and "Get LLR Working" 	<ul style="list-style-type: none"> • Same geography as other partners and economic area. • Complements existing arrangements including the Business and Skills Partnership and "Get LLR Working", in which Rutland participates.

Risks	<ul style="list-style-type: none"> • No splitting of services that will ultimately transfer to the Combined Authority • Leicester City's growth and financial sustainability remain unaddressed, potentially affecting its role as an MSA partner • City boundary expansion will reduce County sustainability and affect its role as an equal partner in an MSA • Requires a complex boundary change which will delay devolution, involving the splitting of services that will ultimately transfer to the Combined Authority • Population in each new unitary is below the optimum size of 500,000 to support a strategic authority • Small authorities will lack capacity to deliver the full range of devolved powers • Decision making (funding, priorities) between three unitaries will be more complex • Greater chance of cross local authority planning issues • Leicester City's growth and financial sustainability remain unaddressed, potentially affecting their role as an MSA partner. • Splitting of services that will ultimately transfer to the combined authority
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Enables stronger community engagement and delivers opportunities for neighbourhood empowerment

This principle illustrates an important opportunity to reshape how communities are empowered. By actively involving residents, reorganisation can strengthen local identity and provide a stronger voice. Empowered communities will be better equipped to shape services and drive change that reflects their local area and priorities. This options appraisal assesses the impact of each option on community identity, engagement and empowerment.

	Leicestershire and Rutland Single Unitary	City Boundary Expansion Options	Three unitary councils across Leicester, Leicestershire and Rutland
Benefits	<ul style="list-style-type: none"> Community engagement will build trust Area committees will empower local leadership Community connections and identities will be preserved, maintaining residents' sense of belonging to Leicestershire and Rutland Builds on the County Council's model of centrally managed, locally delivered services Provides options to devolve services to community groups and local councils 	<ul style="list-style-type: none"> Leicestershire and Rutland residents will receive the same benefits outlined in the Leicestershire and Rutland option Residents on the edges of the city may already associate with city and will benefit from being able to influence and engage with discussions and policy-making that will directly affect them and the services and infrastructure they use. 	<ul style="list-style-type: none"> Smaller local authorities will mean that residents feel that they are closer to communities and less remote Area committees could be established to empower local leadership. Will present options to devolve services to interested community groups and local councils
Risks	<ul style="list-style-type: none"> Covers a wide and diverse geographical area 	<ul style="list-style-type: none"> Disconnect between City and County priorities; city expansion may overlook local issues 	<ul style="list-style-type: none"> Arbitrary boundaries will damage Leicestershire's identity, lack

	<ul style="list-style-type: none"> Does not preserve Leicestershire's historic identity New Leicestershire and Rutland Council will cover a wide and diverse geographical area City does not currently have parish councils so will not have option to devolve services. 	<ul style="list-style-type: none"> economic coherence and will fracture current community ties. Each unitary will cover a wide and diverse geographical area Residents will disengage if services are inconsistent across Leicestershire Countywide collaboration will decrease Duplicated structures decrease efficiency and divert resources from frontline services.
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Effective democratic representation and governance structure

Effective democratic representation and governance are essential for any new unitary authority to ensure legitimacy, stability and public trust. A new unitary must be resident-focused with inclusive participation and fair representation. This options appraisal considers how each option will support these democratic principles while addressing the practical needs of governance.

Leicestershire and Rutland Single Unitary	City Boundary Expansion Options	Three unitary councils across Leicester, Leicestershire and Rutland
90 Councillors	67 – 78 Councillors	North: 72 Councillors

South: 70 Councillors			
Benefits	<ul style="list-style-type: none"> • Strong leadership and clear strategic vision for Leicestershire and Rutland, inspiring community pride and fostering a sense of shared purpose across the county. • Provides certainty, stability, and accountability to attract investors and give the government confidence in Leicestershire and Rutland's ability to deliver. • Enhanced negotiating position regionally and nationally to advance strategic priorities. 	<ul style="list-style-type: none"> • Leicestershire and Rutland residents will receive the same benefits outlined in the Leicestershire and Rutland option • Residents who live on the city border will benefit from the same direct representation in the City Council as neighbouring areas. 	
Risks	<ul style="list-style-type: none"> • Boundary Review will be required, creating a risk that the Governance model may need to change once the review has been completed. 	<ul style="list-style-type: none"> • Risk that rural population will become disenfranchised if their needs are overlooked. • A large expansion of the city will create physical and social fragmentation in the county, 	<ul style="list-style-type: none"> • Limited scope for councillors to understand and address strategic issues and will hinder strategic decision-making. This will mean the county's long-term goals are not addressed coherently.

	<p>which may reduce important democratic engagement.</p> <ul style="list-style-type: none">• Demographic characteristics of residents on the city border are much more similar to those of the county than of the existing city.• Boundary Review will be required, creating a risk that the Governance model may need to change once the review has been completed.	<ul style="list-style-type: none">• Where services are not disaggregated, there will be a need to set up complex joint committee arrangements.• No real geographic or economic coherence to the new authorities to bind them together.• Boundary Review will be required, creating a risk that the Governance model may need to change once the review has been completed.
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Introduction to Core Proposal

The challenges facing local government require an ambitious and strategic solution. The current two-tier structure of local government in Leicester and Leicestershire, alongside the separate unitary authority of Rutland, no longer provides the most efficient and sustainable services to residents. The two-tier system has become progressively complex, fragmented and difficult for residents and stakeholders to navigate to access vital services. As pressures for service demand continues to grow, it is essential that reorganisation delivers a way for local government to operate safely and sustainably in Leicestershire.

This business case proposes a reform that is financially viable and realistically deliverable: **a single unitary council for Leicestershire and Rutland**. This is the only viable option in Leicester and Leicestershire that will deliver a sustainable financial base, aligns with community ties and identity and provide effective services without disaggregation.

This preferred option for Leicestershire was not decided on a whim. It is a result of careful consideration and evaluation of financial and service impact assessments and stakeholder engagement. Evidence has shown that this option would deliver significant financial savings and operational efficiencies, improve the quality of services and allow residents to keep community ties and identities. A unitary authority with Rutland will provide a single point of accountability, enabling more joined-up service delivery across vital service areas such as social care, housing and waste management. Retaining Leicestershire's cultural and historic ties, and aligning with the identities of communities in Leicestershire, has been a fundamental principle in reviewing all options for Leicestershire. This preferred option will avoid any fragmentation of community identities and cohesion and will allow residents to maintain their sense of belonging. With the end goal being a devolution deal for Leicester, Leicestershire and Rutland, this option provides a practical footprint to ensure capacity to devolve powers and responsibilities.

This proposal represents an effective model of local government in Leicestershire. It represents a strategic approach to the financial and operational challenges facing the county and offers a realistic opportunity to ensure long-term sustainability of local government in Leicestershire. The sections below are based on the principles of reorganisation set out by government and will present a strong rationale for why the preferred option is the most viable for Leicestershire.

High Quality and Sustainable Public Services

This section explores the wide-ranging benefits and transformative potential of establishing a single unitary council for Leicestershire and Rutland. By unifying the services currently fragmented across different tiers of local government, the proposal aims to enhance the quality, consistency and accessibility of public services for all residents. The following analysis outlines how reorganisation can reduce duplication, strengthen partnership working, and deliver significant improvements across key service areas such as adult social care, children and family services, community safety, housing, and more.

The creation of a new single unitary council for Leicestershire and Rutland will present a real opportunity to deliver high quality public services through bringing services provided by the different tiers of local government together into a single organisation. A centralised management approach will minimise overlap, while delivering services locally will ensure they remain accessible and relevant. Establishing a single point of contact will create a seamless and consistent experience for residents, making it easier to navigate local government services.

For Leicestershire residents, this model will clarify which authority is responsible for specific services, addressing confusion caused by the existing two-tier structure. Enhanced use of digital platforms and access points, while taking into account the needs of vulnerable groups, will help to future-proof services. Rutland residents, in turn, will benefit from a more robust and comprehensive range of service options than are currently available.

Partnership and Joint Working

The current partnership landscape, especially in Leicestershire, which is currently a two-tier area, is extremely complex. The inter-related nature of local government, in a two-tier area, means that there are 22 partnership bodies across Leicestershire where the only partners are the County Council and one or more of the district councils.

Existing numbers of partnerships

County and District only – all seven districts involved	17
County and District only – involving one or more districts	5
Total County/District Partnerships	22
Multi Agency partnerships – Local Authority only	7
Multi Agency partnerships – where Health and/or Police are key partners	36
Multi Agency partnerships – where Health/Police are not key partners	37
Total Multi Agency Partnerships	80
Total Partnerships	102

For these partnership bodies to be effective, there not only needs to be an alignment of priorities and resources across the eight councils, but there also needs to be a willingness from all partners to cede control. There are examples of effective collaborative service delivery models between district councils; and between district councils and the County Council in Leicestershire. Whilst these should be recognised, it should also be accepted that they are the exception and not the rule, as the success of these partnerships is largely dependent on the goodwill of individual officers and when they leave there is a risk of failure.

There are a further 80 multi-agency partnerships in which both the County Council and the district councils are involved. The lack of a single strategic voice from local government in these partnerships can cause challenges and make it difficult for partners to engage in a co-ordinated way with local government services.

A change to the structure of local government in Leicestershire and Rutland will simplify the landscape for partners, reducing duplication of effort and ensuring that the messages coming from local government are clear and consistent. In turn, this should make it more achievable to deliver outcomes which cut across organisations.

Improved Service Delivery

Improved Service Delivery will be achieved through the integration of district council services and those services provided by Rutland Council into a single structure. This will deliver significant benefits for residents. These are:

- Consistency: a unified service offer ensures that residents receive the same level of service regardless of location.
- Simplified contact and information: a single point of access and unified data systems will reduce confusion, improve responsiveness and enable the new unitary council to take a holistic view of its residents, their service needs and

ensure that they are receiving the correct support across the full range of services.

- Reduced duplication: where services are currently provided by both the County Council and all 7 district councils a streamlined service offer will be created.
- Improved co-ordination: bringing teams which are currently dispersed across the two tiers of local government together will improve the experience for residents.
- Improved use of resources: making better use of resources and buildings will ensure more funding is targeted to frontline services.

The following paragraphs describe how existing council services in Leicestershire and Rutland will be delivered in a unitary council. Using the recently published 2024/25 Revenue Outturn data, it can be seen that 80% of spend in Leicestershire is on County Council services and 20% on district council services. It is therefore inevitable that any description of services will give greater emphasis to County Council services. However, the importance and benefits of integrating County Council and district council services into a new innovative and modern approach to service delivery for Leicestershire and Rutland cannot be overlooked.

Adult Social Care

In Leicestershire, the County Council delivers adult social care and wellbeing services, while district councils oversee related areas such as housing and local plans. This division often leads to duplicated efforts, causing confusion and delays for residents, as well as higher costs. Unifying these services under one council will enable a cohesive place-making strategy, streamline planning and delivery of care accommodation, and improve community initiatives, particularly for tackling loneliness among older people.

A single strategic housing authority would better support older people, people with learning disabilities, mentally ill health, and autism by prioritising suitable housing and easing hospital discharge delays. Unifying and centralising assessment, funding, and delivery of assistive technology and equipment would also simplify processes and ensure timely service implementation.

Currently, Disabled Facilities Grant usage varies across districts, leaving funds unspent in some district areas, whereas there are other districts where needs are unmet due to overspending of grant funds. A unitary authority will be able to allocate funding on a strategic basis to meet population needs across the county footprint. In addition, a single unitary authority will have the ability to deliver a single end to end pathway across the whole county population from assessment to delivery of equipment, through to minor adaptations and where required major adaptations to housing in order to support people to live independently.

The County Council already provides a number of adult social care services on behalf of Rutland, including mental health provision under the Care Act, Best interest Assessments under the Mental Capacity Act, and mental health assessment under the Mental Health Act, making integration in this area more straightforward. Bringing all services into the same offer will provide consistency, and also offer residents in Rutland access to services that might not be financially viable to Rutland alone. These specialised services are best delivered at scale with centralised leadership, governance and professional development to support local delivery.

Good Practice Example: Fewer delays after hospital stays

More people are going home from hospital when they are ready to leave, thanks to County Council and NHS staff working together. There are many complex reasons for delays leaving hospital, so the council and its partners work together to run community-based neighbourhood health and social care teams. This joined up approach has improved the situation for Leicestershire residents leaving the main hospitals - as well as community hospitals and mental health facilities.

Making sure that people leave hospital when they are ready, with the support they need, is a top priority. Not only does it free up vital beds in hospital, but it is also better for the patient. This 'home first' approach helps people to stay independent for longer and reduces the risk of going back into hospital.

A unitary structure would bolster this by creating one authority with responsibility for housing, public health and social care – leading to reduced duplication and more joined up, targeted support.

The Better Care Fund guidance for 2025/26 requires local authorities and Integrated Care Boards to meet two principal policy objectives:

- To support the shift from sickness to prevention – including timely, proactive and joined-up support for people with more complex health and care needs; use of home adaptations and technology; and support for unpaid carers.*
- To support people living independently and the shift from hospital to home – including help prevent avoidable hospital admissions; achieve more timely and effective discharge from acute, community and mental health hospital settings; support people to recover in their own homes (or other usual place of residence); and reduce the proportion of people who need long-term residential or nursing home care.*

The recently published DHSC Neighbourhood Health Guidelines requires NHS and Social Care authorities to work together at place level to determine an appropriate allocation of resources to deliver neighbourhood services which can meet deliver population health management, neighbourhood multidisciplinary teams, integrated intermediate care services and urgent response services.

A single unitary approach would deliver enhanced and efficient partnership working with other anchor organisations such as Health, Police etc, and a reflective localised systems approach to place-based neighbourhood working.

Children and Family Services

In Leicestershire most children's services are delivered by the County Council, including services to looked after children, children in need of help and protection and in need of support, early help services, youth services, education quality and sufficiency, special educational needs and disabilities and safeguarding children. District councils are responsible for housing services, and some districts choose to deliver non statutory services directly to children and their families.

A single unitary council will enable the continued delivery of the centrally lead/co-ordinated, locality delivered model that has recently been judged to be Outstanding by Ofsted. Ofsted noted the strength of the consistency of approach, the strength of leadership, robustness of decision making and quality of practice across the county area. In expanding this service to include Rutland, it will mean that Rutland residents receive a stronger, more resilient service.

The opportunities for children and families presented by integrating local government services across a larger single unitary are:

- Alignment of county and district and Rutland services and the ability to develop a single referral route and consistent offer across the larger unitary area.
- Reduced duplication in leadership and service delivery.
- Greater flexibility, consistency and access to a range of housing to meet the needs of care leavers, children and their families with a special educational need or disability and other vulnerable families.
- Where economies of scale mean that it is more efficient and effective to deliver services across the county, teams can be managed centrally. For example, specialist teams that support children with greater complexities (children who are being exploited, children at risk of placement breakdown and young people in the criminal justice system) are managed centrally to deploy resources and support flexibly across the county to meet needs in the most efficient and effective way.
- Greater flexibility for service users currently on the border between Leicestershire and Rutland, who will for example have more options to access school places.

Good Practice Example: How can a unitary authority improve life for young people leaving care

Every year, around 250 young people aged 16 to 25 are supported to leave care.

Taking your first steps as a young adult can be daunting and through its social care function, Leicestershire County Council provides wide ranging support helping care leavers to find a home, move into work, education or training and secure benefits, plus other vital practical and emotional advice and guidance.

A new 'promise' launched recently bolsters this by clearly spelling out how care leavers should be treated and what support they should expect to receive.

Navigating the current two-tier system with seven different housing authorities is particularly challenging for care leavers – to mitigate this, a new housing protocol has been established with each of the district councils.

Whilst this joined up approach is driving some improvements, there are still challenges, not in the least dealing with seven very different housing authorities, all of whom operate and treat care leavers in very different ways. The cost of which impact both a staffing level as well as costs incurred by the county council to support care leavers housing that is not available through Districts and Boroughs.

A single unitary authority would change the way we help young people move into their long-term home before they're 18, preventing unnecessary homeless applications and reducing delays and costs, avoiding care leavers facing unfair taxes through a single consistent approach to care leavers. This approach would provide greater stability and better more co-ordinated support, therefore preventing crises leading to higher costs. Simply put, a single system would mean that across all services, care leavers are treated the same as our own children – the goal of all children's services professionals.

Community Safety

A single unitary council will create significant efficiencies in community safety by pooling funding, reducing role duplication, clarifying reporting pathways, and ensuring consistent services and governance. A unified Community Safety Partnership will streamline links with the Safeguarding Children Partnership and Health and Wellbeing Board, fostering better collaboration on cross-cutting issues such as child exploitation, organised crime, and public health. A single large unitary will also mirror the fire, police and probation footprint to bring cohesion across the partnership and avoid duplication of meetings, plans and strategies for partners.

Currently, community safety is managed by seven district councils with six separate community safety partnerships, requiring extensive coordination and duplication from countywide agencies. The County Council provides strategic leadership and

coordination for issues like domestic abuse and anti-social behaviour, as well as running services such as the Youth Offending Service and street-based youth work. Due to its size, Rutland Council has had difficulties in delivering the community safety strategic functions and has already aligned with and joined the Safer Communities Strategy Board and the Domestic Abuse Partnership Board.

Under a single unitary council, a single strategic partnership and community safety team will ensure all residents receive the same high standard of service, with one point of contact regardless of location. Rationalising services like anti-social behaviour teams and CCTV operations will reduce overheads, enable earlier interventions, provide a single point of contact for community safety matters for communities and allow more investment in frontline and preventative work, ultimately providing more joined-up and effective support across Leicestershire.

Housing Services - Managing retained council stock

A new council for Leicestershire and Rutland will enable management of council retained and owned housing to be brought together to improve services for council tenants, tenant and resident associations and leaseholders through the reinvestment of savings into frontline services realised through economies of scale/reduced administration. There is a legal requirement for any savings to be reinvested for the benefit of current and future tenants. This reinvestment will allow the service to be improved, for example through reduced waiting lists, improved service consistency and standards, greater choice of stock, and opportunities to maximise capital and revenue investment and scalability of benefits, particularly the support of people who are vulnerable or most in need. The new unitary authority will therefore be able to act as a streamlined and efficient landlord for the retained stock.

It is recognised that changing responsibility for managing retained council houses and assets may cause a short period of uncertainty for existing council tenants, leaseholders, those individuals and families who are currently on a waiting list, tenant associations, and contractors, partners and suppliers. However, it is expected that there will be a seamless transition with all existing services, arrangements, contracts etc to be transferred with minimum disruption. Key lines of communication will be developed prior to any change with tenant, resident and partner engagement prioritised. The initial service focus will be on maintaining business as usual, followed by service improvement when the new council for Leicestershire is created. Every effort will be made to keep disruption to an absolute minimum with the expectation that existing services would migrate to the new council without significant change. Tenants will then see benefits from a streamlined service which will provide a consistent offer across the estate. Contractors and providers will see all existing contracts honoured.

Homelessness

A unitary structure will enable issues around homelessness to be addressed more effectively through the integration of housing services with social care and public health. This will allow for more comprehensive and preventative support for individuals and families at risk of homelessness. A joined-up approach will ensure that vulnerable residents are identified earlier and supported holistically, reducing the likelihood of crisis situations that lead to homelessness. It will also ensure that victims of domestic violence or hate crime are not limited in their choices because of which part of the county they reside in.

Not all district councils currently operate a Housing Revenue Account, which restricts the ability to deliver affordable housing at scale. A unitary council could consolidate HRAs, improving delivery of affordable housing and enabling better alignment with Government housing targets.

The Homelessness Prevention Grant is currently issued to district councils and spent predominantly on emergency accommodation rather than preventative measures. Bringing the allocation and use of the grant into a single organisation will allow strategic focus on measures such as supporting people to stay in tenancies, behaviour support and financial advice.

The bringing together of funding through Housing Benefit and Universal Credit as well as Discretionary Housing Payments will also enable economies of scale to be realised so there can be a greater investment in frontline and preventative services. It will also mean that housing support can be provided on a more flexible basis without the postcode lottery created by district council boundaries.

Other services in a unitary structure which will enable a strategic focus on homelessness are:

- **Strategic Planning:** A single Local Plan for Leicestershire and Rutland would simplify and accelerate the delivery of housing and infrastructure, including emergency accommodation and supported housing options for those at risk of homelessness.
- **Anti-Social Behaviour:** A unified ASB team will work closely with social care, youth offending, and early help teams. This would enable early intervention and wraparound support, reducing the risk of homelessness linked to ASB and other vulnerabilities.
- **Substance Misuse:** Embedding the team in the housing service would enable improved referrals into the service.

Community Services

Culture, leisure and learning are examples of services currently provided by both tiers of local government in Leicestershire. There are a wealth of country parks, museums, leisure centres and healthy lifestyle programmes – but with different priorities and outcomes. Other unitary councils including Cornwall have seen real success by joining up these services with some creating a ‘leisure passport’.

Developing one, over-arching approach - which is joined up with public health - offers the opportunity to create an integrated approach with one point of access, simplify routes into volunteering and maximise funding for adult learning. Given that some of the community and wellbeing offer is non-statutory, the move to a unitary structure would enable economies of scale and future-proof services which contribute towards thriving communities and are valued for wellbeing.

There is a real opportunity to develop an Active Wellbeing System that positions physical activity at the heart of supporting residents’ wellbeing, offering a place-based and preventative approach to tackling inactivity and health inequalities. An integrated model, bringing together partners across the system, will think beyond delivery of leisure programmes in a leisure centre. It will ensure that there is access to green and blue spaces, that adequate walking and cycling routes are developed, that physical activity is embedded into settings such as schools, care homes and businesses and that physical activity becomes a priority for a variety of partners such as primary care, education and adult social care. It will provide suitable conditions to enable our residents (targeting those that need the most support) to become more active. Case studies from across England show how this model, when supported by local leadership and collaborative working, can unlock new investment from the health system and deliver measurable improvements in population health.

Good Practice Example: Joining up services

This case study illustrates how a range of cultural and leisure services could be brought together to improve health and wellbeing.

Jennifer is 50 years old and has suffered a bereavement which has resulted in mild depression and a sense of loneliness. Her GP has suggested exploring a range of leisure activities that help her maintain her physical and mental wellbeing. He has introduced her to a ‘healthy mind and body’ passport organised through the local authority’s cultural and leisure service. This enables her to access a variety of free and low-cost activities that are local to her.

From the range of offers available, she chooses to join a reading group at the library specifically targeting people experiencing mental health issues. There she meets a small group of people every month and they discuss books that they recommend to

each other. She is a keen walker, so she sees that the passport offers her reduced prices to membership of the local leisure centre offering weekly winter walks exploring the countryside near to where she lives.

Public Health

The Public Health Department oversees a broad range of services to meet the County Council's statutory responsibility to improve population health. These services are largely commissioned and delivered on a Leicestershire and Rutland footprint already. Key activities include commissioning sexual health and substance misuse services, providing smoking cessation and weight management support, and offering advice and community capacity building. The department also works alone or with partners like the NHS and district councils on issues such as air quality.

Currently, service responsibilities in Leicestershire are divided between county and district councils, with the County Council handling areas like substance misuse treatment and weight management, while districts oversee alcohol licensing, planning, and some leisure and housing functions. This split leads to fragmented accountability and delivery.

A unitary council will integrate these functions, creating clear accountability, maximising economies of scale, and enabling a more cohesive public health system. It will also align better with NHS and Police structures for more effective partnerships, and ensure health and wellbeing are considered in all relevant policies and developments. A single council will also be better placed to address the unique inequalities across Leicestershire and Rutland's diverse communities and scale up services as needed, including tackling issues like county lines drug trafficking.

The integration of Rutland into the new unitary authority will create efficiencies and reduce delays, caused by the current set up which sees Leicestershire delivering a public health service for Rutland but with the need to negotiate parallel political and management processes. If the two authorities do not agree an approach, then there is additional inefficiencies in terms of having to carry out two separate service redesign processes.

Good Practice Example: One-stop support

A one-stop online resource helps residents navigate complex support routes – and changing lives. First Contact Plus helps residents find information about a range of services – housing, independent living, money advice, work, security and more – all in one place. It brings together around 300 services run across districts, Leicestershire County Council and the NHS. As well as an online resource it is a telephony-based service with a robust triage to support residents to the most appropriate referral service.

Examples include a resident who lived alone and was feeling anxious since his wife passed away. Referred by his GP, he felt harassed by youths sitting on his wall but worried calling the police would lead to repercussions. Consent was gained to refer the issue to the local anti-social behaviour team who supported him to resolve the problem.

Thousands of residents have benefited from cheaper energy bills and improved health thanks to the Warm Homes service. This is not part of First Contact Plus but there are strong and established referral pathways to ensure that this a seamless offer to residents. The service supported more than 1,000 households with free, impartial advice to help them stay warm at home.

Currently there are 84 pathways which referrals are routed along – each district council alone has four different internal routes. A unitary structure for Leicestershire and Rutland would reduce this complexity

Environment and Transport

The County Council's Environment and Transport Department deliver a wide range of services impacting all Leicestershire residents. Currently in Leicestershire, some functions are split between county and district councils which results in duplicated effort and inefficiencies. Rutland Council provides a single offer to its residents but on a much smaller scale.

Moving to a single unitary council will centralise these services, streamlining operations such as street cleaning, litter picking, grass cutting and parks and environmental maintenance. This would create economies of scale, deliver clearer service standards, drive procurement efficiencies, and provide residents with a single point of contact and a trusted, recognisable brand. Approval and delivery processes will also be more efficient, removing the need for multiple approval stages and complex agreements.

Combining specialist teams and resources, which are currently split across the two-tiers, such as forestry, on-street and off-street parking management, and street lighting, would increase resilience, reduce costs, and mitigate risks associated with small, fragmented teams. Centralising vehicle fleets and maintenance, depot management, and operational functions would further enhance efficiency. Coordination of tasks like litter picking and grass cutting, on and off-street parking operations as well as activities such as planning and highway enforcement activity will be simplified, resulting in a more effective, customer-focused service for the whole county.

Waste Management Services

Leicestershire's current waste management system involves seven separate district councils, each running their own kerbside waste and recycling collections. This leads to different types of bins, boxes, bags, and a range of charges for various collections,

making the entire process confusing for residents. Rutland's service offer is different again. Information about these services is spread across several council websites and phone lines, which adds to the public's uncertainty and often results in inefficient communication and duplicated effort.

By contrast, a single unitary council will create one streamlined system for kerbside collections, trade waste, and related services. Residents will benefit from clear, consistent information and only need to access one point of contact for all their waste management needs. Collection frequencies, container types, and charges will be standardised, and policies such as missed bin protocols or assisted collections will be unified across Leicestershire, so that everyone receives the same level of service.

A unitary council would also enable a comprehensive, whole-system approach to managing waste. By procuring one waste collection service instead of seven, optimising waste collection routes, rationalising depots, and taking advantage of co-location and greater buying power for contracts, the council could achieve better value for money and make more efficient use of resources. In addition, linking related tasks like litter picking, fly tipping, and enforcement with core waste services would allow for an integrated and adaptive response to resident concerns.

Overall, this holistic approach will streamline management, back-office operations, procurement, and direct service delivery, resulting in a more efficient and higher-quality experience for customers. Residents would find the system more accessible and easier to understand, while the council would be better placed to deliver consistent, effective and more cost-efficient waste services.

Public Amenities and Public Realm

Well-designed places create healthier, safer and more cohesive communities and can breathe life into villages and town centres to support strong local economies.

Across Leicestershire and Rutland, a range of organisations are already committed to making the county vibrant and welcoming for those who live, work and visit it. However, collaboration between these organisations is limited. Each organisation can have their own priorities for an area, resulting in no shared vision and no single point of leadership. This is limiting local government's ability to maximise outcomes for residents and optimise available budgets.

Currently, the organisation with responsibility for community engagement and planning is not necessarily the one responsible for service implementation and delivery. Similarly for some areas, multiple organisations have overlapping roles for example, the district authority is responsible for a public realm improvement, however the county council is responsible for any highway aspect of such an improvement. This makes it harder to manage public expectation and resource availability; opportunities are sometimes

identified and public expectation raised only for the organisation with the responsibility for delivery not to have the money to fulfil the implementation or being left with an unsustainable on-going maintenance burden. Further to this, ownership and responsibility for assets such as street furniture, bus shelters, street lighting and grit bins can be owned by district, parish/town and the county council depending on their location, when they were installed and what agreement was in place at the time. This creates an unnecessarily complicated environment for the public (and Councillors) to navigate. For those seeking to make improvements to their area or request services, it is far from clear who to contact and can result in the public being passed around from organisation to organisation. This will continue with anything other than a single unitary model.

Planning, Economic Growth and Development

Creating a single unitary council for Leicestershire and Rutland will simplify the planning process and deliver opportunities to unlock housing and employment sites which span administrative boundaries. Leicestershire and Rutland will also see improved infrastructure delivery through a coordinated approach to planning and delivering infrastructure projects and supporting economic growth.

Bringing planning services together will facilitate the development of the Spatial Development Strategy as the subregion moves towards devolution, giving certainty on the direction for growth.

It will also simplify the current planning system and create a single point of contact for residents and developers. There will be a centralised, consistent approach and application of policies with the retention of locally based planning officers to ensure that local knowledge and expertise is kept.

Importantly, a single unitary council for Leicestershire and Rutland will ensure that the minerals and waste planning system continues to operate at a strategic scale. This will ensure that the geography of the minerals planning authority aligns with the geology of the area and that effective decision making could take place at a strategic scale, unaffected by parochial interests. It will also mean that waste management continues at a strategic scale to meet the needs of Leicestershire and Rutland residents. This is in line with recommendations from the Planning Officers Society.

Strategic Land Use Planning

The availability and location of sites for future housing and employment development is a key consideration. Work has been undertaken to identify 'developable land' across Leicester and Leicestershire, using National Planning Policy Framework 2024 definitions. These state that to be considered developable, sites should be in a suitable

location for development with a reasonable prospect that they will be available and could be viably developed at the point envisaged. An end date of 2050 has been applied.

The following publicly available data sources have been sought to be used, where available:

- Strategic Growth Options and Constraints Mapping for Leicester and Leicestershire, AECOM (2023)
- Published local plans for Leicester City, Rutland County and districts and boroughs of Leicestershire.
- Emerging (published Regulation 18 and Regulation 19) local plans for Leicester City and all districts and boroughs.
- Live planning applications for Leicester City and all districts and boroughs.

Approximately 12,400 hectares of developable land has been currently identified across Leicester, Leicestershire and Rutland, which is approximately 50 square miles. The following data table shows how the developable land is split between the city and county under each of the six reorganisation options.

Option	Leicestershire sq m	Rutland* sq m	Leicester sq m
Option 1 - Single County unitary excluding Rutland	11,914	108	505
Option 2 - Single County unitary including Rutland	11,914	108	505
Option 3 - City expansion as per interim Plan	6,510	108	5,909
Option 4 - City expansion to include Principal Urban Area (PUA)	11,523	108	896
Option 5 - City expansion to include Centre for Cities definition (Blaby + O&W)	9,878	108	2,541
Option 6 - Districts interim plan - county split into 2 unitary authorities	-	-	505

* Rutland data is housing and employment land requirements to 2050 derived from Rutland County Council Regulation 19 Local Plan 2021-41.

The five districts in the County area surrounding Leicester City have historically directed growth towards Leicester which is the 'Central City' in the County and forms the most sustainable location for growth. This has been supported by strategic plans like the Leicester and Leicestershire Strategic Growth Plan (2018) which provides a vision for growth to 2050, and previous regional strategies, and local plans.

New and expanded communities near Leicester, such as Lubbethorpe, Broadnook, and Thorpebury, continue to be successfully delivered. The market towns form the next focus for growth, complementing Leicester's role as an economic and cultural hub.

Current and future Local Plans will continue to direct growth to Leicester's urban edge, aligning with good placemaking principles and addressing unmet housing needs from the City post-2031. This approach places homes closer to demand and also reduces pressure on the market towns. This will happen regardless of the administrative boundaries of the councils.

The proposed reorganisation offers a unique opportunity to harness the strengths of both county and city areas, establishing two unitary authorities that will streamline planning and ensure the most strategic and effective delivery of housing, employment sites, and essential infrastructure. By consolidating from nine authorities to two, a more resilient and efficient service will be created, enabling resources to be deployed where they can have the greatest impact. Importantly, the County Council has a wealth of experience in bringing forward development and one of the best track records for delivery in England, as evidenced by our high levels of national non-domestic rates growth and new homes delivery. Over the last 15 years the County Council has actively led and driven both public and private sector collaborations to deliver high quality growth. Examples include:

- promoting sustainable communities at Lutterworth East and Stoney Stanton,
- removing infrastructure barriers to enable strategic development in Blaby where the Bridge to Growth Scheme enabled the delivery of New Lubbethorpe,
- Loughborough where the County Council led a project to unlock over 2500 homes at Garendon Park,
- Melton where 4500 homes have been unlocked across the town via the MMDR,
- and Coalville delivering over 3500 houses along the A511.

These projects deliver not just houses but sustainable places. They have supported significant economic growth and the development of at least 93ha of employment land. The County Council has also played a key role in delivery of high-quality commercial spaces, such as Loughborough University Science and Enterprise Park. The County Council has retained the knowledge, skills and experience to continue to deliver and take advantage of the opportunities LGR offers. These factors strongly position the new authority for Leicestershire and Rutland to continue meeting Government ambitions for growth and place-making.

The preferred option builds on existing expertise and ensures that decision-making is kept close to areas with proven capability, avoiding the delays that would result from transferring responsibilities to the city. It is worth noting that the areas of developable land will remain the same regardless of administrative boundary and that ultimately responsibility will transfer to a Strategic Mayoral Authority.

Bringing together district and county planning teams, highways and transport services, and staff with specialist knowledge in ecology, archaeology, and regeneration will

further enhance our ability to deliver comprehensive, joined-up solutions. In future, oversight by a mayoral strategic authority will ensure that the Spatial Development Strategy for Leicester, Leicestershire, and Rutland continues to support both local needs and national objectives, maximising opportunities for sustainable growth and prosperity.

Regulatory Services

Public protection services delivered by local authorities encompass trading standards, environmental health, licensing, planning and building control. Trading Standards and Environmental Health Services in Rutland are currently provided by Cambridgeshire and Peterborough Trading Standards, so this provides an opportunity to align services into the area proposed for a devolution deal.

Reorganisation into a unitary council will create the following opportunities for services in Leicestershire and Rutland:

- **Prioritisation of Resources and a more holistic risk-based approach to seeking compliance:** A single council would make better intelligence-led decisions on prioritising different elements of these regulatory services. Enforcement priorities to protect Leicestershire and Rutland businesses and consumers are currently determined by nine separate regulatory bodies without any requirement to agree a common approach to enforcement.
- **Removal of Current Enforcement Overlaps:** There are regulatory overlaps that currently exist within district council and County Council public protection services. For example, a single county trading standards service tackles food standards issues whereas the seven district environmental health services are concerned with food hygiene within their respective locality. Both services report their findings to the Food Standards Agency, but the food business will be dealing with two regulators. Trading Standards is engaged in age restricted sales enforcement which by implication has strong links to the licensing of premises and the registration of food premises, both administered by the district councils. The residential lettings industry is already regulated with both district and county involved with enforcement in this sector. There are further additional controls proposed under the Renter Rights Bill.
- **Efficiencies:** All local government services are under financial pressure. However, there are additional challenges specific to public protection services, which have a vast range of statutory responsibilities and over recent years have not been prioritised or protected. There is an increasingly urgent need for councils to think seriously about the key priorities for these services, and the

most effective ways of delivering them in the future. A unitary council regulatory service will be more able to respond to localised enforcement priorities and be better placed to engage with the relevant government co-ordinating bodies.

- **Income Generation:** Leicestershire County Council Trading Standards Service continues to receive grant funding from the Department of Health & Social Care, HMRC, Food Standards Agency and The Office of Product Safety and Standards. A multi disciplined regulatory unit in a unitary setting will have the necessary infrastructure to deliver on central government policy and proactively chase available grants across all the areas of regulatory expertise. A 'one stop shop' for compliance advice for all Leicestershire and Rutland businesses will also present further income opportunities through traded services; offering detailed compliance consultancy services across the whole regulatory landscape.

Avoiding the Unnecessary Fragmentation of Services

The unnecessary disaggregation and fragmentation of services presents a significant risk to sustainability and creates instability and loss of the benefits of scale, particularly in relation to social care. Key considerations are as follows:

- Splitting services would introduce instability, reduce flexibility of resources across the area to meet local need and could lead to inconsistencies in the service offer; this is a particular risk where vulnerable children and families are concerned.
- Disaggregation would reduce the benefits associated with scale, such as commissioning power. Commissioning and contracting arrangements would need to be duplicated. It would also lead to additional leadership and management arrangements, increase overheads and fixed costs of delivery.
- Current partnership arrangements, such as those with the NHS, Police and others, would need to be duplicated and would create more complex arrangements.
- Highly specialist and low volume services are difficult to deliver in small authorities due to difficulties in recruitment and professional development of the workforce and oversight and governance of activity. This covers a wide range of services, from senior management through to specialist engineers who will see their role doubled or even tripled across the country once local government reorganisation has taken place. Organisations such as ADASS have expressed significant concerns about recruitment challenges in the context of local government reorganisation. Evidence from ADASS surveys and policy statements highlights the risk of overstressing roles, from senior management to specialist professionals, due to increased responsibilities and insufficient workforce capacity.

The disaggregation of Leicestershire County Council's services into more than one unitary authority would create significant inefficiencies and complications across several service areas.

For Adult Social Care, dividing the county risks duplicated contracts, reduced choice in care provision, higher costs, and disruption for citizens, while staffing and partnership working would become complex and less effective, increasing the risk of inequitable service delivery. There is no precedent for Adult Social Care Partnerships replacing a local authority, making any proposal which includes this risk due to its untested nature, and dividing Adult Services would require duplicating contracts with over 300 organisations, leading to increased costs and administrative burden.

Following the recent CQC assessment of Leicestershire, the focus of adult social care services is on delivering improvement. Disaggregation of services can only serve to distract attention and energy from completing the required improvements.

Since coming out of the pandemic, demand for services exceeded all expectation and by 2023 too many people were awaiting assessment. By harnessing resources from across the County, this number had halved by the beginning of 2025 and has halved again by November with an expectation that assessment waits will shortly be eliminated. The further improvements required need a clear focus on delivery of equitable outcomes across the whole county area.

The level of need for social care is not consistent across the County nor is the distribution, location and spread of services. Splitting the county into a North/South model or disaggregating into an expanded City risks inequitable outcomes for residents, due to differences in demand and variations in provisions.

Leicestershire Children's services are currently delivered through central leadership and management through locality lead teams. This places teams in communities across Leicestershire, reduces management costs and allows flexibility of delivery alongside consistency of approach for families across Leicestershire. Alongside this children and family services have a number of specialist teams that are lead and managed at a county level who work with small numbers of high risk and highly vulnerable young people across the county. This approach maximises front line delivery across the county through a single county wide management structure.

Disaggregation would increase the leadership and management costs of children's services by at least 50%. There would need to be a Director of Children's Services for each of the unitary councils, doubling the current costs and then duplicated leadership teams below the Director. It would also reduce the ability to utilise resource flexibly across a county footprint in order to meet the demand and needs of Leicestershire children and their families. Disaggregation would need to develop an additional, child exploitation team, youth offending team, dedicated placement support team and virtual

school, which are all currently managed centrally in order to provide the effective management of a smaller cohort of children across Leicestershire.

The three unitary model being put forward by the district councils and Rutland makes no reference to the level of complexity of children's services and allows only for the delivery of preventive services. Whilst preventive services are vitally important, the three unitary model has disregarded the statutory safeguarding role, high cost and complex residential provision, child protection matters and SEND. On top of this, the current system holds preventive services for children at a district and county level. The three unitary model's focus on prevention alone means it does not identify the opportunities of better join up between preventative services and statutory high demand services, and the positive impact and direct link these preventive services have on reducing demand for higher cost services.

The case study below demonstrates the effectiveness of centrally co-ordinated, locality delivered services which will be lost if the services were split up:

Good practice example: Centrally co-ordinated, locality delivered services - Family Hubs

Family Hubs are system-wide models of providing whole family, joined up support services from 0-19 (or 25 for young people with SEND). They are a mix of physical and virtual spaces, supporting easy access to information, support and guidance via a universal front door. There are 20 Family Hubs across Leicestershire and 16 Family Hubs in Libraries. All of the Hubs are located in the heart of communities across Leicestershire offering an integrated one-stop-shop of family support across social care, education, mental and physical health needs, substance misuse, debt and welfare advice and community engagement.

Central co-ordination of the Hubs means there is an equitable, consistent and fair offer across the county area that is focused on joining up services at a local level in spaces that families can access and feel comfortable.

A further case study demonstrates that where economies of scale mean that it is more efficient and effective to deliver services across the county, teams are managed centrally. For example specialist teams that support children with greater complexities (children who are being exploited, children at risk of placement breakdown and young people in the criminal justice system) are managed centrally to deploy resources and support flexibly across the county to meet needs in the most efficient and effective way.

Good practice example: centrally managed flexibly delivered services

The vulnerability hub and Child Exploitation Team is a small, multi-agency centrally managed team who work with children and young people who are missing or being criminally or sexually exploited. The team is co-located in a police station alongside the

child Abuse investigation unit and the out of hours social care team. This approach provides an environment that encourages collaborative information sharing and combined risk assessment, resulting in live time activity currently led jointly by Social Care and the Police. The team leads on county wide initiatives around harm prevention, work in locality violence and exploitation hot spots as well as locality, neighbourhood and targeted action with young people and adults who harm. Numbers of children supported on a one to one basis through the team are relatively low (c100 per year), therefore the centrally delivered model keeps the leadership and management costs to a minimum and provides a flexible and consistent offer and model across the county area alongside the centrally co-ordinated Police and wider partner resource.

In Environment and Transport, splitting services would mean duplicating out-of-hours teams, control rooms, network management, and business support functions, all in a sector already facing a national skills shortage. Additional overheads would arise in transport commissioning, and the loss of regional influence would hinder success in securing funding. Small specialist teams such as flood management, forestry, and transport modelling and data services are already extremely difficult to recruit to and benefit from economies of scale which would be lost, resulting in higher costs, reduced effectiveness and will potentially struggle to resource to minimum levels if disaggregated. Similarly for waste services, disaggregating large scale waste disposal contracts will be a long term project and economies of scale will be lost. Some specialist assets cannot be disaggregated such as the central management system for street lighting and some specialist highways equipment.

Community Safety would suffer from reduced flexibility, inconsistent provision, and duplicated statutory responsibilities, potentially affecting safeguarding and creating public confusion. Public Health would require joint working arrangements, which experience suggests are often unsustainable long-term, likely resulting in further disaggregation and increased complexity.

Overall, dividing services would duplicate management, increase costs, reduce economies of scale, and risk inconsistent service delivery and loss of quality for residents across all key areas.

It is recognised that proposals to expand the city boundary would have less of an impact in terms of the disaggregation of services than the proposal being put forward by the Leicestershire district councils and Rutland Council, however, transferring parts of services between the City and County would have a detrimental impact on the remaining County Council:

Disruption to Service Users

A significant proportion of people who currently use county council services would have their care needs transferred to the city. Under the City Council's interim plan option, this amounts to 32% of service users. This would affect their continuity of care and could cause disruption and confusion. There would also be an increase in service users receiving care "out of area" that has been an area that regulators have looked at previously.

Transition arrangements would need to be carefully managed to ensure that delays in care and support are minimised.

Operational and Staffing Challenges

The need to realign staffing levels and potentially transfer staff to the city could be complex and disruptive. Retraining needs and the risk of redundancy could risk high levels of staff dissatisfaction.

It would be inefficient for the city council to take on rural services such as County Farms and Demand Responsive Transport for the small rural population included in some of the proposals.

The County Council has a long-established track record of delivering housing and infrastructure projects at scales. This experience is rooted in its role as a strategic authority, responsible for planning, coordinating and delivering large-scale developments across a broad geographic area. The County Council's planning teams, highways and transportation services and staff with expertise in ecology, archaeology and regeneration are already working together to deliver complex projects, which gives them a depth of experience that smaller authorities may lack. Splitting the county into smaller authorities would risk losing this expertise and efficiency, potentially slowing down housing delivery and making it harder to meet government targets.

Loss of Assets and Service Capacity

There are a range of issues associated with this risk:

- **Loss of care facilities:** The county would lose access to care homes, supported living accommodation respite facilities and specialist education provision that fall within the new city boundaries. This could reduce choice and availability for county residents and may require the commissioning of out of area placements.

Carlton Drive Short Breaks respite, which is the County Council's only in-house Community Life Choices respite provision in the south of the county, would

become part of the City. It provides urgent respite for times of unplanned events, and its loss would impact the ability of the new unitary council for Leicestershire and Rutland to accommodate people at very short notice. In addition, from April to August 2025, Carlton Drive provided 796 respite full night stays. This is on average 159 full night stays per month, or approximately 40 per week. This is currently a significant resource for the County.

In terms of children's services, there would also be a reduction in specialist provisions. One area special school, one SEMH (Social, Emotional and Mental Health) school and five Enhanced Resource Provision (431 places) that cater for children would be transferred into the city. This would leave an increased deficit of specialist provisions available, especially for children and young people residing in Harborough, which use many of these provisions.

- **Loss of Waste Facilities:** Whetstone Waste Transfer Station is a business-critical asset to the County Council which would come within the Leicester City Council boundary. If the city council were to take ownership of and operate the site, it would require extensive waste flow remodelling and service reconfiguration and could potentially require the construction of an additional Waste Transfer Station at significant capital cost to enable the delivery of a waste service across the Leicestershire and Rutland Unitary Council. There is a risk to service resilience in finding appropriate alternative waste sites in planning terms. There would also be a loss of the Trade Waste Services and associated income. It may be possible to operate as a joint site, but this would require additional legal and funding agreements otherwise it would result in the county subsidising a service to city residents.

The Blaby District Council waste depot is the district depot assumed to have the best facilities and the Oadby and Wigston Borough Council waste depot would fall within the City Council boundary, which risks leaving the Leicestershire and Rutland Unitary Council with insufficient depot capacity. Again, this would require service reconfiguration and could impact on the efficiency and resilience of waste collection services for residents. If the county retained the site, it may lead to less efficient service delivery as it would be operating from a site that was located further away from the areas that it serves.

It is assumed that waste services will continue to be managed under existing contracts initially, via an inter authority agreement with the City Council. However, in the longer term, disposal systems (strategic approach and contractual arrangements) will need to be reviewed requiring extensive contractual and operational work to disaggregate and reaggregate the functions of the new

councils. It will be less efficient to deliver waste disposal services across a significantly smaller county area due to the loss of economies of scale (waste being more expensive per tonne to dispose of) and higher management costs per household (as a similar number of staff will be required to manage contracts covering a smaller area).

- **Loss of office bases:** Key offices bases may fall within the new city boundaries, for example Bassett Street in Oadby and Wigston Borough serves the south of the county. This would require the new Leicestershire and Rutland unitary council to find or rent new office space and would lead to a loss of income from space currently rented out of council buildings. Conversely the city could have an excess of assets.
- There is the added complexity that some services currently provided by district councils will need to be divided between the county and the city.

Financial Risks

The transfer of population to the city would reduce the county's share of funding streams such as the Better Care Fund, potentially tightening the financial envelope for remaining county services and impacting service delivery.

There may be increased costs, for example in home care and residential care, if the County becomes less competitive, with higher costs passed on to self-funders and those who contribute to their care. This is supported by the analysis undertaken by Newton, showing increased costs of care if the county was to become smaller.

With a project of this size, it is inevitable that other activity will have to be delayed. This will include savings initiatives that overlap with the function impacted by re-organisation. Disaggregation significantly increases the number of functions, adding most front-line services, and extends the implementation period. This will have a material detrimental effect on financial sustainability as savings activity must be deprioritised that would otherwise have taken place.

Transition risks

The time for a transition is short for a project of this scale. Splitting organisations or transferring services increases the tasks required in the same period of time. For example:

- A large-scale transfer of citizen data to new councils is required, which carries the risk of the data not being compatible with new systems, leading to errors, confusion or loss of information. The need to run parallel IT systems during transition may also be confusing for staff and residents, leading to an increased risk of errors.
- Legal agreements will be required to put in place temporary arrangements for services that cannot be successfully disaggregated by day one.
- Financial agreement will be required to agree the share of liabilities held on the balance sheet, such as SEND, and those that could arise in the future, such as historic liability claims.

Strategic and Partnership Risks

There would be disruption to existing partnership arrangements, for example with health, the police and other agencies whilst these are realigned to match the new boundaries. This could disrupt integration working and reduce effectiveness.

Finance

This section outlines the financial modelling undertaken by the County Council and how it supports its preferred option of a single county unitary for the Leicestershire and Rutland area. The analysis shows that this option generates cumulative gross savings of £114m over 4 years, with transition costs of £21.5m, giving a payback of 1.48 years. The 3 unitary option has the lowest cumulative financial saving of £45m over 4 years and the longest payback period at 2.8 years. Whilst the city expansion options save a similar amount in total compared to the single county option, they create an uneven savings profile and create risks around disaggregation and boundary changes which are complex, untested and therefore create greater uncertainties over future efficiency and effectiveness. The largest city expansion option has the greatest transition costs of all options and has a longer payback at 1.7 years (compared with the County's preferred option).

The preferred single county unitary option is the best financially due to:

- Only option where 100% of the investment goes into delivering efficiencies or improving services
- Does not spend money disrupting services that are performing well or disaggregating services that will move to a Strategic Authority
- Does not require negotiations over historic assets and liabilities that distracts from a successful re-organisation
- Avoids the uncertainty over how government grants will be redistributed, as everything will be aggregated.
- Lowest financial risk due to evidence of previous successful implementations and the weighting of change activity to the back office
- Reduces disruption for all councils in a period when there will need to be parallel work to delivery efficiencies, manage demand and implement Government reforms.

The County Council notes the data produced nationally which shows that the financial benefits and the opportunities for delivering economies of scale through local government reorganisation are significantly reduced in unitary authorities with smaller populations. Recent PwC independent analysis shows that the creation of new unitary authorities based on a minimum population of 500,000 would achieve savings of £1.8bn nationally over five years. The level of savings increases further if a minimum population threshold of 600,000 was applied, resulting in a net-saving of £2bn over five years. Conversely, creating more, smaller authorities using a minimum population of 300,000 would deliver no savings.

It is important to note that the link between population and scale only relates to **new** unitary authorities as funding does not increase should a more inefficient option be chosen such as multiple unitaries in an area.

The financial appraisal is summarised in the table below:

	Option 1	Option 2	Option 3	Option 4	Option 5A	Option 5B	Option 6
	Single County and Rutland	Single County for Leicestershire	City expansion per interim plan	Principal Urban Area	City boundary extension - Centre for Cities	City boundary extension - Oadby & Wigston	Three Unitary - North, City, South
	£m	£m	£m	£m	£m		£m
Reorganisation benefits	31	27	30	29	29	28	16
Transformation benefits	12	10	21	20	20	20	11
Disaggregation costs	0	0	-5	-2	-2	-1	-10
Net Benefit	43	37	46	47	47	47	17
Transition costs	21	19	28	27	27	27	22
Pay back	-1.5	-1.5	-1.7	-1.6	-1.6	-1.6	-2.8
Savings %							
County	100	100	40	50	50	65	100
City	0	0	60	50	50	35	0

*based on savings phased over 4 years with inflationary uplifts. Future funding is based on Core Spending Power estimates based on Fair Funding proposals.

Further details on each option are shown in Appendix A (TO BE ADDED)

Right size

The case for a single unitary council for Leicestershire is further strengthened by the Government's guiding principles, set out in the invitation, including that the population size for new councils should aim to exceed 500,000. Any attempt to divide the county would create new councils that would not be of the right size to achieve efficiencies, improve capacity and withstand financial shocks. The district and Rutland's North, South City option splits the county into two smaller unitary of authorities each with a population of around 400,000. There are no exceptional circumstances to justify deviating from the Government's criteria.

In regard to efficiency savings, the County Council believes the proposal from the district council and Rutland Leaders is highly optimistic based on the draft submission.

It appears to be an outlier for the level of annual savings, compared to other two unitary proposals, and the financial and service implications of disaggregation do not seem to be adequately reflected. These should not be underestimated, and it will be important that there is a properly informed local understanding of the impact of this.

Whilst the city expansion options meet the preference for new unitary authorities over 500,000, there are significant complexities in the breaking up of existing district boundaries which cannot be underestimated. This is also difficult to estimate with any certainty as there is no precedent for it in previous reorganisations. Furthermore, some of the expansion proposals require significant rural areas needing to be included in the city, for which significantly different approaches (and hence inefficiencies) to service delivery are required. The city council has not provided any clear rationale for why this is needed and why the benefits of doing so would outweigh the complexities and impact of disaggregation of services. There is no evidence base to draw on for this so the impact may be understated in the modelling.

The city's preferred expansion plan would make the city larger than the residual county at a population of approximately 600,000. This shifting of scale from one authority to another creates unnecessary disruption and complication and reduces the efficiency of the residual county unitary. Alongside community and democratic implications covered elsewhere in the Business Case, this level of expansion also puts the county unitary financial sustainability at further risk. This is covered further in the separate section below.

Scale is not the only factor in ensuring councils are financially sustainable. The overall level of funding is another key influence. Out of the 21 shire counties being reorganised, Leicestershire is the 16th most populous and 21st on total funding per head of population. Funding reform, on which the Government are currently consulting, is expected to be detrimental to Leicestershire overall, meaning that the opportunities from reorganisation at the right scale are even more important and any proposed reductions in scale need to be carefully considered.

The Government's guidance on population size stipulated 500,000 for new unitary authorities, presumably being concerned about the consequences of a loss in scale compared to existing organisations. The same argument does not apply to existing unitary authorities, some of which have been operating for decades, as their overall funding level allows them to operate at a smaller scale. Any increase in scale from boundary changes will improve their financial resilience. Leicester City Council is the 21st largest unitary council in England (out of 132) and already has a Core Spending Power per head of population 20% higher than Leicestershire's.

The City's funding position is expected to improve further through the Government's funding reform, as it did in the most recent Local Government Finance Settlement. A further relative strengthening of the city's financial position relative to the County Council's should not be undertaken without clear evidence that it is the right thing to do.

Financial modelling options

The County Council jointly commissioned financial modelling with Leicester City Council to ensure, as far as possible, that its Business Cases used consistent data and assumptions. 31ten Consulting were appointed to undertake the work. 31ten are a public sector specialist consultancy firm with extensive experience of financial modelling and transformation projects. They have previous experience of supporting Local Government Reorganisation cases and models including at Essex, Lancashire and Norwich. The modelling was undertaken on the seven options shown in the options appraisal.

The County Council also sought further independent validation and quality assurance from PwC in terms of the assumptions used and the relative financial benefits of each option being modelled. PwC have worked extensively on LGR business cases and studies, including work for the County Council's Network. Their model is also nationally recognised by MHCLG.

Further details are included at Appendix A – **TO BE ADDED**

Assumptions and approach

In each scenario the modelling uses the current 2025/26 budget as the 'as is' comparator model. The table below sets out the categories of savings and costs and an explanation of how the assumptions have been applied.

The model includes the following categories of savings and costs:

Category	What does this mean	What falls into this category
Aggregation impacts (savings)	The medium-term impacts of aggregation, i.e. starting from after the transition is complete and new authorities are up and running	<ul style="list-style-type: none"> • Senior leadership • Democracy • Service administration (staffing efficiencies, third party spend, premises)

		<ul style="list-style-type: none"> • Back office/enabling (staffing efficiencies, third party spend, premises)
Disaggregation impacts (costs)	Additional costs incurred due to disaggregation of services starting from after the Transition Phase is complete	<ul style="list-style-type: none"> • Staffing inefficiencies (additional leadership and management roles required) • Additional ICT spend • Social Care spend
Transition impacts	The one-off costs of establishing the new authorities	<ul style="list-style-type: none"> • Redundancy costs • Organisation set up/closedown costs • Shadow authority costs • Comms & Marketing costs • IT costs • Programme management costs
Transformation impacts	Longer term additional impacts from service transformation (additional costs and benefits beyond savings from aggregation)	<ul style="list-style-type: none"> • Service administration/delivery • Back office/enabling

Key assumptions from the model:

- More unitary authorities drive higher cost due to duplication of senior leadership, back-office costs and lower economies of scale
- Social care is the biggest driver of disaggregation cost due to lost economies of scale and duplication of resources
- The options which include city expansion apply the savings principles to their current net spend, on the basis that extra scale unlocks additional efficiencies
- Savings are phased over four years - 25%, 50% 75% and 100%

The validation undertaken by PwC showed slightly higher savings for the single county and city expansion options, in the range £50-55m but the relative savings between the different options showed a very similar pattern to the 31Ten model. To be prudent, the Council has used the lower savings range from 31ten as the basis for the business case, but the PWC analysis gives further assurance that significant savings are achievable for the Council's preferred option.

It is important to note that there is no precedent for the expansion of an existing unitary on the scale or complexity that is proposed by the City Council. This increases the potential margin for error in the financial modelling for expansion options compared to the more traditional re-organisation options. The complexity and cost of re-organisation increases significantly as all county services would require disaggregation. There would be no corresponding increase in savings to compensate for this, just a transfer of savings from the county to the city. This would be compounded if existing district areas were not the building blocks of the transfer.

Transition costs in particular are difficult to quantify, without significant additional analysis. For example, if the amount of service delivery assets transferred was significantly different to the level of residents in the area, service points would need to be opened or closed to rebalance.

Financial sustainability

The challenging financial position for Leicestershire will mean that the majority of savings will go towards improving financial sustainability and ensuring the ongoing provision of services. This would allow existing services to be protected from cuts that would otherwise be inevitable. Ultimately which services are protected will be a matter for the new administration of the new unitary council, but this would be informed by public consultation.

In the County Council's Medium Term Financial Strategy 2025-29, published alongside the budget in February 2025, the difficult future financial position was outlined. Notable headline figures include:

- A revenue budget gap of £38m for 2026/27 rising to £91m by 2027/28
- This is after taking into account £85m of identified savings (including High Needs)
- A predicted cumulative High Needs funding gap (Dedicated Schools Grant) of £118m by 2028/29
- Significant growth pressures of £107m including:

- £45m for children's social care placements
- £11m for unaccompanied asylum seekers
- £15m for adult social care
- £10m for SEND transport

Since then, whilst there are indications of some limited benefit arising from the Government's Fair Funding changes, many of those growth pressures, especially those relating to High Needs and Children's Social Care, are predicted to increase further. The Council is currently forecasting a 200% increase in its High Needs Deficit in 2025/26 alone, which would leave the cumulative deficit standing at over £110m at the end of the year (31 March 2026) and in the region of £360m by the end of the current MTFS period (31 March 2029). Similarly, Children's Social Care is forecasting an overspend of £12m in 2025/26 (around 8% of net budget) and requires growth of £60m over the MTFS period.

Any improvements to the Council's position from Fair Funding will therefore be more than offset by the increased cost of services.

Furthermore, there is an identified funding gap of around £84m on the Council's four-year capital programme which gives no scope for further investment in later years and will require difficult decisions to be made.

The City Council has not provided any evidence that its financial position is worse than the County Council's. Both authorities have significant general fund deficits and the County Council has a far more significant SEND deficit. A cursory review of comparative service offers suggests that the City is able to offer more discretionary services, for example:

- No street light dimming or overnight switch off
- Extended Household Waste Site opening hours
- An extensive Youth Service

The modelling shows that reorganisation in isolation will not fully solve financial sustainability and in each of the options models, a budget gap will still remain, even after taking into account future Council Tax increases and the impact of Fair Funding. This will necessitate all councils continuing their existing savings activity through the period of re-organisation. By their nature, the more complex re-organisation options will require significantly more work over an extended time period. This will have a direct detrimental impact on all councils' financial sustainability. A similar argument applies to implementation of Government's reforms and support of key objectives.

The modelling does not reflect the impact of Council Tax harmonisation as that will be a decision for the new authorities. However, the City Mayor has publicly stated that county residents would not see an increase in their council tax bill. To deliver this promise would require approximately £16m of the savings going to residents through lower council tax bills, which will not help the sustainability of the City Council.

The modelling has been based on the anticipated Core Spending Power and is also based on the provisional Fair Funding modelling. But, at the time of writing the Business Case, the finalised Fair Funding proposals were not known and so are still subject to change. It's also important to note that Core Spending Power includes future Council Tax increases set to the maximum permitted levels, so making progress towards financial sustainability also relies on local and national decisions over annual Council Tax increases.

The proposals for funding reform include an assumption of 100% Council Tax equalisation. Assuming that the funding proposals are a fair representation of relative need the implication of the equalisation approach is that the change in administrative boundaries, which moves residents between areas will simply change the mix between council tax and government grants, but will not improve overall financial sustainability.

The remaining budget gap arising from the SCUR option is due to underfunding of social care costs and growth and the impact of the HNB on the general fund. Future sustainability still relies on the government to fund services properly and to come up with workable solutions to the structural SEND deficit.

Importantly, the city's preferred expansion option tips the balance of savings in city's favour, with city benefiting from almost 60% of the savings generated. This leaves the residual county area with a budget gap of around 7% of net spend in 2028/29. The smaller city expansion options create a more even savings profile, with the benefits of LGR split approximately 50/50 between the city and county unitaries.

Whilst the city expansion options save a similar amount overall to the single county unitary option, there is greater risk to the deliverability of these savings due to an added layer of complexity from disaggregation. This is exacerbated in the largest expansion option. The Principal Urban Area and Centre for Cities options, which create a smaller city, give greater savings and lower costs.

The single county unitary option ensures maximum scale and efficiency whilst also bringing down the cost of services in Rutland, which are currently very high comparatively at £1,685 per head. A single county unitary incorporating Rutland gives a total cost per head of £906 across the expanded region. In the larger city expansion option, the County loses scale and efficiency, bringing its cost per head up to £968. The impact is lower for the smaller city expansion options – giving a cost per head for the

county unitary of circa £950. For the district and Rutland interim plan option, the cost per head exceeds £1,000.

The city is already better funded than the County Council, with the city having a Core Spending Power of £1,150 per person compared to £960 for the County based on 2025/26. They are already able to provide services at a higher level than the county council. For example, the city have not yet had to resort to measures such as dimming streetlights or reducing opening hours of services such as Household Waste sites.

Fundamentally, the city expansion options cause fragmentation of services and dilution of savings. The Council understands that the government is minded to support the expansion of smaller unitaries to enable greater efficiency, but also would only consider such expansion if it didn't split current district boundaries. In the case of the city expansion preferred option, it tips the balance of savings too far to the city and therefore puts sustainability of the county unitary and deliverability of savings at risk. It also splits up 3 current district council geographies and splits all county services for a fourth district council.

The districts' and Rutland's proposal raises significant concerns over financial viability of the two new authorities, with a total budget gap in the region of £50m in 2028/29 with the southern unitary having a gap 50% higher than the north. The south unitary, despite having a lower cost per head, has a higher budget gap due to a higher starting deficit arising from the impact of funding reform. Given that the three unitaries option creates fewer savings due to duplication and fewer economies of scale coupled with the additional costs and disruption arising from disaggregation, it is by far the worst of the considered options in terms of its contribution to financial viability. .

The three unitaries option is simply not viable – it produces the lowest savings and highest future budget gaps.

Analysis also suggests that there is a range of other financial benefits from the creation of a single unitary council for Leicestershire in addition to the assumptions made in the modelling. These can be summarised as follows:

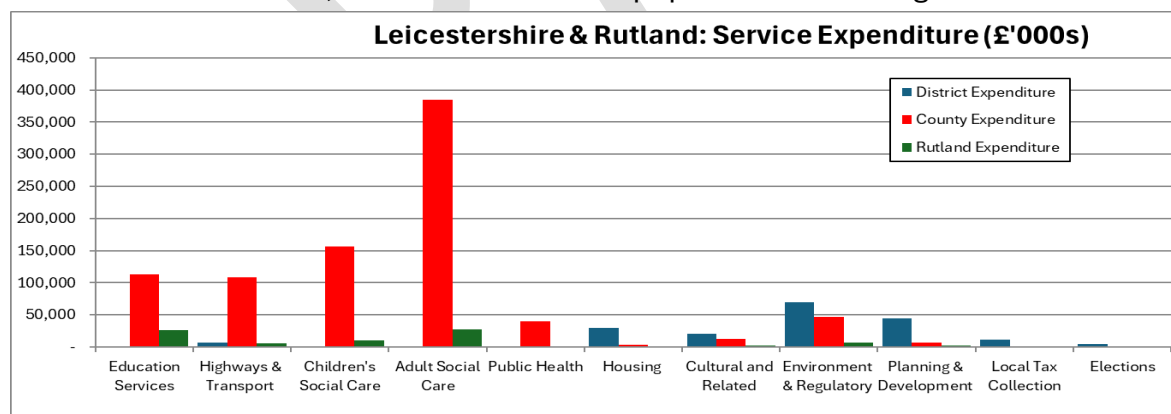
- a) The join up of closely linked services, such as waste collection and disposal, which will allow better operational arrangements, decision making, commissioning and outcomes.
- b) Greater consistency of service levels across the entire County geography (for example approach to food waste, charges for green bins, parking)
- c) Greater financial resilience, sustainability and spreading of financial risk.
- d) Creation of community budgets to enable participatory budgets, as referred to in the section on community engagement and neighbourhood empowerment.

In summary, no option completely resolves financial sustainability in isolation, and it will be heavily dependent on future growth pressures and funding decisions. Council Tax harmonisation will also impact on future funding. The single county unitary option creates savings that are easier to implement and lower costs.

Diseconomies of scale and disaggregation impacts

A commonly cited concern of the merging of organisations is that by becoming excessively big they become more inefficient and are not close enough to the communities they serve. These diseconomies of scale tend to centre on communication problems of the bigger organisation resulting in either a reduced service or additional management. In a county unitary scenario, the diseconomies are unlikely to be significant, due to the nature of the change proposed:

- The geographic area is only changing marginally with the inclusion of Rutland – increasing population by approx. 5%
- The core spending Power of the new authority is only 20% higher than the current county council and would only rank 19th of existing authorities
- The County Council already offers countywide services.
- The single unitary council is a significantly sized organisation, but not excessively so. More recent unitary authorities, such as North Yorkshire, exceed 600k population, and there are examples of long-standing unitary councils, such as Leeds with a population exceeding 800k.



The more significant concern is lost economies of scale and impact of disaggregation which arise in the city expansion and three unitary options. Social care costs make up the vast majority of the County Council's current budget and the success of LGR is heavily dependent on how social care is managed across the options. Using analysis undertaken by Newton, the city expansion and three unitary models all show the estimated increased costs of social care and at a high-level show:

- New unitary councils with populations substantially below 500,000 people will increase the price councils pay for care, putting further financial costs on these under-pressure services
- Splitting county councils into smaller local authorities will require hundreds of new senior roles when councils are already grappling with a shortfall in care staff. Modelling shows that if all new unitary councils had a population of below 500,000, this would result in a requirement of between 500 - 1,100 additional management and senior roles in care services – which the CCN warns will be impossible to fill.
- The report recommends that the government avoids, where possible, splitting up people-based services. Where this cannot be avoided, the government must ensure that all new authorities are above their stated criteria of 500,000 or more.
- The study also recommends that given the level of competing proposals, and the risks highlighted by the report, ministers should give a heavy weighting towards the impact on splitting up these care services when they decide on proposals and should even consider appointing an independent body to evaluate the proposals.

For Leicestershire particularly, the Newton research shows an increase in the cost of delivering social care in all options other than the single county unitary:

	Total spend per resident 2025 (day 1)	Total spend per resident by 2040
Single County Unitary	£716	£1,353
City expansion (residual county)	£740	£1,375
3 Unitary:		
North	£746	£1,418
South	£702	£1,312

This is supported by the Council's financial modelling which shows a higher overall costs per head in the north unitary.

This analysis demonstrates the significant financial and services risks arising from the disaggregation of social care services. The breaking up of districts in the city expansion options compounds this and creates untested risks. Overall spend per head will

increase, with the economies of scale efficiencies gained by the city being reflected in lost economies of scale for the county and fragmentation of services across the whole area.

There are also likely to be potential disaggregation issues outside of the core modelling and these are given in more detail in the Section on High Quality and Sustainable Public Services. The city expansion options will include a transfer of county assets and service points across boundaries which may be disruptive and costly for the council to manage and may mean a loss of service for county residents. Many of these assets sit on the urban fringe where service users travel into from more remote areas. This means that assets will move into a different council area to where the majority of the service users who use them are residents. As an example, the Whetstone Household Waste and Recycling site is within the city boundary extension area and has a much lower unit cost than the Council's other sites at £62 per tonne compared to £96 per tonne for other sites. If the County area needed to replace the facilities within its borders it would cost tens of millions of pounds.

Finally, it's important to note that the impact of the city expansion and three unitary options is not just seen through disaggregation costs but also in reduced aggregation savings – assumptions around savings delivery across back office and third party spend savings lower across the city expansion and three unitary options.

Managing and funding transition costs

Indicative implementation costs for the options of a single unitary council for Leicestershire and Rutland are £21.5m, comprising:

- Staff redundancies: A significant proportion of the unitary financial benefits come from reducing the number of staff employed across all of the councils included in the reorganisation, particularly at a senior level. Experience of previous efficiency projects has shown that estimated costs in this area tend to be overstated due to the mitigations that can be put in place, such as redeployment, staff opting to take retirement and holding vacancies. This will be particularly relevant to the reorganisation due to the multi-year implementation.
- Cost of integration and decommissioning IT systems: Funding will be needed to integrate and replace the core service systems, including the merging of necessary historic service information. The approach of adopting the best existing system where would be taken where feasible which would allow costs to be lower than if new systems were procured and implemented.
- Implementation team and specialist support: An implementation team will be required to perform the detailed service design work for the new organisation, implement the changes and minimise service disruption. It is estimated that the team would be in place for approximately 3 years. The implementation team will

need access to specialist advice and support, for example legal advice to review employment and supplier contracts.

- Shadow authority costs: In the year before going live it will be necessary to run a shadow organisation to support the move to the new arrangements. Elections will be held during this period.
- Communications and training: Residents and partners will need to understand any changes to their ability to access services. The new organisation will require a new branding. Members and staff will require inductions and training, which is likely to be in excess of the existing budgets.

A single unitary option offers the greatest financial benefit, and a swift pay back of implementation costs:

- Annual savings in the region of £40m, and a net benefit over 4 years exceeding £90m.
- Implementation costs of £21.5m, giving a payback of circa 1.5 years
- The three unitary option would deliver around 50% fewer savings - £17m annually, and £25 net saving over 4 years with a 2.8 year payback on implementation costs.

With a proposal of this scale, it is natural for uncertainty to exist over the implementation costs. However, the risk to the financial case being undermined is very low due to the short payback period. The implementation costs are only incurred once, but the savings recur every year. Even in the extreme scenario of the implementation costs doubling, the pay-back period for both options would remain less than 5-years in all options.

Some of this investment would require funding in advance of the savings materialising. With such a rapid payback it would be possible to borrow money on a short-term basis to be repaid when the savings materialise with a minimal impact on the business case. However, it is preferable to fund the costs using existing resources and it is highly likely that the strong balance sheets of the councils involved in this proposal will facilitate this.

There would be costs and other risks associated with an expansion of the city boundaries, as follows:

- a) Choices of where to access services for remaining county residents would be reduced where physical assets are transferred to the city. There would need to be agreement over ownership of such assets and potentially sharing of costs. This may create tensions and complexities between the two authorities, and confusion for residents.

- b) If the amount of assets transferred were significantly different to the level of residents in the area, service points would need to be opened or closed to rebalance.
- c) The preparatory work for change would increase with multiple agreements required to deal with treatment of assets, historic liabilities and arrangements for services that cannot easily be split, such as control of streetlights.
- d) Whilst disaggregation costs have been estimated in the financial modelling, these are only assumptions and as there is no precedent for reorganisation involving boundary changes and breaking up districts. There is a high level of risk that these costs could be higher.

Council Tax Harmonisation

Currently Leicestershire residents pay the same level of Council Tax for County Council services regardless of where they live. A different level of Council Tax is charged by each of the district councils. The level of tax varies depending upon a variety of factors including:

- The amount of other income received from alternative sources, for example Government grants, service charges and investments
- The services, and their levels, offered by the district council
- Services, and their levels offered by parish councils, funded by a separate precept;
- demand for services
- Efficiency of individual organisations.

Any new unitary council would be required to charge the same level of Council Tax to all its residents, for the services they deliver. This is known as Council Tax equalisation (or harmonisation). The level of Council Tax would be a political choice for the new unitary council, and the implementation can be phased following agreement with Government. The Financial Orders governing the last set of reorganisations permitted a five-year period for this equalisation to take place. An additional precept would be set by each parish or town council, meaning that the final amount of Council Tax paid by residents would vary slightly across the unitary authority/authorities. Depending on what level council tax is equalised at, then there could be a reduction in the income available to the new unitary council. However, again depending on the level, it does mean that many of the residents become direct financial beneficiaries of the savings delivered through reorganisation. The phasing of this reduction in income helps to de-risk the implementation as it can be set with the implementation cost and rate of saving in mind.

Residents' Council Tax bills comprise of charges from different types of organisations. The table below sets out the local authority Council Tax charges levied in Leicestershire and Rutland in 2025/26 for a Band D property.

£ p.a.	Blaby	Charnwood	Harborough	Hinckley & Bosworth	Melton	North West Leicestershire	Oadby & Wigston	County Area (average)	Rutland
County Council	1,681	1,681	1,681	1,681	1,681	1,681	1,681	1,681	2,219
Police and Crime Commissioner	300	300	300	300	300	300	300	300	300
Combined Fire Authority	87	87	87	87	87	87	87	87	87
District Council	195	149	165	141	208	167	262	172	0
Parish and Special Expenses (average)	144	110	92	95	74	103	0	97	65
Total	2,407	2,328	2,325	2,304	2,351	2,338	2,330	2,338	2,671

The precepts relating to the Police and Crime Commissioner, Fire Authority and parish/town councils are not directly impacted by the equalisation process. Similarly, a practice currently undertaken by some district councils of making a Special Expense charge, where one or more special items relate to only part of what would be the unitary area, can be continued by the unitary council/s. The reorganisation proposals include the potential for existing parish councils to take on more responsibility, should they choose to do so. However, there is no expectation that existing funding arrangements with Parish Council's will change, and no changes have been included in the financial modelling.

The table below sets out the difference in charges levied in in 2025/26 for a Band D property.

£ p.a.	Blaby	Charnwood	Harborough	Hinckley & Bosworth	Melton	North West Leicestershire	Oadby & Wigston	Rutland
County Council	1,681	1,681	1,681	1,681	1,681	1,681	1,681	2,219
District Council	195	149	165	141	208	167	262	0
Two-tier charge	1,876	1,830	1,846	1,822	1,889	1,848	1,943	2,219
Difference to lowest	54	8	24	-	67	26	121	397

The new unitary council/s can decide the level of Council Tax that they harmonise to. If this harmonisation takes place below the level of the current average Council Tax bill

then there will be a reduction in income received by the new unitary council/s and residents would have the benefit of a proportion of the savings arising from reorganisation. For the single county unitary option, if the lowest level is chosen the Council Tax charge would be based upon the charge of Hinckley and Bosworth Borough Council. The difference is shown in the table below.

Based upon the current Band D levels the harmonisation of Council Tax would result in a financial impact of up to £13m if harmonised at the lowest level under the single County option. This would reduce the resources available for the new unitary council but with a corresponding benefit to Leicestershire residents through lower Council Tax bills. This reduction in bills equates to 3% of the current county plus district charges.

The city expansion options create further complexities for Council Tax harmonisation, as the city would also need to consider how to harmonise with the district council taxbase that would move to the city. The 2025/26 Band D for the city council is £2,021, with approximately 70,000 of the current Leicestershire taxbase moving to the city under the city's preferred option. The lowest Band D Council Tax for the districts that the city is proposing to transfer is Charnwood, at £1,854. Harmonising to this level would have a financial impact of £16m for city, which again would reduce the level of resources for the new city unitary with a corresponding reduction to the amount that residents pay. Due to the Mayors harmonisation position this means that re-organisation would have no material impact on the City's financial sustainability.

The residual county area would still need to harmonise its own council tax levels, which would have a cost of £10m. This is primarily due to the significant difference in council tax levels between Leicestershire and Rutland (£367 p.a compared to the combined County and Hinckley and Bosworth precept), This is expected to be manageable by the savings generated by incorporating Rutland into the re-organisation proposal.

Therefore, the total impact of Council Tax harmonisation in the event of the city's preferred option would be £26m (compared to £13m) for the single county unitary option) – which would represent a reduction in resources across both of the new unitary councils.

If reorganisation is undertaken the actual reduction in Council Tax bills will depend upon:

- The relative district charges at the time of reorganisation
- The approach taken to charges during the equalisation period, expected to be up to five years post reorganisation
- Change to charges due to any responsibilities transferred to parish councils
- Changes to special expense charges, or introduction of new ones.

The benefit received by individual taxpayers will depend upon their existing district of residence, with Hinckley and Bosworth Borough Council residents receiving no benefit

from this aspect of re-organisation. All other residents will see a reduction to bills with residents of Oadby and Wigston Council seeing the greatest reduction at around £100 per annum, based on current levels and allocations of Council Tax.

Risks and uncertainties with the financial modelling

The financial modelling is based on a range of assumptions. Where possible, comparisons have been made to previous reorganisation business cases to gain assurance that assumptions are reasonable. The Council has also drawn on the experience of PwC in providing quality assurance using their nationally recognised LGR model. There are still significant uncertainties with the modelling, particularly in the case of the city expansion options as there are no previous reorganisations which have broken district boundaries. The disaggregation costs involved with those options will have the highest risks associated with them and therefore the greatest level of uncertainty that the savings can be delivered.

There are some specific risks with the assumptions:

- Transition costs may be understated, particularly in relation to redundancy and pension costs which can have significant variation
- Inflationary assumptions may be under or overstated
- Future funding for each new authority has been based on current Fair Funding proposals – for which information is currently incomplete and subject to change
- Others to be added before final submission and taking into account any scrutiny comments

Sensitivity Analysis

MORE DETAIL TO BE ADDED

Category	Sensitivity	Impact
Disaggregation	A 20% increase in the disaggregation assumption increases the costs of the city expansion option by approx. £1m.	This impacts on all options except the single county unitary options and would potentially reduce the saving differential.
Aggregation and Transformation savings	A 10% change across all assumptions would reduce the overall benefit by £3m in	This slightly reduces the differential between the single county and city

(excluding senior leadership and democratic)	the Single County and Rutland option and £4m in the city expansion option.	options, but the net benefit is still significant.
Transition costs	Increasing costs by 50% across all options	Payback period increases but still reasonable – still within 2 years for the single county option and 3 years for the city expansion.

The PwC model includes some stretch targets to show the savings that could be achieved if assumptions were exceeded. This shows savings could be approx. 18% higher for the single county and city options (around £10m) but again does not change the overall ranking of the options. It does not look at any sensitivity on disaggregation costs.

Unlocking Devolution

The Government has indicated that it wishes to see devolved powers across England. One of the criteria is that two or more upper tier local authorities would need to combine to form a Mayoral Strategic Authority (MSA). Unlocking devolution in Leicestershire will allow better alignment to public services, boost economic growth and place funding and powers closer to residents to empower communities. With Leicestershire currently sitting outside of the neighbouring East Midlands Combined Authority (EMCA), Greater Lincolnshire Combined Authority (GLCCA) and West Midlands Combined Authority and missing out on influence and funding streams, a devolution deal is vital to avoid a devolution desert and spatial disparity in the East Midlands.

The County Council supports the creation of a Mayoral Strategic Authority encompassing Leicester, Leicestershire and Rutland.

The election of a Mayor for Leicester, Leicestershire and Rutland would give the area a stronger voice and profile, championing its strengths and advocating its priorities to shape the future.

The creation of an MSA, with additional powers, flexibility and funding available for Leicester, Leicestershire and Rutland will deliver significant benefits in the following areas detailed below:

Stronger, More Accountable Leadership

A single, visible figurehead with a democratic mandate from the people will provide:

- **Clear accountability:** A directly elected mayor is answerable to the local electorate, ensuring that decision making is transparent and that leaders are held accountable for outcomes.
- **Unified vision:** The mayor can articulate and drive a strategic vision for the whole sub-region, aligning urban Leicester with its rural and market town neighbours in Leicestershire and Rutland.
- **Enhanced Negotiation Power:** With one voice representing the sub-region, there is greater influence in negotiations with central government and private sector investors.

Economic Growth and Investment

Leicester and Leicestershire form the largest economy in the East Midlands with a diverse industrial base and strong integration between the city and county. The

combined economy, including Rutland, generates £37bn in GDP (2023), supporting nearly 514,000 jobs and over 47,000 businesses. The economy is characterised by a strong manufacturing base, significant service sector growth and strategic transport infrastructure including the UK's second largest freight airport.

Workforce data shows strong commuting ties between the city and county, with a similar number of residents travelling from the city into the county for work to the number travelling from county to city. Data patterns for Rutland suggest that more people from Lincolnshire travel into Rutland from any other area although these are still relatively small numbers.

An MSA will unlock greater powers and funding from central government, which can be invested directly into boosting economic growth and investment in the area. The benefits are:

- **Attracting Investment:** Investors prefer clarity and stability. An MSA can remove the current competition between different authorities and market the sub-region as a unified economic area, highlighting its assets such as Leicester's strong manufacturing base, Rutland's tourism appeal, and Leicestershire's technology, innovation and life science sectors.
- **Tailored Skills Programmes:** The MSA can commission and coordinate skills and employment initiatives working closely with education partners that reflect the specific needs of local employers, reducing skills gaps and boosting productivity.
- **Infrastructure Development:** With devolved control over transport, digital connectivity, and strategic planning, the Mayor can prioritise and deliver infrastructure projects that are vital to the Leicester, Leicestershire and Rutland sub-region that might otherwise be delayed, overlooked or for which funding would not otherwise be prioritised.
- **Regeneration opportunities:** through continued investment in our Enterprise Zones at MIRA Technology Park, Loughborough University Science and Enterprise Park and Charnwood Campus, and the creation of investment zones and development companies.
- **Devolution will align with the National Energy System Operator plans for a Regional Energy Strategic Plan and having a Mayor in place will enable Leicester, Leicestershire and Rutland to shape the development of the Plan.**

Transport and Connectivity

Connectivity is critical for the economic and social prosperity of Leicester, Leicestershire and Rutland. An MSA can:

- **Coordinate Strategic Transport Planning:** Having a single body with responsibility for planning for the transport infrastructure and services across Leicester, Leicestershire and Rutland aligned to the strategic planning and growth agenda and underpinned by robust transport modelling will enable the MSA to act in the overall best interests of our communities. Through taking an overall view of the sub-region, the Strategic Authority will be able to determine where, from transport and wider perspectives, growth might best be placed and prioritised. The MSA will then oversee the implementation of integrated transport solutions, such as joined-up bus and rail services, cycling networks, and road improvements required to support growth, that work across council boundaries.
- **Secure Funding for Major Projects:** The MSA will have a stronger voice for engaging at a regional and national level in conversations to secure the strategic scale investment in the transport system crucial to the future growth of the region, learning lessons from Mayoral authorities in other regions which have successfully bid for substantial funds for tram extensions, new rail stations, and green transport initiatives.
- **Integrated Settlement:** Combining multiple transport-related funding streams into a single settlement will allow greater flexibility than the current position, where separate funding by transport mode is received such as for buses, roads and active travel. This will also enable the long-term planning and delivery of infrastructure that reflects local priorities and supports economic growth and housing development through the creation of integrated transport networks.
- **Promote Travel Choice:** Investing in transport options that widen choice for our residents for work, training, education and leisure trips will help ensure access to opportunity for all, reduce congestion and improve health.

Housing and Strategic Planning

A sub-regional Mayor for Leicester, Leicestershire and Rutland can address challenges and opportunities in housing, planning, and land use by:

- **Developing a Cross-Boundary Spatial Development Strategy:** This will remove the current barriers (administrative and political) to strategic planning. The spatial distribution of growth will no longer be confined to district boundaries, ensuring growth meets demand and takes place in the most sustainable locations. This will address the current issues of unmet housing needs in existing urban authorities such as Leicester City Council, and potentially Oadby and Wigston Borough Council as well. Developments will be focussed where impacts of growth can be adequately mitigated with targeted investment in infrastructure.

- **Approach to Strategic Planning:** Identifying clear and coherent policies which respect the character of Rutland's countryside, the needs of Leicestershire's towns and Leicester's urban regeneration ambitions that will lead the way for comprehensive delivery strategies and contribution mechanisms.

Improved Public Services and Social Inclusion

A MSA for the sub-region can better align public services and tackle inequalities by:

- **Integrating Health and Social Care:** Through being a lead representative on the Integrated Care Board (ICB) for LLR, the Mayor will be able to influence the creation of health and social care plans at the subregional level to drive service changes across health and social care to offer a more seamless experience for residents and improve health care outcomes.
- **Supporting reductions in health inequalities:** Support reductions in health inequalities by focusing on issues relating to the wider determinants of health such as the environment, income and housing. The Strategic Authority will be required to have regard to improving health and reducing health inequalities across the breadth of their responsibilities. It will build on the County Council's existing Health in Policies approach to ensure that the area's most at risk of health inequalities are considered as part of decision making. It can also target resources at disadvantaged neighbourhoods, supporting education, skills, and employment programmes to level up life chances across the region. This breadth of focus creates real potential to embed health in decisions on areas including transport, housing, economic development and employment.
- **Championing Inclusion:** A Mayor can act as a figurehead for promoting social cohesion, tackling hate crime, and celebrating the area's rich history and culture.

Skills and Employment

The skills agenda has increasingly been at the forefront of partnership arrangements in the region. The data shows that there are higher qualification levels in Leicestershire (44.6% at Level 4 or above) and Rutland (51.5% at Level 4 or above) suggesting a strong potential for knowledge-based industries. Lower qualification levels in Leicester City (39.7% at Level 4 or above) and high rates of no qualifications (12.5%) indicate a need for targeted educational and skills interventions. A new, single, strategic commissioning body will focus on:

- **Targeted Skills investment:** upskilling residents in Leicester City, especially in areas with high rates of no qualifications, developing adult education and

retraining programmes and exploring the potential to deliver these in partnership with local colleges and universities.

- **Inclusive Economic Growth:** ensuring that economic development plans include pathways for residents with lower qualifications and promoting apprenticeships and vocational training in sectors with growth potential.
- **Place-based Policy Design:** using the contrast between city, county and Rutland to design place-sensitive interventions, such as more intensive support in urban wards and innovation hubs in highly qualified areas like Rutland.
- **Data-Driven Monitoring:** setting targets for qualification improvement and tracking progress as well as using granular data to identify neighbourhood-level disparities and adjust policies accordingly.

How the MSA will deliver for LLR

The population size of Leicester and Leicestershire (1,095,000 based on 2022 Office for National Statistics mid-year population estimates) or Leicester, Leicestershire and Rutland (1,137,000 based on 2022 Office for National Statistics mid-year population estimates) falls short of the population requirement for an MSA of 1.5 million.

There is confidence in an LLR MSA having the capacity to deliver key functions such as Spatial Development Strategies, Local Transport Plans and Employment and Skills Programmes through a combination of:

- Strong leadership and governance.
- Robust strategic planning, drawing on skills and experience already available across Leicester, Leicestershire and Rutland .
- Effective partnership working, building on existing strong relationships with key stakeholders such as universities, further education colleges, the Chamber of Commerce and transport providers.
- Sound financial management, building on the County Council's reputation for efficiency and comprehensive financial planning.
- A commitment to evidence-based decision making and continuous improvement, learning from the strong performance management culture in place at the County Council.

By assembling the right skills, systems, and partnerships, the MSA can provide credible assurance to government, investors, and the public that it is ready and able to deliver transformative outcomes in spatial development, transport, and skills for the region.

Stronger Community Engagement and Neighbourhood Empowerment

This section focuses on proposed new arrangements in Leicestershire County and Rutland, recognising that Leicester City Council has existing mechanisms for delivering community engagement and neighbourhood empowerment.

Leicestershire's distinctive rural character and diverse communities, including market towns, villages, and neighbourhoods shaped by geography and shared interests, bring unique strengths and challenges to the county. The agricultural heritage of Leicestershire, coupled with its historic settlements and cultural traditions, fosters a strong sense of identity and shared values among residents. Retaining the existing county boundaries will not only preserve these established community connections and identities but also ensure that residents continue to live within familiar borders, reinforcing their sense of belonging and pride in Leicestershire. This continuity supports social cohesion and enables the county to build upon its deep-rooted relationships, ensuring that local voices are heard and that policies reflect the needs and aspirations of its people.

Rutland, England's smallest historic county, is a place of quiet charm and deep-rooted identity. The county's character is distinctly rural, with a strong sense of community and pride in its independence, having regained county status in 1997 after a period of amalgamation with Leicestershire. It is recognised that Rutland will need to retain its ceremonial status and significant codesign of the community engagement model to ensure it delivers for Rutland residents.

A new approach to local government in Leicestershire and Rutland provides a greater opportunity to reassess and refocus how a council can be meaningful to the lives of residents by building stronger relationships with communities and focusing on what is best for them. This will include devolving decision making to a local level, both through the development of area committees and by strengthening the role of parish and town councils.

It also provides the opportunity to look at how communities help shape decisions taken by local government and how local government ensures they are delivering the right services in the right way. In looking at this challenge, best practice from unitary councils elsewhere in the UK has been captured and assessed, and a new model that meets the unique strengths and challenges in Leicestershire and Rutland has been proposed.

While traditional methods such as consultations and council meetings provide a foundation for engagement, there is significant potential to build on this by creating

more inclusive spaces where residents can actively collaborate with local decision-makers.

Area Committees

Through area committees, the new unitary council for Leicestershire and Rutland will ensure that local people are involved in decisions that affect them and their local area.

The creation of area committees will ensure that local communities are at the heart of the decision making and will provide a way for local people to shape the policies and services of the new unitary council and its partners. They will be underpinned by a system that is more effective and responsive to communities. Although not entirely new to Leicestershire, previously implemented initiatives such as Community Forums and Participatory Budgeting, provide a solid foundation to build upon. These forums brought together all tiers of government—including County, District, and Parish Councillors, alongside key partners such as the Police, health services, local town and parish councils and local voluntary sector organisations.

New area committees will deliver visible and transparent decision making at a local level and strengthen local leadership. Whilst they could be formally constituted with some delegated executive powers and corresponding budgets, it is proposed that the size and functions of area committees and the way in which they operate is developed through local engagement with key stakeholders.

Having a budget assigned to each area committee will be important as this will give local people and partners the opportunity to participate in and influence local decision making and service priorities. To this end, area committees could choose to hold themed meetings focused on specific issues and establish task-and-finish groups to address topics in greater depth.

Area Committees will play a vital role in the council's future governance model, acting as locally focused bodies with autonomy to influence decisions and drive community-led change. To ensure value for money remains a priority, they will not be responsible for direct service delivery, but will hold an important oversight function, ensuring services are delivered effectively and reflect the needs of their local areas. For example, this includes supporting initiatives around community safety, health and wellbeing, using preventative approaches, which are increasingly recognised in NHS neighbourhood health service models as effective in improving outcomes and reducing demand on public services.

These committees will:

- **Engage actively with communities of geography and interest**, including rural villages, urban market towns, and diverse neighbourhoods.

- **Promote and develop community capacity and resilience**, by bringing together residents, voluntary groups including small charities, and public sector partners.
- **Lead on local priorities and initiatives**, using delegated powers to shape service design, funding decisions, and place-based projects.
- **Provide a trusted platform for collaboration**, enabling inclusive dialogue and joint working across sectors.
- **Build trust and accountability**, through transparent governance and sustained local engagement.

Area committees will meet in each local area to ensure that they are accessible to members of the public and local partners. Area committees could also choose to support the development of neighbourhood plans for localities within their area.

Composition of Area Committees

Whilst it will be up to each local area to determine the exact composition of the committee, membership should comprise the elected unitary councillors representing the electoral divisions covered by that area committee; representatives from local partner organisations including the Integrated Care Boards (ICBs), local neighbourhood policing team; local voluntary sector organisations, Local Area Co-ordinators; representatives from local parish and town councils and members of the public.

Budget

Budgets such as community grants, that are better managed at a local level, could be controlled by area committees. The savings in this business case do not assume a reduction in the funding that is already provided by the two tiers of local government to community organisations, rather these grants could be supplemented by some of the savings generated by reorganisation to support local priorities and delegated functions. A robust set of criteria will be developed to guide budget allocation, ensuring the council maintains oversight and delivery of its statutory responsibilities, while empowering area committees to take a more active role in addressing local issues, such as flooding prevention, environmental improvement, and other place-based priorities where local knowledge and action can make a strong impact.

Transparency on each area committees' budget and record of spending will be required and set out within the constitution.

Member Role

The council is committed to building on the existing support and experience of its councillors by further investing in their development as strong local leaders. In addition to current training and mentoring, the council will draw on national resources such as the [*LGA Councillors' Workbook on Neighbourhood and Community Engagement*](#) and leadership programmes like *Leadership Essentials*.

Councillors also participate in the Police and Crime Panel, which receives regular updates on the Violence Reduction Network (VRN) and can access tailored training such as the 14-week Community Leadership Programme, delivered in partnership with the Office of the Police and Crime Commissioner (OPCC), which equips community leaders with the skills to address crime and build safer communities. A trauma-informed training session has also been proposed for panel members, led by the VRN's Strategic Director.

Additionally, the VRN facilitates community events where young people present solutions to local decision-makers, fostering collaboration and shared understanding of the root causes of serious violence.

These tools will enhance councillors' skills in community engagement, partnership working, and place-based leadership—ensuring they are well-equipped to lead area committees, connect with residents, and drive forward local priorities in a collaborative and inclusive way.

The Size of Area Committees

Area committees would be designed around the following building blocks:

- Reflect natural communities in terms of economic and local interest and identities;
- Electoral divisions;
- Local delivery arrangements such as the health and social care integrated locality teams, primary care networks and neighbourhood policing units;
- Parliamentary constituencies;
- Need for broadly similar sized populations.

It will be essential for the new unitary council to co-design the geographies for area committees in conjunction with local communities. They are particularly well placed to advise on what constitutes a natural community and whether areas have similar local interest and identities or not. Proposals on area committee boundaries will be subject to engagement, development and review by the new Unitary Council and local communities. The plans for this engagement, and the resulting decisions will be

included in the final plan as a key part of ensuring area committees begin as they mean to continue, with collaborative planning and a strong community voice.

Role of Parish and Town Councils

Parish and Town councils will have a key role in ensuring that the new unitary council for Leicestershire is connected to local communities and supports them to thrive. The council has worked collaboratively with the Leicestershire and Rutland Association for Local Councils (LRALC) and local councils in recent years, to identify and define what the future role and relationship between a new unitary council for Leicestershire and parish and town councils in Leicestershire would look like.

This framework sets out the scope and principles to be achieved, lessons learnt from elsewhere in the UK and provides an opportunity to be ambitious, bold and risk aware in service devolution.

The principles underpinning the devolution framework include:

- The opportunity to empower local councils;
- Services that reflect the priorities of local communities;
- Devolve when value for money can be demonstrated (i.e. services can be delivered at least as effectively at a local level), and a business case is agreed;
- Support Town and Parish Councils to achieve the qualifications and access the training and support required to take on more responsibility;
- Learn from other Town and Parish Councils and other unitary councils;
- Co-design at all stages of the process;
- Be ambitious, bold, risk aware (not risk averse).

It is recognised that not all areas of the county are parished. The new unitary council will seek community and stakeholder views to create new Parish and Town Councils, should the local area wish to do so. However, where an area chooses not to become parished, services would continue to be delivered by the unitary council, and these areas would still be covered by Area Committee arrangements. The Government's guidance on this matter, that areas considering new town or parish councils should think carefully about how they might be funded, to avoid putting further pressure on local authority finances and/or new burdens on the taxpayer, is also to be taken to account. It is important that the new unitary council for Leicestershire and Rutland will be able to connect to neighbourhoods through unitary councillors, area committees and the local models of service delivery described below, rather than rely on Parish and Town Councils to provide this local connection.

Area committees will be recommended to have greater regard to the needs of unparished areas to ensure that these communities are not disadvantaged or facing a

democratic deficit. Community Governance Reviews are currently planned for the towns (and in some cases surrounding villages) of Coalville, Hinckley, Loughborough and Market Harborough.

Parish and Town Councils will be free to choose the level of involvement that they have in delivering devolved services through a menu of options, including the option of not being involved at all. Any additional services which Parish and Town Councils deliver on behalf of the unitary council will need to be in line with its policies and priorities. Since 2019, the County Council has developed a Parish Partnerships project with Parish and Town Councils, which begins to support devolution of services at a local level. The scheme is optional and provides a solid basis for communities to influence decisions on their area in future. It is also recognised that the unitary council will need to provide funding and support. Appropriate governance and monitoring arrangements will be put in place.

Local Models of Delivery

Providing options to strengthen communities through the devolving of services to community groups will be considered as the final plan is developed. The new unitary authority will build on Leicestershire County Council's strong track record of devolving services, such as community managed libraries (run by volunteers), flood wardens and the snow warden scheme to support prevention. Strengthening and building on these existing volunteering programmes will help to ensure that the new unitary council is connected to local communities and supports them to thrive. This includes supporting existing Town and Parish Councils who wish to engage with the new unitary council in the delivery of local services on a voluntary basis. The proposal will build on the devolution framework set out above.

Demonstrating Strong Community Engagement

Leicestershire County Council has a well-established and comprehensive approach to community engagement, forming a strong foundation for a new unitary council. Through close collaboration with local and national bodies, regular communications, and a variety of engagement events and digital tools, the council has enabled Parish and Town Councils, as well as residents, to have a meaningful say in local services. Successful community-led initiatives, support for Neighbourhood Planning, and inclusive networks such as the Communities Network and Local Area Coordinators (LACs) underline this commitment. The council's programmes empower diverse groups, support families, offer adult learning, and address local challenges through targeted initiatives like roadshows and forums. The Communities Strategy further embeds co-design and volunteering at the heart of service delivery. Altogether, these practices provide a solid platform for further devolution of decision-making, local leadership, and enhanced participation under a new unitary council structure.

Benefits of the Proposed Model

The creation of a single unitary authority offers several distinct advantages over a split county arrangement, which will directly enhance the effectiveness of area committees. These are:

- **Consistent Core Service Offer:** Under one authority, centrally managed services will be delivered consistently across Leicestershire. This consistency ensures that all communities have equitable access to essential services, while area committees can identify additional priorities or needs for their locality and advocate for this to be funded over and above the core offer.
- **Central Management, Local Delivery:** Services are managed centrally, allowing for strategic oversight and efficient resource allocation, but are delivered locally by unitary council staff. Area committees provide oversight and feedback, ensuring services meet local expectations without duplicating administrative costs.
- **Transparent and Visible Decision-Making:** By embedding area committees within a single authority, decision-making processes remain consistent, visible, and accountable to residents countywide. This transparency fosters trust and engagement, as all communities benefit from the same standards and opportunities for influence.
- **Empowered Local Leadership:** Area committees, supported by assigned budgets, enable meaningful participation from local people and partners across the public and voluntary and community sector. Local leadership is strengthened under a single unitary council, uniting voices from across the county and amplifying collective impact rather than fragmenting it across competing authorities.
- **Efficient Collaboration and Shared Learning:** A county-wide approach leverages the existing volunteer network, communities of interest, and established engagement channels, enhancing collaboration and knowledge sharing.

All options under consideration carry the possibility that the new unitary authority may be viewed as distant from local residents. For example, under the North/City/South model, communities including Oakham and Uppingham in Rutland and Coalville in North West Leicestershire would be part of the same unitary authority despite their differences.

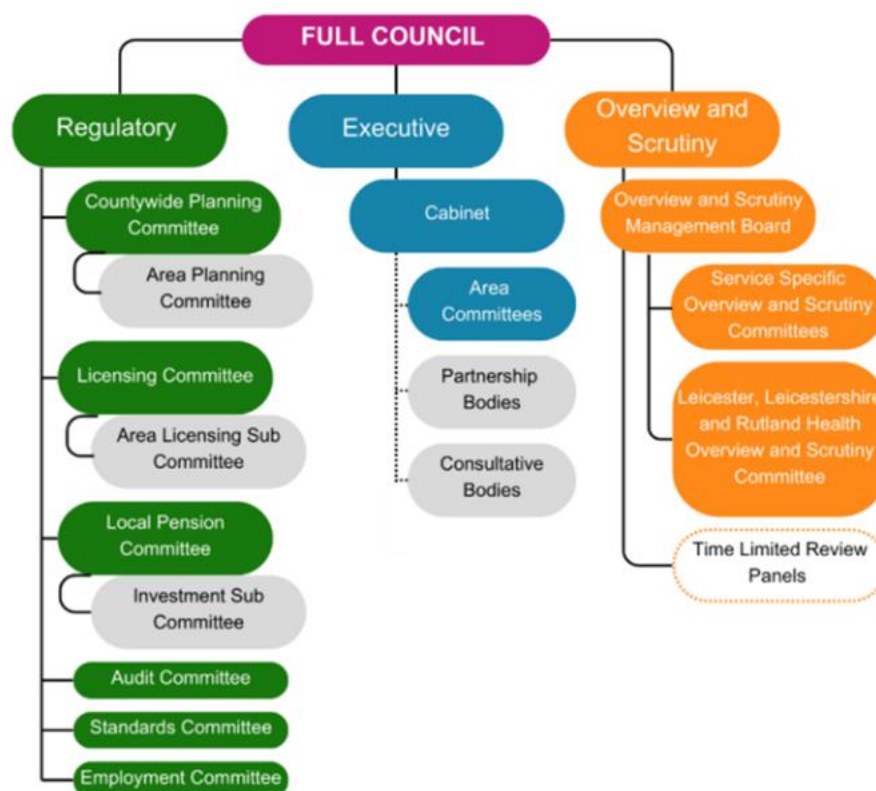
There is also a significant risk that dividing Leicestershire into two authorities could undermine the benefits realised through the creation of a single unitary council for Leicestershire and Rutland. In particular, a two unitary model for the county would see:

- **Fragmented Service Standards:** Separate authorities could result in inconsistent service delivery, with variations in accessibility, quality, and resourcing. Communities might experience inequities, with some areas under-resourced or unable to pursue locally identified priorities due to more limited budgets or policy constraints.
- **Duplicated Governance and Increased Costs:** Two authorities would necessitate parallel governance structures, creating unnecessary duplication and administrative overhead. This reduces efficiency and diverts resources away from front-line services and community initiatives.
- **Reduced Collaboration:** Splitting the county would hinder the ability to coordinate efforts across communities, impairing knowledge sharing and the scaling of successful engagement practices. Networks and partnerships such as the Armed Forces Network, Nature Network, and Volunteer Networks would lose county-wide reach and impact.
- **Weakened Community Voice:** Fragmentation can dilute the influence of local communities, making it harder for residents to shape overarching policy or advocate for shared county-wide priorities. Opportunities for devolved decision-making and local leadership are best realised through a cohesive, unified structure.

Effective Representation and Governance Structure

This section of the business case describes the governance arrangements that would be put in place to ensure that a new unitary structure for Leicester, Leicestershire and Rutland strengthens accountability and local democracy. To deliver the strongest strategic and local leadership, it is proposed that the new unitary councils covering LLR, including Leicester City Council, adopt the following approaches:

- To employ the 'Cabinet and Strong Leader' model of governance.
- To ensure that all councillors act as community leaders and bring that experience to strategic decision making for the benefit of the county.
- To have a clear and simple structure for local partners to engage with.
- This is in line with the English Devolution and Community Empowerment Bill 2024-25, which prohibits the creation of new directly elected mayors at the individual local authority level and advocates a shift towards having regional mayoralities only.
- It is proposed that the new council will have whole council elections every four years. This is the model already used across Leicester, Leicestershire and Rutland.
- A proposal for a decision-making structure that the new unitary council(s) could adopt is set out below:



The new unitary council will be represented on statutory partnership bodies, such as the Health and Wellbeing Board, Police and Crime Panel, Children's Safeguarding Partnership and Safeguarding Adults Board and will ensure it has the same level of representation that local government in Leicestershire currently has on these bodies.

The unitary council will also continue to engage with the range of voluntary partnerships that the current County Council and district councils are involved with.

Number of Councillors

In determining the number of councillors for the new unitary council for Leicestershire and Rutland, it has been decided that each of the new councillors should serve an electorate of approximately 6,500. This is a higher ratio of electorate to number of councillors than the average for existing single tier authorities, which is approximately 5,000, but will deliver a council size in line with Local Government Boundary Commission for England (LGBCE) guidance that new unitary councils should have no less than 30 and no more than 99 councillors.

In proposing an electorate of 6500 per councillor, the following key criteria have been taken into account:

- Sufficient councillors for the effective governance of the new unitary authority and to enable efficient decision making.
- Sufficient councillors to share accountability and scrutiny roles, along with appointment to outside bodies, more evenly, reducing risk of inappropriate demands and supporting councillor wellbeing
- Sufficient councillors to ensure effective representation of residents and to preserve community identity. This is critical in rural areas where distances are greater, and communities are more dispersed.

It is recognised that elected members must have a realistic and manageable workload to ensure effective representation and decision making and to encourage greater participation in local democracy as well as identifying prospective councillors who are willing to stand for election.

It should be noted that upper tier services are currently democratically underrepresented when compared to lower tier services provided by district councils. Moving to a unitary authority for Leicestershire and Rutland will increase the number of councillors overseeing the existing county council functions, such as social care and highways.

Where an option includes Rutland, there will be an additional five unitary councillors to represent electoral divisions in Rutland. This would give Rutland Councillors a similar sized electorate to those in Leicestershire.

All options will see a reduction of more than two thirds of the number of councillors in Leicestershire County, given that there are currently 306 county and district councillors. Options including Rutland would also see the number of councillors reduced from 27 to five.

The electorate for each option and proposed number of councillors is set out in the following table:

Option	County Electorate	County Number of Councillors
Option 1: Single unitary council for Leicestershire, including Rutland	584,271	90
Option 2: Single unitary council for Leicestershire	551,094	85
Option 3: An extension to Leicester City Council's boundaries to include the Principal Urban Area and adjacent rural areas, as set out in the City Council's Interim Plan	437,916	67
Option 4: Leicester City boundary change to cover the Principal Urban Area	504,638	78
Option 5: Leicester City to include Oadby and Wigston Borough Council and Blaby District Council	461,184	71
Option 6: Leicester City to include Oadby and Wigston Borough Council	566, 292	87
Option 6: Three Unitary Councils for Leicester, Leicestershire and Rutland (North Leicestershire and Rutland, South Leicestershire, City Council on existing boundaries)	North: 294,438 South: 289,833	North: 72 South: 70

The Boundary Commission will be invited to conduct a review at a later stage in the process to confirm council size. In proposing these numbers, the County Council is

aiming to achieve a council size which is right from the outset, to avoid any further disruptions to governance. The experience in Buckinghamshire, where the LGBCE recommended that the 147 councillors elected following reorganisation should be reduced to 97, is to be avoided if at all possible.

Leicester, Leicestershire and Rutland deserve councils that are large enough to be inclusive, responsive, and representative, but not so large as to be unwieldy or inefficient. The numbers proposed will deliver this.

Member Roles and Responsibilities

The role of a unitary councillor will be similar to the existing role of a county or district councillor and a role description will be developed to cover their role as a member of the council, as a community leader and their representative role. However, in recognition that there will be an overall reduction in the number of local elected members, it is proposed that the unitary councillor will be supported to undertake an enhanced role in guiding the council's strategic direction and a higher profile community leadership role.

The role of a unitary councillor will include the following:

Building Community Partnerships: Councillors work proactively to create and maintain strong relationships with local partners, encouraging and facilitating their active involvement in community life. They collaborate with other community leaders to foster cohesion and shared purpose.

Championing Underrepresented Voices: Councillors serve as advocates for individuals or groups who may struggle to make themselves heard, ensuring that all community members have a voice in local affairs.

Committee Participation and Decision Making: Councillors collectively shape policy, set the strategic direction and budget for the council, and influence decisions across all local authority activities. They work to ensure good governance, uphold ethical standards, foster strong partnerships within the local public sector, and encourage community participation in decision-making.

Communication and Advocacy: Councillors are responsible for clearly communicating the responsibilities and decisions of the council, as well as those of other public service bodies working in partnership with the council, to the local community.

Summary of engagement

A summary is below and more detail is available in appendix XXXXXX.

Initial engagement

Initial engagement in February and March 2025 focused on understanding what people value from their council. Every household received information and a copy of the survey through their door and just under 1,500 responses were received.

The survey asked people to rate the importance of nine factors. Over 50% of respondents rated the statements as important (either 'fairly' or 'very') in all cases. Ninety-five per cent of respondents rated 'better public services' as very important' or 'fairly important'.

'A stronger say in local decisions' and 'opportunities to boost the local economy' were rated second and third most important respectively with 93% and 89%.

Further engagement

Further engagement took place in October 2025 with around 1,000 residents, parish and town councils, businesses, voluntary and community groups and council staff.

Online survey

Just under 800 people responded to an online survey asking for feedback on proposals for change.

Just under half (47.6%) of those who responded agreed with proposals for a single unitary council.

Over two-thirds disagreed with any extension of Leicester's boundary and three-quarters of people had concerns about change generally.

Residents

Key feedback from a residents' focus group is set out below:

- Residents want simpler, faster services via a single front door and end-to-end ownership; "two-council ping-pong" is a common frustration.
- Local identity is rooted in towns/neighbourhoods; residents want local touchpoints (parish/town councils, area committees) preserved and empowered.
- Prevention and affordability are priorities. Participants favour reinvesting efficiencies into youth, active ageing, and low-cost community offers.
- Scepticism persists about drivers of change "savings vs services"; people want clear financials, fairness safeguards, and a credible long-term plan.

Voluntary and community organisations

A constructive workshop drew out the key points below:

- Clarity on how area committees would work.
- Important to ensure that smaller organisations and groups – don't get lost in a bigger organisation and that current funding continues.

Parish and town councils

The main theme from a workshop involving around 70 representatives was relief that Leicestershire County Council is not backing a city expansion.

Questions were asked about how area committees will work and what the bigger plan is for devolution.

Businesses

Key feedback from business leaders is a strong understanding that a "one stop shop" under a mayor to co-ordinate inward investment, skills, economic development, transport and infrastructure investment to drive growth, is essential.

Leaders like the idea of a single structure plan for housing and development, feel a more co-ordinated set up is needed to engage with colleges, FE institutions and universities.

There is a strong view that the current system is letting Leicester, Leicestershire and Rutland down and missing out on opportunities to other areas who were better at speaking with one voice to Government.

Staff

Staff feel that LGR offers the opportunity to boost, improve wellbeing through more effective support and empower communities to make decisions locally.

Many said they can see the potential for significant cost savings, reduced duplication, and more streamlined processes, as well as easier access for residents and opportunities to innovate and improve services.

Summary of feedback and response

“You said”

We want joined up, better services - Two council ‘ping pong’ is frustrating when you want to report graffiti, for instance

“We did”

Our proposal will mean there is just one council to contact – and frees up money to re-invest in services

“You said”

There’s too much duplication of back office and managers

It’s important to keep our history and local identity

General support for opposing city expansion, though some concerns remain about future growth.

Explain the risks around disaggregating services

Decisions should be made locally

Desire for Rutland and smaller communities to have a say in new arrangements.

Questions about the role of area committees.

I’m worried smaller organisations will be forced to swim in a bigger pond and could get lost

How will we protect budgets of non-statutory smaller district services?

Are we missing out on devolution?

This seems to be a county council takeover

“We did”

Our bid reduces duplication through fewer senior officers and elected members and reduced back-office costs

Our preferred option is for a single council for Leicestershire and Rutland, with no city expansion.

Our submission retains historic borders and outlines the consequences of an expanded city.

Splitting up services, especially care, risks reducing service quality, losing efficiencies and creating a postcode lottery for vulnerable people – our bid avoids this disruption and worry.

New Area Committees will reflect local areas – and allow local people to have greater involvement in decisions that affect them and where they live

Our submission also boosts the presence and responsibilities for parish and town councils, if they want it.

Voluntary and community organisations will be included in Area Committees

The savings in our bid are not predicated on reducing front line services

Our submission reflects the opportunities for devolution and strategic leadership of the area.

The bid is geared around creating a new council for Leicestershire and Rutland

The submission outlines the governance proposal and elected representation at a local level.

“You said”

We want easier access and less bureaucracy, and more NHS and county service cooperation.

I’m worried my Council Tax will go up and local services will be reduced

“We did”

Our submission is based on one access route for residents and fewer hand offs.

It’s also based on the same geographical area as the NHS and Police.

Our bid saves around £40m a year - maximising the portion of Council Tax spent on services and freeing up money to reinvest in services

Responding to Engagement Concerns**Is the new unitary authority too big?**

The proposed unitary authority is not excessively large when considered in relation to existing national organisations, whether measured by budget, population, or geographical area. In fact, the scale of change at the local level is modest, with only a limited increase in overall budget and minimal adjustment to the geographical boundaries currently served. This ensures that the authority remains sufficiently local to respond effectively to the needs of its communities.

It is important to note that the majority of decision making, particularly in areas such as social care and highway inspections, already occurs at the local level. The reorganisation represents a structural change in governance rather than a fundamental shift in service aims or delivery. Services will continue to be provided with the same local focus and commitment to community priorities.

To further mitigate any concerns regarding the scale of the new authority, specific measures are being implemented, such as area-based planning and local licensing arrangements. These initiatives ensure that decision making remains close to residents and reflects the distinct needs of different communities. Additionally, the new structure is designed to be more sustainable, requiring fewer back-office resources and enabling more efficient delivery of front-line services.

Is Reorganisation worth it?

The benefits of Local Government Reorganisation can be divided into the following categories:

Efficiency and Cost Savings

- A 2020 PwC report (updated in 2025) estimated that full reorganisation across England's two-tier areas could cost £400 million but deliver £2.9 billion in savings over five years.
- Unitary councils can reduce duplication, streamline decision-making, and improve procurement and service integration.

Improved Service Delivery

- Bringing services like housing, public health, and social care under one roof can help councils spot problems earlier and respond more holistically.
- Larger councils may be better equipped to plan and deliver services at scale, especially in areas like infrastructure and economic development.

Devolution and Local Empowerment

- LGR is linked to the Government's ambition for the "biggest transfer of power out of Westminster", enabling more local control and accountability.

Implementation and Transformation Plan

Implementation and Transformation

Local Government Reorganisation is an opportunity to reshape how we serve our communities, deliver public value, and build a stronger, more resilient future for Leicestershire. This Implementation and Transformation plan sets out a clear and practical roadmap for change - one that protects vital services from day one, while unlocking long-term transformation. It is designed for our preferred option:

A single unitary council for Leicestershire and Rutland, retaining current boundaries and leaving Leicester City unchanged.

This option offers the most financially sustainable and least disruptive approach, enabling a smoother transition compared to alternatives:

- **Service Continuity:** Existing county-wide services such as highways maintenance and adult social care can transfer intact, avoiding the costly and time-consuming process of splitting teams and contracts.
- **IT and Finance Systems:** Current systems can be migrated and scaled rather than rebuilt or integrated across multiple new authorities, reducing risk and implementation time.
- **Property and Assets:** Existing council buildings and operational depots can be retained without complex negotiations over ownership or disposal, ensuring continuity for frontline services.
- **Community Engagement:** Local engagement models can be adapted from existing structures rather than redesigned for multiple new governance frameworks.
- **Duplication:** One single leadership, governance and programme management approach can be put in place, with major activities being done once - versus multiple teams, approaches, ways of working and dual activities being required for other options.

By contrast, if an alternative option were pursued—such as creating two or three new councils or expanding Leicester City boundaries—the scale, cost and complexity of implementation would increase significantly. This would involve disaggregating shared services, renegotiating supplier contracts, and implementing multiple IT platforms, all within the same statutory timeframe.

Our implementation approach is ambitious but grounded: informed by national best practice, shaped by local strengths, and focused on outcomes that matter. We've structured the journey into 3 key phases - initiation, stabilisation and transformation - recognising that implementation and transformation must work hand in hand.

While implementation builds the foundations of the new council, transformation will drive innovation, efficiency, and better services for residents - it's about creating a council that's ready for the future, with the right leadership, systems, and culture to thrive.

Our Approach

We are committed to a delivery model that is both bold and pragmatic. Our plan is shaped by a clear-eyed assessment of the challenges and opportunities as well as building on learning from previous reorganisations. We will ensure that implementation and transformation are deeply interconnected: implementation will establish the new authority — its governance, systems, people, and policies — while transformation will drive the reshaping of services, culture, and delivery models to better meet local needs and expectations

Design Principles

These principles will guide the design and delivery of the new council, ensuring that transformation is embedded from the outset and that service continuity is protected throughout the transition.

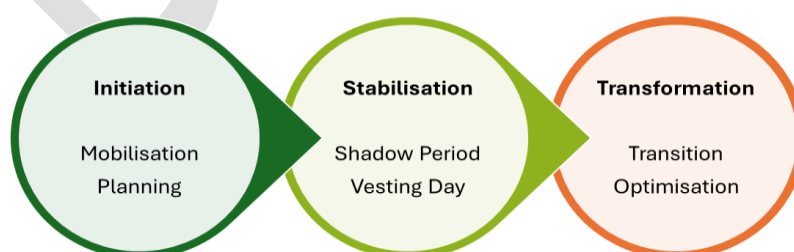
Principle	Description
Keep Services Running from Day One	Make sure important services - especially those that help vulnerable people - keep working smoothly from the start.
Focus on People's Needs	Design services that are easy to use and meet the needs of residents, businesses, and communities. Listen to feedback and use it to keep improving.
Start Early and Build Momentum	Begin key work as soon as possible - focussing on essential tasks and aim for early wins to build confidence.
Clear Leadership and Decision-Making	Put strong leadership and clear decision-making in place early – ensuring alignment and making sure the right choices are made at the right time.

Take a Step-by-Step Approach	Not everything needs to be finished by Day One. Break the work into stages so teams can learn, adjust, and improve as they go.
Work Together and Build Trust	Involve staff, partners, and communities in shaping the new council. Be open and honest and build a shared sense of purpose.
Use Data to Make Smart Decisions	Use good data to guide decisions – establish a robust evidence base from the outset. Keep data safe and make sure it's used responsibly.
Make the Most of Technology	Use digital tools to make services better and easier to run. Make sure systems and staff are ready to support this.
Spend Wisely and Plan Ahead	Plan finances carefully from the start. Focus on areas that will make the biggest difference and make sure every pound spent delivers value.
Keep Improving	Support teams to try new ideas and learn from experience. Track what's working and keep making things better.

These principles will guide every stage of implementation, ensuring the new council delivers on its promise of simplicity, efficiency, and resident focus

Phases of Change

The implementation and transformation journey will be structured across core phases, with some running concurrently to maintain momentum and manage risk:



Initiation – Setting the Programme Up

This phase builds the essential foundations for the programme and ensures everyone is ready to move forward together.

How this will happen:

- Collect key information about staff, assets, IT, contracts, and how services are delivered across all authorities and partners.
- Use this data to understand differences between areas, set priorities, and understand the starting point across all authorities and partners.
- Set up governance structures, decision-making forums, and escalation routes to ensure clarity and accountability.
- Establish the Programme Management Office (PMO) and define clear roles and responsibilities across workstreams.
- Launch communications and engagement channels, including staff and trade union consultation, to build trust and transparency.
- Audit of necessary arrangements and begin aligning policies and procedures.
- Develop a mobilisation strategy, programme roadmap, and risk and assurance plans.
- Agree transformation principles and success criteria, ensuring all workstreams are aligned with the overall vision.

What it delivers:

- A clear, agreed plan for how the programme will run, with milestones and priorities.
- Governance and decision-making structures in place.
- Defined workstreams for workforce, property, IT, finance, procurement, and more.
- Communications and engagement plan to keep everyone informed and involved.
- Risk management and assurance frameworks to identify and address challenges early.
- A strong foundation for the next phases, with everyone clear on direction, roles, and expectations.

Stabilisation – Preparing for Day 1

This phase ensures the organisation is fully prepared for the formal launch of the new council structure and can deliver from day one.

How this will happen:

- Appoint senior leaders and establish shadow governance and legal frameworks, including constitutional and electoral arrangements.
- Test and align IT, finance, and customer contact processes to ensure operational readiness.
- Plan and begin the migration of teams, services, and assets to new locations and structures.
- Finalise the new organisational structure, role profiles, and workforce transition plans.
- Align contracts, assets, and property management with the new operating model.
- Conduct readiness assessments, including Day 1 checks for service continuity, legal compliance, and financial governance.
- Communicate Day 1 priorities, expectations, and support arrangements to staff and stakeholders.

What it delivers:

- Senior leadership and shadow governance bodies in place and ready to lead.
- Legal, financial, and operational frameworks finalised and tested.
- IT, customer contact, and finance processes ready to go live, with clear plans in place for integration.
- Teams, services, and assets prepared for migration and new ways of working.
- Day 1 readiness confirmed, with clear plans for service continuity and cultural integration.
- Staff and stakeholders informed, supported, and ready for the transition.

Additional Activity for other options:

As noted, this plan is based on the preferred option of **a single unitary council for Leicestershire and Rutland**. If an alternative option were chosen, the activities listed

above would become significantly more complex and require additional steps. These include, but are not limited to:

Governance and Leadership

- Establish multiple shadow authorities rather than one, each with its own governance, legal frameworks, and electoral arrangements.
- Draft and approve separate constitutions and standing orders for each new council.

IT, Finance, and Customer Contact Systems

- Management and realignment of multiple IT, finance, and customer contact processes – including the need for complex and costly integration.
- Develop data segregation and migration plans to split existing databases across new authorities.

Teams, Services, and Workforce

- Disaggregate shared services (e.g., children's safeguarding, highways, waste management) into separate organisational units.
- Create distinct organisational structures and workforce transition plans for each new council, including additional TUPE processes and consultation rounds.

Property and Asset Management

- Negotiate ownership and transfer agreements for shared assets, such as libraries, leisure centres, and operational depots.
- Develop multiple property strategies aligned to each new authority's footprint.

Contracts and Procurement

- Unpick and renegotiate contracts currently held at county level to allocate responsibilities across new councils.
- Establish separate procurement frameworks for each authority.

Readiness and Compliance

- Conduct multiple Day 1 readiness assessments, one for each new organisation, covering service continuity, legal compliance, and financial governance.
- Prepare additional contingency plans to manage higher risk of service disruption during transition.

Transformation – Delivering and Improving Services

This phase focuses on embedding the new ways of working, delivering services under the new structure, and driving ongoing improvement and innovation.

How this will happen:

- Deliver services legally and effectively, with transformation support teams and change agents in place.
- Support local communities and neighbourhoods through area committees, devolution frameworks, and engagement strategies.
- Maintain strong communications and feedback loops with staff, residents, and stakeholders.
- Address risks such as service disruption, digital exclusion, and capacity challenges through robust planning and support.
- Roll out new workforce models, digital platforms, and customer contact systems to support modern, efficient service delivery.
- Monitor performance, stabilise operations, and embed a culture of continuous improvement and innovation.
- Launch of targeted transformation programmes

What it delivers:

- Legal and compliant service delivery, with a focus on quality, accountability, and resident outcomes.
- Empowered communities and neighbourhoods with a strong local voice.
- Fully implemented operating models and transformation programmes with clear KPIs and benefits realisation plans.
- A modern, agile workforce structure and digital infrastructure.
- Transformation support teams and change agents driving improvement.
- Ongoing refinement of service delivery to ensure the organisation remains resilient and future ready.
- A culture of continuous improvement, innovation, and stakeholder engagement.

Implementation Plan

Our transformation agenda is structured around a set of strategic pillars, each with a clear narrative, scope, and set of priorities. These pillars are fully aligned with the implementation and transformation plan, ensuring coherence and focus across all workstreams

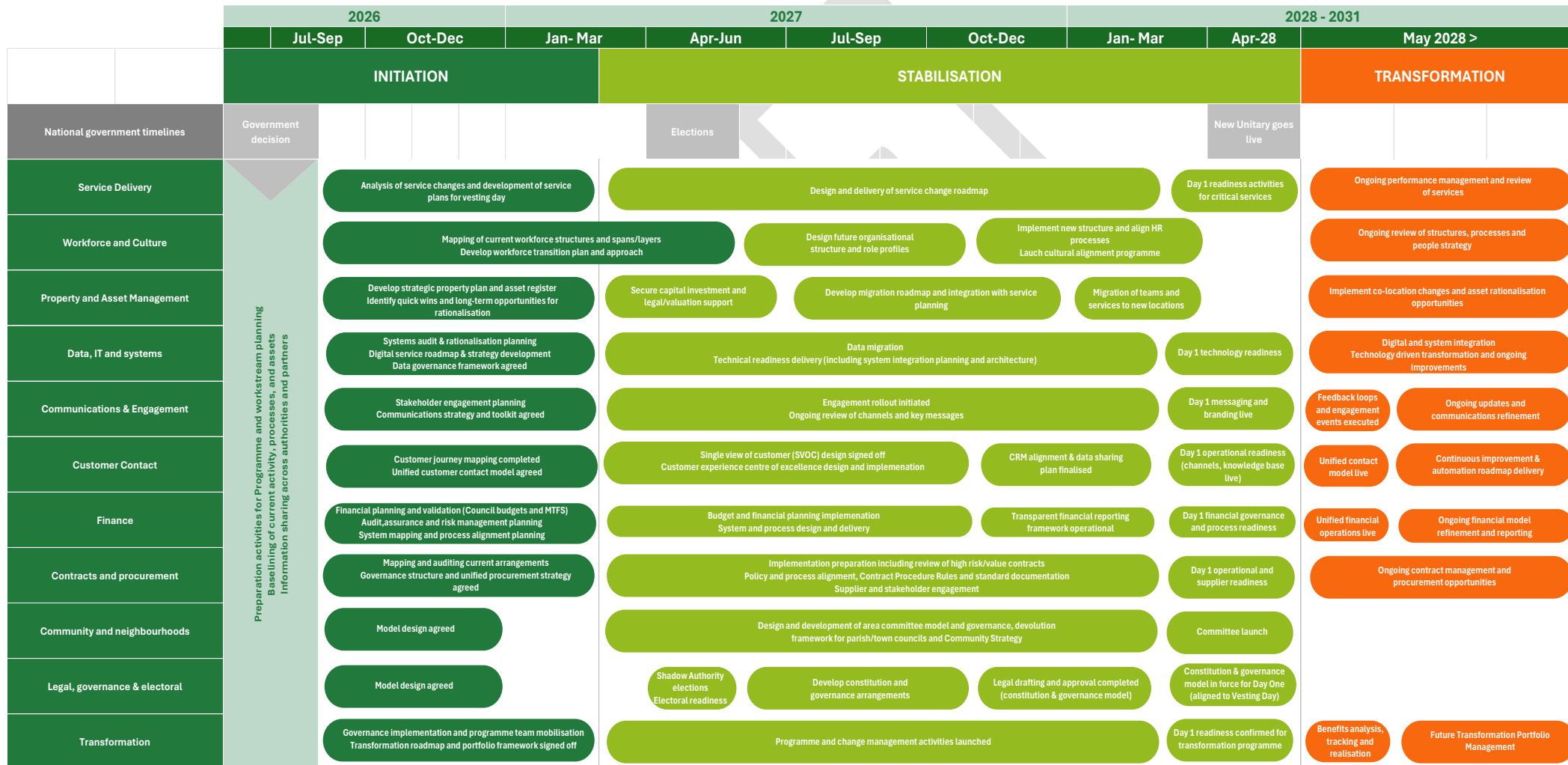


The implementation roadmap sets out the key phases, milestones, and activities required to deliver the transition to a single unitary council for Leicestershire and Rutland. It has been developed through a collaborative process, drawing on national best practice, lessons learned from previous reorganisations, and the extensive programme management experience within Leicestershire County Council.

The roadmap is designed to ensure a smooth, well-managed transition that protects vital services, supports staff and communities, and lays the foundation for long-term transformation – providing a clear structure for mobilisation, stabilisation, and ongoing improvement.

Implementation Roadmap

PLACEHOLDER – COMMS/DESIGN TO AMEND
FINAL PLAN



1. Service Delivery

What we will achieve: Seamless, resilient service delivery that meets the needs of all residents—on Day 1 and into the future, with a clear focus on quality, accountability, and continuous improvement.

How we'll do it: We'll safeguard continuity, support staff, and align standards and protocols across the new authority.

Key activities:

- Map and analyse critical services, including performance differentials and issues across authorities, to inform continuity planning and improvement priorities.
- Develop robust continuity plans and unified service standards.
- Align protocols and deliver a roadmap for continuous improvement.
- Empower and support staff through change.

2. Workforce and Culture

What we will achieve: A modern, agile workforce structure that supports the authority's vision, improves staff experience, and delivers better outcomes for residents.

How we'll do it: We'll define the future workforce model, align organisational design and culture, and ensure staff are ready for the new environment.

Key activities:

- Map current workforce structures and Terms and Conditions.
- Design the future model (including spans and layers).
- Engage staff and trade unions throughout.
- Develop and implement a workforce transition plan.
- Launch a cultural alignment programme.
- Provide change management, training, and HR systems integration.
- Support for required HR processes e.g TUPE.

3. Property and Asset Management

What we will achieve: A streamlined, cost-effective property portfolio that enables flexible, efficient service delivery and supports organisational transformation. Ensuring service points are maintained in the key local areas

How we'll do it: We'll rationalise the property estate, support team migration, and integrate property planning with the new operating model.

Key activities:

- Conduct a stocktake and condition survey of assets.
- Identify quick wins and long-term opportunities.
- Develop a strategic property plan, asset register, and migration roadmap.
- Integrate property planning with service delivery.
- Secure estates, facilities, capital investment, and legal/valuation support.

4. Data, IT and Systems

What we will achieve: A secure, modern digital infrastructure that supports service delivery, better data-driven decision-making, and future-ready operations.

How we'll do it: We'll design integrated systems, improve data governance, and support digital service delivery and legacy migration.

Key activities:

- Audit and rationalise current systems.
- Plan and execute data migration.
- Integrate digital platforms.
- Develop a consolidated systems architecture and data governance framework.
- Optimise IT infrastructure and cybersecurity where appropriate.

Communications & Engagement

What we will achieve: A well-informed, engaged workforce and stakeholder community that supports and champions the transformation journey. Ensuring that residents and partners are clear how to contact us.

How we'll do it: We'll deliver clear, consistent communications and engage all stakeholders throughout the change.

Key activities:

- Map audiences and develop key messages.
- Run engagement events and feedback loops.
- Deliver a communications strategy and stakeholder engagement plan.
- Ensure required skills, capacity and engagement are in place.

5. Customer Contact

What we will achieve: A seamless, accessible customer experience that meets the needs of all service users and supports efficient service delivery.

How we'll do it: We'll redesign contact channels, support service migration, and embed customer-centric principles.

Key activities:

- Audit and redesign customer contact channels.
- Integrate CRM systems and provide staff training.
- Develop a unified contact centre model and customer journey mapping.
- Deliver a digital and assisted access strategy.

6. Finance

What we will achieve: A robust, transparent financial framework that underpins sustainable service delivery and organisational stability.

How we'll do it: We'll align financial structures, support transition planning, and ensure strong governance.

Key activities:

- Conduct financial modelling and transition cost planning.
- Integrate budgets and harmonise council tax.
- Set up audit, assurance, and financial governance frameworks.
- Develop an integrated MTFs, budget setting, and reporting systems.
- Assurance over programme savings delivery.

7. Contracts and Procurement

What we will achieve: A professional, efficient procurement function that delivers value, supports local priorities, and ensures compliance.

How we'll do it: We'll review procurement frameworks, manage contract migration, and align sourcing with future service models.

Key activities:

- Contract audit to ensure breakage costs minimised and service continuity enabled.
- Harmonise contracts and procurement policies.
- Engage suppliers and align procurement strategies.
- Develop a unified procurement strategy, contract register, and social value framework.

8. Legal, Governance & Electoral

What we will achieve: A transparent, accountable governance structure that supports effective leadership and democratic legitimacy.

How we'll do it: We'll align legal and governance frameworks, manage electoral transition, and oversee constitutional changes.

Key activities:

- Engage with the Boundary Commission and conduct legal reviews.
- Draft and approve new constitution and governance models.
- Develop an electoral boundary model and compliance framework.
- Constitution & governance model in plan for Day One and beyond.

9. Community and Neighbourhoods

What we will achieve: Empowered, resilient communities with a strong local voice and effective representation in decision-making.

How we'll do it: We'll enable place-based working, support service migration, and ensure neighbourhood representation.

Key activities:

- Co-design committee geography and neighbourhood plans.
- Engage stakeholders and develop area committee models.
- Launch devolution frameworks and community engagement strategies.

10. Transformation

What we will achieve: A coordinated, agile transformation programme that delivers lasting improvements and realises organisational ambitions.

How we'll do it: We'll lead programme delivery, set the transformation agenda, and manage priorities and opportunities.

Key activities:

- Oversee programme governance and cross-cutting initiatives.
- Coordinate change management and benefits tracking.
- Ensure strategic alignment and clear prioritisation.
- Design and deliver a transformation portfolio that will unlock future benefit to the new authority.

Future Transformation Opportunities

As Leicestershire transitions into its new council structure, there is a unique opportunity to go beyond structural change and deliver meaningful, long-term improvements in how services are designed and delivered. This next phase is about building a council that is modern, efficient, and responsive, one that puts residents first, supports staff to thrive, and uses resources wisely to create lasting public value.

The preferred option—creating a single unitary council—removes barriers to collaboration, scale, and innovation. This enables transformation themes that would be difficult or impossible under more fragmented models. Key opportunities include:

- **Simplification and Consolidation of Front Door Services** - Streamline how residents and businesses access council services, making interactions easier and more consistent. Improves customer satisfaction and reduces duplication, leading to operational savings and more efficient use of staff time.
- **Digitisation and Technology Enablement** - Accelerate the adoption of digital tools, automation, and modern technology across all service areas and internal operations. Enhances service accessibility, increases efficiency, reduces

manual processes, and supports data-driven decision-making—delivering both financial savings and improved outcomes for residents.

- **Enhanced Data Integration and Insight** - Bring together data from across the organisation to support better decision-making and more targeted interventions. Enables earlier identification of needs, supports prevention, and helps allocate resources where they have the greatest impact—reducing long-term costs.
- **Strategic Asset and Resource Management** - Review and optimise the use of property, technology, and other assets to support new ways of working. Releases savings through rationalisation, generates income from surplus assets, and supports sustainability goals.
- **Back-Office Model** - Streamline and standardise support functions such as HR, finance, procurement, and ICT across the organisation. Delivers efficiencies through process automation, reduces duplication, and enables resources to be redirected to frontline services—resulting in lower operating costs, improved compliance, and a more agile, responsive organisation.
- **Commercial and Procurement Efficiency** - Consolidate procurement and commercial activity to leverage scale and drive better value. Achieves significant financial savings and creates opportunities for income generation through shared services.
- **Prevention and Early Intervention** - Integrate approaches to prevention across services, focusing on early help and proactive support. Reduces demand for high-cost interventions, improves outcomes for residents, and delivers long-term financial sustainability.
- **Fast-Tracking Existing Transformation Opportunities** - The creation of a single unitary council unlocks the ability to rapidly scale, share, and improve transformation initiatives that have already delivered results across Leicestershire County Council, the districts, and Rutland. By bringing together the best practice, innovation, and learning from each organisation, the new council can move further and faster than would be possible under a fragmented structure.
 - Expanding What Works: Good ideas and successful systems from any council—like digital platforms or customer service—can be used across the whole county, so everyone benefits.
 - Learning from Each Other: Teams can share what works well and what doesn't, whether it's Rutland's way of serving rural areas, a district's wellbeing programme, or LCC's social care experience. This helps avoid repeating mistakes and improves services for all.

- **Speeding Up Change:** Projects that are already making a difference—like automating processes, setting up family hubs, or improving waste collection—can be introduced faster and more smoothly, thanks to one leadership team and shared resources.
- **Better Staff Opportunities:** All staff will have access to more training and career options, encouraging new ideas and teamwork.
- **Smarter Use of Data and Technology:** Effective digital tools and data systems can be joined up and improved, helping the council make better decisions and target support where it's needed most.
- **Making the Most of Buildings and Resources:** Lessons from managing property, flexible working, and creating community hubs can be used everywhere, saving money and making services more accessible.
- **Saving Money:** By making changes faster, the council can save money sooner, put more into frontline services, and avoid wasting time and resources on duplicate projects.
- This approach means the council builds on what's already working well, rather than starting from scratch. Residents, staff, and communities will see improvements sooner, with less disruption and more consistency.

We will align transformation activity around key strategic aims—ensuring services are designed around people's needs, delivered efficiently, and supported by strong leadership and planning. Opportunities will be prioritised where they can enable the below aims:

Enhancing Customer Experience:

- Create modern, accessible, and responsive customer interactions across services.
- Leverage data and digital tools to improve service delivery and gain deeper insights into customer needs.

Efficient Operations:

- Optimise back-office functions, streamline processes, and reduce administrative burdens.
- Develop sustainable support services and innovative solutions for complex challenges.

Effective Service Management:

- Ensure that services are targeted, proactive, and evidence based.

- Implement prevention and early intervention strategies to anticipate and address needs efficiently.

Optimising Assets:

- Maximise the value and utilisation of property, IT, and other assets through technology, automation, and new ways of working.
- Continually refine internal processes to support agile, flexible, and cost-effective service delivery.

Financial Stability:

- Drive savings, generate income, and avoid unnecessary growth through rigorous spend management and value-based commissioning.
- Build financial resilience and ensure that every investment delivers measurable returns.

What We Will Ensure Is in place

To support and sustain transformation, we will put in place and fully embed a set of enabling conditions across the organisation. These include:

- ✓ Strong governance and clear accountability to guide decision-making and track progress.
- ✓ Investment in staff development and leadership to build capability and confidence.
- ✓ A culture of openness, innovation, and continuous improvement that encourages collaboration and learning.
- ✓ Access to high-quality data and digital tools to inform decisions and improve services.
- ✓ Partnership working and co-production with communities and stakeholders to shape change together.
- ✓ Financial discipline and resource planning to ensure transformation is affordable and delivers value.

Our ways of working

As we move through the reorganisation and transformation journey, how we work together will be just as important as what we deliver. This section sets out the

approaches that will guide our day-to-day work—helping us stay focused, connected, and ready to meet the needs of our communities.

Lessons Learned

We have drawn extensively on lessons from other reorganisations. Key insights include:

Key Lesson	Main Points
Strategic Planning and Governance	Early appointment of chief officers and portfolio members; dedicated programme offices and workstreams; strong governance foundations; legacy account production; internal audit capacity.
Financial Management	Embedding financial planning from the outset; focusing savings targets on high-impact areas; early agreement on legacy financial positions.
Cultural and Organisational Change	Building a shared identity; avoiding references to former councils; transparent and regular communication; coalition building among participating authorities.
Service Integration and Efficiency	Harmonising licensing fees and policies is complex; unified IT systems with clear strategies for cyber security and data governance; strategic procurement teams and supplier management groups.
Impact on Service Users	User-friendly websites; consistent services across regions; critical services must be identified and protected during transitions.
Learning from Others	Peer support and external challenge; phased implementation is effective; not everything needs to be ready on day one.

Sources Referenced:

- Local Government Association (Jan 2023): Lessons learnt on bringing regulatory services into a unitary authority.
- Grant Thornton (Sept 2024): Local government reorganisation: Lessons from new unitaries.

- CIPFA (July 2021): The art of local government reorganisation.
- Somerset Council, Buckinghamshire Council, North Yorkshire Council, Cumberland Council, Westmorland and Furness Council, North and West Northamptonshire Council: Various reports

Governance and Programme Management

Effective governance and programme management are critical to ensuring accountability, transparency, and strategic oversight throughout the LGR implementation and transformation process. Our approach is based on recognised best practice, tailored to Leicestershire's context, and aligned with Project, Programme and Portfolio Management (P3M) principles.

Key Elements of Our Approach:

- ✓ Integrated P3M Framework: Structured planning, delivery, risk management, and benefits tracking across all programme levels.
- ✓ Clear Roles and Responsibilities: Dedicated executive leadership group providing delivery oversight and alignment with priorities, leads for each workstream, supported by task and finish groups to maintain momentum.
- ✓ Roadmap and Milestones: A high-level roadmap guiding mobilisation, shadow authority, vesting day, and transformation phases.
- ✓ Embedded Change Management: Supporting staff through change, building engagement, and driving adoption of new ways of working.
- ✓ Stakeholder Engagement: Regular, inclusive engagement with members, staff, partners, and communities for co-design and buy-in.
- ✓ Transparency and Assurance: Shared PMO and open access to programme data, risks, and decisions for clear oversight.

Leicestershire County Council's strong foundation and proven experience in programme management—gained through delivering complex change programmes and major service transformations—can be fully leveraged under the preferred option of a single unitary council. This approach enables unified leadership, a single programme management office, and consistent methodologies to guide the entire transition, ensuring robust planning, risk management, and benefits tracking.

Unlike alternative models, which would fragment resources and dilute expertise across multiple councils, the preferred option allows for streamlined stakeholder engagement, clear accountability, and coherent change management, unlocking a smoother, lower-risk transformation and maximising the benefits for residents, staff, and partners.

Risk and Issue Management

We recognise the scale and complexity of this programme brings significant risks. Key risks include compressed timelines, overlap of planning and mobilisation activity, and capacity constraints.

Risks are lower under the preferred option due to:

- No disaggregation of services.
- Reduced legal and contractual complexity.
- Simplified governance transition.

Our mitigation strategy focuses on early mobilisation, non-abortive work, and clear escalation routes. Risk management will be embedded in programme governance, with regular reviews and transparent reporting.

Risk/Challenge	Mitigation/Management Approach
Resistance to change from staff and stakeholders	Early and ongoing engagement, clear and consistent communications to build understanding and trust.
Limited capacity for change and BAU operations	Strong project and programme management practices, phased delivery of change.
Service disruption during migrations	Careful planning, robust business continuity measures.
Data loss or technology integration issues	Rigorous data migration processes, thorough testing, dedicated IT support.
Supplier and contract challenges	Legal and procurement expertise, clear contract management protocols.
Funding uncertainty and legacy liabilities	Detailed financial modelling, external assurance to validate assumptions.
Legal and governance complexities	Clear governance structures, legal advice, defined roles and responsibilities.

Benefits Realisation

Our approach to benefits realisation is evidence-based, with clear KPIs and regular reporting. Baseline data will be gathered and tracked to enable robust pre- and post-

change evaluation of outcomes. Benefits will be tracked and reported through robust programme management, focusing on improved accountability, staff wellbeing, service efficiency, financial resilience, and community empowerment.

Headline Benefit	How to Achieve
Improved accountability and transparency	Tracking benefit realisation, establishing clear KPIs.
Enhanced customer experience	Regular service reviews, feedback mechanisms, continuous improvement.
Cost savings and efficiency gains	Monitoring delivery, reducing duplication across services.
Stronger financial resilience	Prioritising actions, regular financial reviews, ensuring sustainability.
Engaged and capable workforce	Investing in training, staff development.
Strengthened local and community voice	Ongoing engagement, empowering communities in decision-making.
Better use of data and digital tools	Investment in digital skills, modernisation of systems.

Our approach to benefits realisation is evidence-based and underpinned by clear KPIs, regular reporting, and robust programme management—capabilities that are fully unlocked by the preferred option of a single unitary council. By avoiding the fragmentation and duplication inherent in alternative models, the preferred option ensures that benefits can be delivered and measured at scale, with clear lines of responsibility and continuous improvement embedded throughout the transformation.

Cost and Resource Management

Managing costs and resources carefully is key to making the reorganisation a success. We will plan ahead to make sure money is spent wisely and where it makes the biggest difference. This means focusing on high-impact areas, avoiding unnecessary spending, and making sure every investment delivers real value. We'll also make sure we have the right people, skills, and tools in place to support the work, and track progress closely to stay on budget and on schedule

The preferred option is designed to minimise both transition and ongoing costs:

- **Lower Transition Costs:**

Estimated one-off transition costs (£15–£20 million) are substantially lower than

those for alternative options, which would require complex service disaggregation, multiple IT migrations, and extensive legal negotiations. By retaining existing boundaries and structures, the preferred option streamlines the change process and avoids unnecessary expenditure.

- **Reduced Risk of Cost Overruns:**

The simplicity of the preferred model means fewer unknowns and less risk of unforeseen costs. There is no need to split contracts, assets, or staff across multiple authorities, which can often lead to delays, disputes, and additional financial liabilities.

- **Efficient Use of Resources:**

Savings generated from reorganisation are reinvested directly into frontline services, rather than being absorbed by administrative overheads or transition management. This ensures that residents see tangible improvements in service delivery and value for money.

Where additional costs and resources are required—such as extra staff for implementation, investment in technology and property or external expertise - these will be managed through phased planning, prioritisation, and careful budget control to ensure value and minimise disruption.

Equality Impact Assessment (EIA)

An EIA plan will be developed, with leads identified. Assessments will be completed in line with statutory guidance and embedded into programme governance.

Summary

The Implementation and Transformation section sets out a clear, phased roadmap for delivering the transition to a single unitary council for Leicestershire and Rutland. By choosing the preferred option, the council can

- ✓ build on existing strengths,
- ✓ minimise disruption,
- ✓ deliver a less costly and complex implementation,
- ✓ and unlock rapid transformation.

The approach focuses on maintaining service continuity from day one, streamlining back-office and support functions, leveraging digital and data-driven tools, and empowering staff and communities. Compared to alternative models, this option reduces complexity, risk, and cost, enabling resources to be redirected to frontline services and ensuring that transformation benefits are delivered at scale and pace.

By choosing the preferred option, Leicestershire and Rutland will be positioned to lead the way in transforming and delivering modern, efficient, and resident-focused local government—ready to meet future challenges and seize new opportunities for decades to come

DRAFT

Conclusion

In conclusion, the County Council is proposing a single unitary authority which covers the current areas of Leicestershire and Rutland. It does not support any extension of Leicester City's boundaries. The County Council believes that this proposal best meets the criteria set out in guidance from the Government on making proposals for unitary local government, as follows:

1. High Quality and Sustainable Services

- **Integration and Consistency:** The preferred option brings together all local government services (county, district, and Rutland) into one authority, reducing duplication and fragmentation. This means residents get a consistent, high-quality service regardless of where they live.
- **Resilience:** Rutland, as a small authority, gains access to a broader range of services and greater resilience by joining with Leicestershire.
- **Service Delivery:** The model avoids the risks of splitting up high-performing services (like children's social care), which could otherwise be undermined by disaggregation.

2. Financial Efficiency and Capacity

- **Significant Savings:** The preferred option is projected to save around £40 million per year, mainly by reducing senior management and back-office costs and reinvesting those savings into frontline services.
- **Economies of Scale:** By merging councils, the new authority maximises economies of scale, which helps withstand financial shocks and ensures long-term sustainability.
- **Meets Population Threshold:** The combined population (Leicestershire and Rutland) exceeds the government's recommended minimum for new unitary authorities (500,000+), supporting financial resilience.

3. Unlocks Devolution

- **Alignment with Devolution Goals:** The proposal creates a council footprint that matches the geography of key partners (e.g. emergency services and the Local Resilience Forum), making it easier to unlock devolved powers and funding from central government.
- **Quick Implementation:** The model avoids complex boundary changes, enabling faster progress toward devolution and minimising disruption.

4. Stronger Community Engagement and Empowerment

- **Area Committees:** The new structure includes area committees, giving local people a greater say in decisions affecting their communities. These committees will have oversight and potentially budgets to support local priorities.
- **Parish and Town Councils:** The model builds on existing frameworks for devolving services to local councils and community groups, ensuring local identity and engagement are preserved.

5. Effective Democratic Representation and Governance

- **Clear Governance:** The preferred option proposes a Cabinet and Leader model, with 90 councillors representing about 6,500 electors each, balancing effective representation with streamlined governance.
- **Preserves Local Identity:** The proposal retains historic borders and avoids breaking up communities, which supports effective representation and maintains local identity.

6. Robust Public Engagement and Evidence Base

- **Shaped by Feedback:** The business case is informed by engagement with around 1,500 residents, businesses, voluntary groups, and staff. Nearly half of online survey respondents supported the single unitary proposal, and there was strong opposition to city boundary expansion.
- **Independent Validation:** The financial model was provided by an independent consultant and was then separately validated externally to ensure the proposal is realistic and robust.

The County Council believes that its preferred option is in keeping with its responsibility to prioritise the interests of Leicestershire residents and taxpayers.

Leicester City Council, where there is evidence of service failure, is submitting a bid for reorganisation and is seeking to extend its boundaries, which is publicly unpopular. The County Council is not in a position to ignore or simply to oppose the case which the City Council is making because of its impact on the County. It is known that the Government will assess the City Council's case on criteria other than public opinion. It is, however, a point of principle for the County Council that the population of a City Council after reorganisation should not be bigger than the population of the surrounding County.

The financial modelling shows the impact of a boundary extension on both the City and the County, and it is hoped that the inclusion of this modelling in the business case will enable the Government to make an informed view in making its assessment of the different bids put forward by councils in LLR.

The final decision on reorganisation is for the Government, which is why this proposal, whilst clearly stating its preferred option, also addresses the consequences of a City boundary extension.

Devolution to LLR remains the prize of reorganisation, and the County Council's preferred option provides the most straightforward route. Whatever decision the Government makes, the County Council is determined to preserve the identity of Leicestershire and, within a region which is a 'devolution desert', for its citizens and taxpayers to benefit from both improved public services and devolution.

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List of tables

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Appendices

Appendix 1 - Bibliography of Data Sources

ID	Characteristic	Data Source
1	Adult Social Care	Adult Social Care Data, Leicestershire County Council
2	Adult Social Care	Safeguarding Adults, England 2023/24, NHS Digital
3	Adult Social Care	Measures from Adult Social Care Outcomes Framework (ASCOF) 2023/24, NHS Digital
4	Children's Social Care	Children's Social Care Data, Leicestershire County Council
5	Children with Special Educational Needs & Disabilities (SEND)	SEND Data, Leicestershire County Council
6	Children's Services / Education	Local Authority Interactive Tool (LAIT), Department for Education
7	Transport	Local Transport Plan to 2050, Leicestershire County Council
8	Transport	Local Transport Plan 2019-36, Rutland County Council
9	Waste	WasteDataFlow, Department for Environment, Food & Rural Affairs
10	Regulatory Services	Trading Standards Data, Leicestershire County Council
11	Homelessness	Homelessness Statistics, Ministry of Housing, Communities & Local Government
12	Housing	Housing Statistics, Ministry of Housing, Communities & Local Government
13	Public Health	Fingertips Public Health Profiles
14	Economy and Employment	Business Birth and Death Rates, Office for National Statistics
15	Economy and Employment	Annual Survey of Hours and Earnings Data, Office for National Statistics
16	Economy and Employment	Gross Domestic Product (GDP), Office for National Statistics
17	Economy and Employment	Business Register and Employment (BRES), Office for National Statistics
18	Economy and Employment	Economic Activity, Office for National Statistics
19	Economy and Employment	Claimant Count, Department for Work & Pensions
20	Population	National population projections: 2022-based, Office for National Statistics
21	Population	Population estimates for England and Wales: mid-2022, Office for National Statistics
22	Population	Census 2021, Office for National Statistics

ID	Characteristic	Data Source
23	Deprivation	English Indices of Deprivation Data 2019, Ministry of Housing, Communities & Local Government
24	Rurality	Rural Urban Classification 2021, Office for National Statistics
25	Developable Land	Strategic Growth Options and Constraints Mapping for Leicester and Leicestershire, AECOM (2023)
26	Developable Land	Published local plans for Leicester City, Rutland County Council and all districts and boroughs of Leicestershire
27	Developable Land	Emerging (published Regulation 18 and Regulation 19) local plans for Leicester City, Rutland County Council and all districts and boroughs of Leicestershire
28	Developable Land	Live planning applications for Leicester City and all districts and boroughs of Leicestershire
29	Communities	Leicestershire Communities Approach 2022-2026, Leicestershire County Council
30	Council Tax	Council Tax - bands & discounts
31	Council Tax	Council Tax dwellings - by output area
32	Business Rates	Business Rates Data, Leicestershire district/borough councils and Rutland County Council
33	Local Authority Owned Property & Assets	Property & Assets Data, Leicestershire district/borough councils and Rutland County Council
34	Local Government Finance – borrowing and investment	Gov.uk Statistical Data Set – live tables on local government finance
35	Council Finance & Budgets	Statement of Accounts from each authority
36	Council Finance & Budgets	Local Authority Revenue Outturn Data
37	Council Finance & Budgets	Medium Term Financial Strategies / Budget assumptions
38	Electoral Data	The Local Government Boundary Commission for England

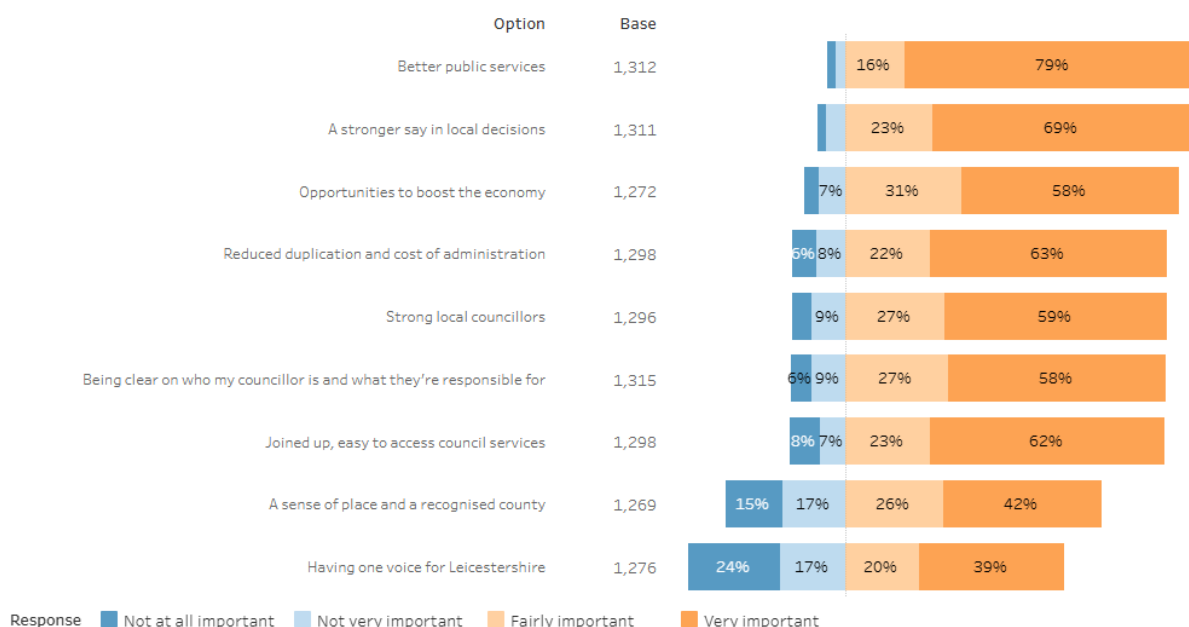
Appendix 2 - Engagement

Initial engagement

Leicestershire's engagement commenced in February 2025 with wide communication of the council's proposals in its residents' newsletter, delivered to every household. This garnered around 1,500 responses, where residents outlined how important different factors were for public services.

Q3: How important, if at all, are the following to you (or your organisation)?

n.b. 'don't know' and null replies are excluded from question responses



Feedback from residents

An invitation to attend a focus group on local government reorganisation was extended to a group of 50 residents who had attended an engagement event earlier in the year. Attendees needed to be 18 years or over, live in Leicestershire and not be an employee or councillor of the county council or Leicestershire district/borough councils.

The event took place on the afternoon of Saturday, 11 October 2025, at the County Council, and 21 residents attended. Attendees received presentations on local government reorganisation by senior members of Leicestershire County Council staff. Following the presentations, attendees were divided into two focus groups, each facilitated by council staff.

In summary:

- Residents want simpler, faster services via a single front door and end-to-end ownership; “two-council ping-pong” is a common frustration.
- Local identity is rooted in towns/neighbourhoods; residents want local touchpoints (parish/town councils, area committees) preserved and empowered.
- Prevention and affordability are priorities. Participants favour reinvesting efficiencies into youth, active ageing, and low-cost community offers.
- Scepticism persists about drivers of change “savings vs services”; people want clear financials, fairness safeguards, and a credible long-term plan.
- Devolution/Mayor interest links to integrated transport and coherent planning, but expectations need careful management on timelines and funding.

Thematic findings from the residents’ focus groups:

Efficiency and the single front door

Residents favour a single, simple route for reporting and resolving issues, fewer hand-offs, and empowered “first-time-fix” working across service boundaries (including housing and environmental services).

*“Had to call two councils for one graffiti issue (lamppost vs other items).
Joining up would avoid this.”*

*“Some services differ between Charnwood and the county – one authority
would level this.”*

*“Moving between Blaby and Charnwood involves two housing authorities –
harder for those fleeing abuse.”*

*“One authority, one answer, one form ... not bounce between three different
departments.”*

Value of localism and on-the-ground presence

Participants want to retain visible, accessible local touchpoints - parish/town councils, area committees, and councillor access - within any streamlined structure.

*“Would like someone local to talk to rather than a distant authority; parish
councils could pass messages up.”*

*“...things that go on in the park for local people that are low-cost activities ... so
people can still feel part of the community.”*

Community engagement is practical, place-based, and needs catalysts

Hands-on, low-barrier activities via schools/faith hubs and youth-focused channels build participation; success often depends on local champions and sustained encouragement.

“Set more parish councils up where absent; devolve more power to them.”

“Doing things together as a community can be something as simple as, you know, litter picking ...”

“As a Muslim myself, I feel Mosques have a key role to play ... integral to our faith is the idea of community.”

Prevention, health, and affordability

People connect high acute costs (e.g. social care) with the need to reinvest in prevention, affordable access, and community capacity to reduce demand upstream.

“Why not do more to keep people independent? Children need positive activities.”

“I just want to point out that... there's so much expenditure on social care. I worked in a care home for about 6 months a couple of years ago, and it cost about £1000 a week for a single room and a bed. I just thought, Oh my god, that's £52,000 a year. For the council, it's an extraordinary amount of money. Why is there not more being done to help people stay independent in their homes and prevent things like falls...”

Drivers of change: cost, trust, transparency

Residents question whether the changes are savings-led; they ask for plain-English financial information, benefits tracking, and a credible long-term plan.

“There would be savings but no extra funding; funding is key; devolution may help.”

“Feels LA housing should go to longer-term residents; worried council tax will be reallocated to the city.”

Geography, boundaries, and distributional impacts

Boundary changes raise concerns about resource shifts, “split streets,” identity, and fairness. Alignment with partner footprints matters operationally.

“Changes could cut streets in half – this would be silly.”

“I'm quite happy with your version that has one big County and Leicester, but Leicester needs to stay the same size. I do not want to expand at all, but I do not believe that the leopard will change its spots and be any different, right? And they are a pretty damned inefficient council. The city centre has been

dominated by weird projects, you know, and funny schemes. He's wrecked the market, completely wrecked the market. I don't really want to..."

Governance model & devolution (Mayor & proposals)

Interest in mayoral models is linked to integrated transport and coordination; residents seek clarity on powers, timeline, funding, and HQ/local presence.

"Could you do what Manchester did with buses? Integrated systems and ticketing."

Feedback from the voluntary sector

During October 2025, 35 representatives of the voluntary and community sector attended a workshop. At this session the group explored how the proposal could ensure that the work of smaller charities and groups doesn't get lost in a bigger organisation.

One of the points made was that many VCSE organisations are funded by district councils, and the question was raised around whether any new single unitary authority would continue this level of funding into such organisations.

The role of Area Committees was also discussed, in particular, how these would link to the NHS Integrated Care Board neighbourhood forums, as well as whether budgets for Area Committees have been factored into the financial modelling.

Feedback from parish and town councils

During October 2025, 70 representatives from parish and town councils attended a workshop. In summary, their feedback included the following themes:

- Relief that Leicestershire County Council is not backing a city expansion.
- Seeking reassurance about how Rutland residents will be heard.
- Questions about how Area Committees will work and how they will empower communities.
- Questions about parish and town council elections in 2027.
- Seeking further detail on the plan for devolution.
- One comment about it being a county council takeover.

There was discussion about whether plans for a strategic authority and mayor would follow and general agreement about the importance of continuing dialogue between the council and parish and town councils.

Feedback from businesses

Further engagement with the business community took place over the summer. This showed that business leaders:

- Understood that a "one stop shop" under a mayor to co-ordinate inward investment, skills base, economic development, transport and infrastructure investment to drive growth, was essential.
- Felt a future LLR Strategic Authority was the best footprint to act as a voice to Government and improve co-ordination on projects and funding.
- Liked the idea of a single structure plan for housing and development, that would deliver quick decisions, particularly on business expansion and land and capital availability.
- Felt LLR strategic authority under a mayor would be best placed to invest NNDR.
- A more co-ordinated set up is needed to engage with colleges, FE institutions and universities.
- Felt the current system was letting LLR down and missing out on opportunities to other areas who were better at speaking with one voice to Government.

Feedback from staff

More than 700 staff attended virtual workshops during October 2025. Key issues for staff included concerns about city expansion and about job security. We explored three themes with staff: Building stronger communities and empowering neighbourhoods; Joined up services; and Preserving local identity, culture and heritage.

In summary:

- Staff rated how they were feeling about LGR at 2.9 out of 5 (5 being the most positive) in both sessions, there was a generally neutral to slightly positive sentiment.
- Uncertainty/ concern about job security were the most frequently cited feelings related to work, while many also mentioned the city boundary.
- Many staff felt that they didn't have enough information yet to understand the impact on their roles, the organisation or Leicestershire.
- Staff could see both negatives and positives to LGR and impacts on services and residents, summarised in the table below by the three key themes.

1. Building stronger communities and empowering neighbourhoods

Challenges:

- **Loss of local identity & trust:** Staff felt that LGR could make communities feel less connected, risking loss of local identity and trust in local government.
- **Engagement & representation:** There were worries about ensuring all voices are heard, especially those from smaller/marginalised communities or larger authorities overlooking local needs.
- **Change fatigue & resistance:** Staff felt that communities may resist change, if they feel it is imposed rather than co-produced, and that there is a risk of disengagement due to “consultation overload” or lack of visible benefits.

“Will residents feel removed from one council as opposed to a ‘local’ council?”

Opportunities:

- **Greater cohesion:** Could foster a stronger sense of belonging and community pride, with more opportunities for local people to influence decisions.
- **Enhanced wellbeing:** Streamlined structures could enable more effective community support, reduce isolation, and improve wellbeing.
- **Empowerment:** There is potential for more local decision-making, asset-based commissioning, and opportunities for residents to shape services and neighbourhoods.

“A new structure gives us a chance to do things differently, for the better and based on lessons already learned.”

2. Joined up services

Challenges:

- **Complexity:** Staff highlighted the difficulty of merging IT/systems, processes, policies, organisational cultures, and ways of working.
- **Jobs:** Risk of redundancy and increased workload during transition was a concern. Staff cited “one size fits all” approach and loss of local knowledge.
- **Service disruption:** There were fears that service quality could suffer during transition, with potential confusion for staff and residents about who does what.

“Potentially means a greater workload but less staff and longer distances to cover.”

Opportunities:

- **Efficiency & cost savings:** Many staff saw the potential for significant cost savings, reduced duplication, and more streamlined processes.
- **Consistency & simplicity:** Joined up services could make it easier for residents to access support, with a single point of contact and more consistent service delivery.

- **Collaboration & innovation:** Bringing teams together could foster greater collaboration, shared learning, and opportunities to innovate and improve services.

“Simpler for residents to contact one council.”

3. Preserving local identity, culture and heritage

Challenges:

- **Diluting identity:** Staff were concerned that larger, more centralised authorities could erode the unique identity, culture, and heritage of local areas.
- **Loss of local knowledge:** There was anxiety about losing staff with deep local knowledge.
- **Funding & prioritisation:** Some feared that funding and attention might be diverted away from smaller or less prominent communities, making it harder to maintain local events, heritage sites, and cultural initiatives.

“Key community leaders (might be) disengaged.”

Opportunities:

- **Stronger branding & promotion:** A unified authority could provide a platform to promote local heritage and culture more widely, potentially attracting more funding and tourism.
- **Learning & sharing:** Reorganisation could enable communities to learn from each other, share best practices, and celebrate diversity across the county.
- **Community pride:** If local identity is actively preserved and celebrated, it could foster greater pride, cohesion, and engagement among residents.

“Putting Leicestershire on the map.”

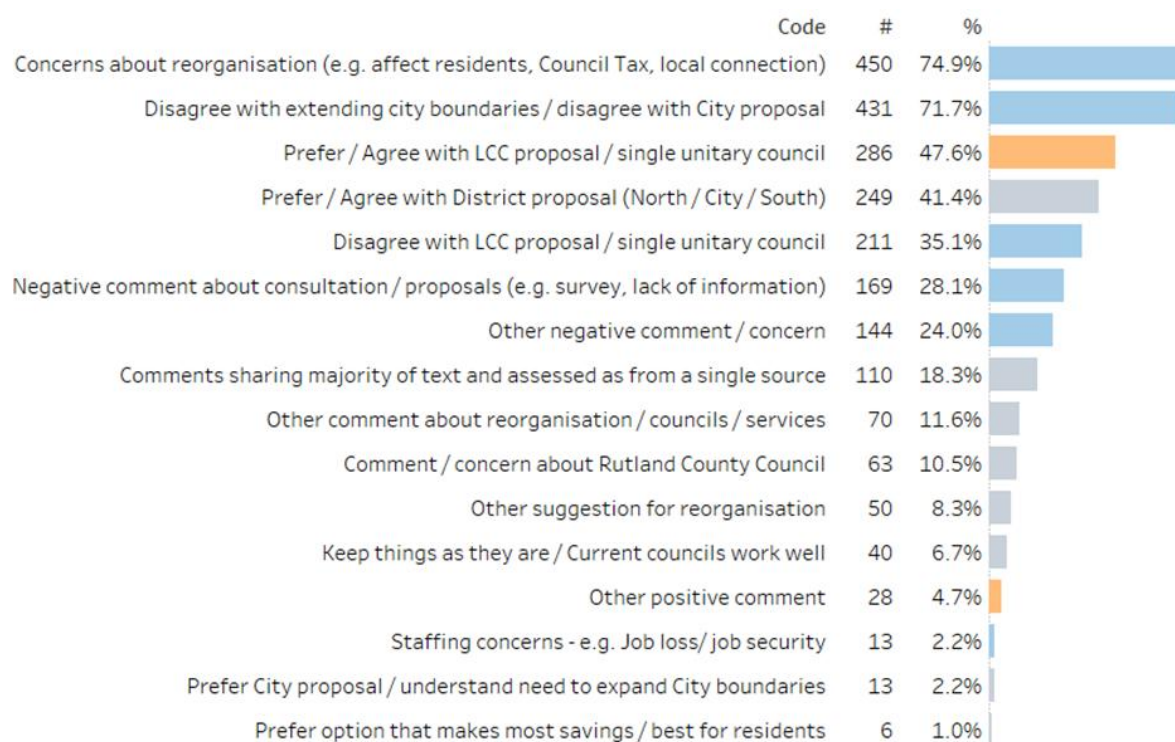
Feedback provided online through a feedback form

On 8 October 2025, a survey was made available to allow residents, businesses and other stakeholders to provide their feedback on Leicestershire County Council’s proposal for Local Government Reorganisation. The survey link was provided on the Leicestershire County Council website, shared with people who attended various engagement events, and sent to staff following briefings. The survey closed on 27 October 2025. Overall, 785 responses were collected.

At the end of the survey, an open comments box was provided to allow respondents to give their feedback on proposals for change in Leicester, Leicestershire and Rutland. Overall, 770 respondents provided a comment. All comments were read by analysts and thematically coded. Chart 3 shows the codes from the qualitative analysis of this

question. Please note that an individual's comment could be linked to more than one code.

Chart 3: Feedback on proposals for change



The most common themes were concerns about reorganisation (74.9%) and disagreement with expansion of city boundaries (71.7%). Many respondents mentioned both of these themes within the comment they submitted.

Many respondents who expressed concerns about reorganisation (74.9%) were worried that if Leicestershire were to be run as a single unitary council it would not be able to respond to local issues. Other concerns included an increase in Council Tax (already viewed as high), effects on residents and already stretched services (particularly adult and children's social care).

71.7% of respondents said they disagreed with any expansion of city boundaries due to concerns that county and city residents have different needs and identities. Many of these respondents mentioned housing targets and financial issues in relation to their disagreement with extending city boundaries. Some expressed negative views of the City Mayor and concerns about Leicester City's current financial situation. Other residents commented that Leicester City were already struggling to fulfil ongoing housing development, infrastructure and transport plans, and this would not improve if they were to expand their boundaries and take on more responsibility for parts of the county. There were several respondents who mentioned that they had specifically moved out of the City and did not want their local area to be included within the proposed boundary expansion.

47.6% of respondents showed support for the County Council's proposal. These respondents felt the County Council's proposal made the most sense, would make the most savings overall and would cause the least disruption to current council services. However, it is important to note that a large proportion of respondents who said they agreed with a single unitary council were also opposed to any city boundary expansion.

Many of the respondents who said they disagreed with the County Council's proposal said they preferred the North/City/South proposal put forward by the Leicestershire districts and Rutland. These respondents felt that this option would allow for councils to respond more effectively to local needs, whilst others felt more responsibility could be given to Parish and Town Councils.

Over a third of respondents (35.1%) said they disagreed with Leicestershire County Council's proposal to provide services as a single unitary council. These respondents expressed concerns that this option would result in a council that would be too big, which would stretch staff capacity and be unable to provide localised services.

Some respondents made specific reference to Rutland County Council (10.5%). These respondents were concerned about Rutland residents losing their independence and local identity, whilst others strongly objected to a reorganisation proposal where Rutland becomes part of Leicestershire. Some respondents from Rutland said they would prefer to remain independent, with others suggesting they would prefer to become part of South Lincolnshire rather than Leicestershire.

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Leicester City & Leicestershire LGR Strategic Summary and Options Assumptions for financial model

Category	Savings assumption	Area 1	Area 2	Area 3
Aggregation / Disaggregation	Senior Leadership	New leadership structure	No change	No change
Aggregation / Disaggregation	Service delivery staffing savings	1%	No change	No change
Aggregation / Disaggregation	Back office staffing savings	3%	No change	No change
Aggregation / Disaggregation	Service delivery third party savings	2%	No change	No change
Aggregation / Disaggregation	Back office third party savings	3%	No change	No change
Aggregation / Disaggregation	Property savings	7.5%	No change	No change
Aggregation / Disaggregation	Reduced numbers of members	New member structure	No change	No change
Aggregation / Disaggregation	Dis-economies of scale on residual social care spend	0%	No change	No change
Transformation	% of service delivery staffing costs	1.5%	No change	No change
Transformation	% of back office staffing costs	3.5%	No change	No change
Transformation	% of non-staff costs	0.5%	No change	No change

Category	Savings assumption	Area 1	Area 2	Area 3
Aggregation / Disaggregation	Senior Leadership	New leadership structure	Closed	No change
Aggregation / Disaggregation	Service delivery staffing savings	1%	Closed	No change
Aggregation / Disaggregation	Back office staffing savings	3%	Closed	No change
Aggregation / Disaggregation	Service delivery third party savings	2%	Closed	No change
Aggregation / Disaggregation	Back office third party savings	3%	Closed	No change
Aggregation / Disaggregation	Property savings	7.5%	Closed	No change
Aggregation / Disaggregation	Reduced numbers of members	New member structure	Closed	No change
Aggregation / Disaggregation	Dis-economies of scale on residual social care spend	0%	Closed	No change
Transformation	% of service delivery staffing costs	2%	Closed	No change
Transformation	% of back office staffing costs	5%	Closed	No change
Transformation	% of non-staff costs	0.5%	Closed	No change

Category	Savings assumption	Area 1	Area 2	Area 3
Aggregation / Disaggregation	Senior Leadership	New leadership structure	Closed	New leadership structure
Aggregation / Disaggregation	Service delivery staffing savings	0.5%	Closed	1%
Aggregation / Disaggregation	Back office staffing savings	2%	Closed	3%
Aggregation / Disaggregation	Service delivery third party savings	1.25%	Closed	2%
Aggregation / Disaggregation	Back office third party savings	2.5%	Closed	3%
Aggregation / Disaggregation	Property savings	7.5%	Closed	7.5%
Aggregation / Disaggregation	Reduced numbers of members	New member structure	Closed	New member structure
Aggregation / Disaggregation	Dis-economies of scale on residual social care spend	1.5%	Closed	0%
Transformation	% of service delivery staffing costs	1.5%	Closed	2.5%
Transformation	% of back office staffing costs	3.5%	Closed	4%
Transformation	% of non-staff costs	0.5%	Closed	0.5%

Category	Savings assumption	Area 1	Area 2	Area 3
Aggregation / Disaggregation	Senior Leadership	New leadership structure	Closed	New leadership structure
Aggregation / Disaggregation	Service delivery staffing savings	0.5%	Closed	1%
Aggregation / Disaggregation	Back office staffing savings	2%	Closed	3%
Aggregation / Disaggregation	Service delivery third party savings	1.25%	Closed	2%
Aggregation / Disaggregation	Back office third party savings	2.5%	Closed	3%
Aggregation / Disaggregation	Property savings	7.5%	Closed	7.5%
Aggregation / Disaggregation	Reduced numbers of members	New member structure	Closed	New member structure
Aggregation / Disaggregation	Dis-economies of scale on residual social care spend	0.5%	Closed	0%
Transformation	% of service delivery staffing costs	1.5%	Closed	2%
Transformation	% of back office staffing costs	3.5%	Closed	3.5%
Transformation	% of non-staff costs	0.5%	Closed	0.5%

Category	Savings assumption	Area 1	Area 2	Area 3
Aggregation / Disaggregation	Senior Leadership	New leadership structure	Closed	New leadership structure
Aggregation / Disaggregation	Service delivery staffing savings	0.5%	Closed	1%
Aggregation / Disaggregation	Back office staffing savings	2%	Closed	3%
Aggregation / Disaggregation	Service delivery third party savings	1.25%	Closed	2%
Aggregation / Disaggregation	Back office third party savings	2.5%	Closed	3%
Aggregation / Disaggregation	Property savings	7.5%	Closed	7.5%
Aggregation / Disaggregation	Reduced numbers of members	New member structure	Closed	New member structure
Aggregation / Disaggregation	Dis-economies of scale on residual social care spend	0.6%	Closed	0%
Transformation	% of service delivery staffing costs	1.5%	Closed	2%
Transformation	% of back office staffing costs	3.5%	Closed	3.5%
Transformation	% of non-staff costs	0.5%	Closed	0.5%

Category	Savings assumption	Area 1	Area 2	Area 3
Aggregation / Disaggregation	Senior Leadership	New leadership structure	New leadership structure	No change
Aggregation / Disaggregation	Service delivery staffing savings	0.5%	0.5%	No change
Aggregation / Disaggregation	Back office staffing savings	2%	2%	No change
Aggregation / Disaggregation	Service delivery third party savings	1%	1%	No change
Aggregation / Disaggregation	Back office third party savings	2.5%	2.5%	No change
Aggregation / Disaggregation	Property savings	7.5%	7.5%	No change
Aggregation / Disaggregation	Reduced numbers of members	New member structure	New member structure	No change
Aggregation / Disaggregation	Dis-economies of scale on residual social care spend	2%	2%	No change
Transformation	% of service delivery staffing costs	1.5%	1.5%	No change
Transformation	% of back office staffing costs	3.5%	3.5%	No change
Transformation	% of non-staff costs	0.5%	0.5%	No change

1a. Aggregation and Disaggregation impacts

Category	Title	Assumption	Location in model
Disaggregation	Disaggregation of current spend	Based on households, population, EHCP demand, CSC demand, ASC demand, Library spend, highways miles, waste tonnage	Control sheet - % of each authorities allocated to new Areas
Aggregation assumptions	Senior leadership savings – base costs	Where boundaries have been split base costs have been calculated using % population	Staff costs tab
Aggregation assumptions	Service delivery and back office base costs	MTFS data has been mapped for LCC and LC and estimated District BO and SD costs	LCC and LC MTFS Tabs
Aggregation assumptions	Senior leadership - savings	Standardised structure created for each new UA. Costs of structure compared to cost of roles consolidated into new UA. Costs of roles have been benchmarked according to comparator authorities for scale / scope	Staff costs tab
Aggregation assumptions	Staffing - Service delivery savings	Assumption where new organisations have been created based on total employee costs in scope (with senior leadership costs deducted)	Savings assumption tab
Aggregation assumptions	Staffing - Back office savings	Assumption where new organisations have been created based on total employee costs (with senior leadership costs deducted)	Savings assumption tab



Aggregation and disaggregation assumptions

Category	Title	Assumption	Location in model
Aggregation assumptions	Service delivery - Third party spend	<p>Social care third party spend is excluded</p> <p>Reduction on remaining third party spend has been quantified</p>	Savings assumption tab
Aggregation assumptions	Back office - Third party spend	Reduction in back office non staff costs and external spend	Savings assumption tab
Aggregation assumptions	Property savings	Reduction on premises costs	Savings assumption tab
Aggregation assumptions	Members base costs	<p>Members expenses have been identified using data from each council</p> <p>These costs have been removed from service delivery & back office calculations</p>	Savings assumption tab
Aggregation assumptions	Members savings	<p>Average numbers of members have been calculated from comparator authorities.</p> <p>Average cost of members is based on current County average</p>	Members costs tab
Disaggregation assumptions	Dis-economies of scale	Additional costs identified from scaling down county services. Identified as growth on residual social care expenditure for appropriate areas within options	Savings assumption tab
Aggregation assumptions	Phasing	All savings have been profiled over 4 years; 25%, 50%, 75%, 100% by year four	Savings calculations tab

1b. Transformation assumptions

Category	Title	Assumption	Location in model
Transformation	Service delivery costs - staffing	Savings for further reductions in staff costs relating to synergies in outcomes	Savings assumptions tab
Transformation	Back office costs - staffing	Savings for further reductions in back office roles due to duplication	Savings assumptions tab
Transformation	Additional savings - % of non staff costs	Duplication in suppliers and expenditure for non staff costs	Savings assumptions tab

1c. Transition costs

Category	Title	Assumption	Location in model
Transition costs	Redundancy costs	Calculated at 43% of staffing costs saving based on previous LGR reports	Savings assumptions tab
Transition costs	Organisation set up	£500,000 per UA	Savings assumptions tab
Transition costs	Closed down districts	£100,000 per UA. Where district boundaries are split close down costs have been allocated by population to new UAs	Savings assumptions tab
Transition costs	Closed down county	£250,000 per UA	Savings assumptions tab
Transition costs	Shadow authority costs	£700,000 per new authority based on estimate of full cost of CEO, s151, leader and deputy leader for 1 year	Savings assumptions tab
Transition costs	Comms and marketing	£600,000 per new authority	Savings assumptions tab
Transition costs	Programme costs	£3.3m (team of 10 @ £500 per day @ 220 days per year for 3 years) for +500,000 population Scaled for 75% of costs for option 6.	Savings assumptions tab
Transition costs	IT costs	£500,000 - £1,000,000 IT transition costs established for new UAs (adding headcount) tailored to the scale of individual options.	Savings assumptions tab
Transition costs	Contingency	10% of all transition costs	Savings assumptions tab

NOTE – the transition costs have been uplifted based on the PWC model to ensure more prudence. Programme Management, IT and Contingency have been increased.

Collaborative Working

The County Council refutes the claim by the district councils and Rutland that it would not pursue a “collaborative process” on local government reorganisation. Regrettably this has been constrained by the initial approach taken by the district councils and Rutland and subsequently maintained.

In January 2025, a meeting was held, hosted by Melton Borough Council, involving the district councils, Rutland Council, the City Council and the County Council (at Leader and Chief Executive level) to discuss a way forward on reorganisation following the publication of the White Paper. At the start of the meeting it was clear that a position had been reached following pre-meetings which had excluded the County Council; the districts, Rutland and the City Council were all of the view that the way forward was to extend the City Council’s boundaries and split the remaining County into two, i.e. three unitary authorities. The Acting Leader of the County Council said that she was unable to accept that proposal and would likely reconsider the County Council’s preference from the 2019 discussions on reorganisation, i.e. a preferred option for a single unitary for the County, possibly now to include Rutland. She confirmed to the district Leaders, the Leader of Rutland and the City Mayor at a meeting she hosted in March that the County Council’s preference was a single unitary for the County.

A request by the County Council to Melton BC for a note of the January meeting was declined, which the County Council interpreted as reluctance to document formally the district councils’ support for a City boundary extension. The County Council retains its own record of the meeting.

Between January and March, there was no change in the position of the district councils and Rutland, apart from a recognition that some districts would lose territory to the City Council, which surprisingly appeared not to have been recognised at the meeting in January. The County Council perceived the approach of the district councils as inflexible (‘take it or leave it’) and not conducive to genuine collaboration. Rutland left its options open. In contrast, the County Council held discussions with the City Council to explore the best options for Leicester and Leicestershire.

When there were approaches from the districts and Rutland to meet with the County Council, it was apparent that their intention was to have pre-meetings to try to agree a position with the City Council before engaging with the County Council.

After the County Council elections in May 2025, the new Leader of the County Council was almost immediately approached by the districts, and on behalf of Rutland, with the same proposal with no flexibility to look at other options, which was rejected to allow time to consider options and for discussions to take place within his minority administration. During the summer and autumn, the Leader participated in debates organised by the business community to consider options for reorganisation with the leader of the group of district councils (also representing Rutland) and the Leicester City Mayor. Requests from the Leader for information to support the districts’ proposal led to a suggestion of a meeting with district and Rutland officers but eventually to the

Leader being referred to a few pages of financial assumptions in their interim plan. The Leader replied that he would prefer to have an independent financial analysis of those assumptions.

Following debate at two County Council meetings in July, a majority of the County Council did not support the proposal for reorganisation from the district councils and Rutland, but there was no consensus on a preferred County Council proposal. Accordingly, after discussion with the political group leaders and to inform the County Council's position on a preferred proposal, agreement was reached with the City Council to do some joint financial modelling, which concluded in September 2025, and informed the County Council's position. The County Council was disappointed that the district councils chose not to be part of the joint financial modelling.

The only change in the position of the district councils and Rutland since January 2025 has been to move from supporting a City boundary extension to opposing it. There has been no change in their proposal to split the remaining County into two, which was not supported by the County Council's administration prior to the County Council elections and is not supported by the current administration.

The criticism of the County Council by the district councils and Rutland seems to be based entirely on their failure to accept the fact that the County Council before and after the May elections has not supported their proposal to split the County into two, from which the district councils, if not Rutland (who have wanted to keep their options open, including merging with parts of Lincolnshire), have never been prepared to move. It is also worth noting that up to October 2025 there had been much more debate in Cabinet and full Council on local government reorganisation in the County Council than in any district council.

Data Sharing

The County Council does not accept the criticism from the district councils and Rutland that the County Council was not cooperative in respect of data sharing.

The first request for data was made at a meeting on 6th March, hosted by the Acting Leader of the County Council, when she invited the district councils and Rutland to send to the County Council their specific data request. At that meeting the Leader of Rutland suggested the LLR councils follow a data sharing protocol similar to that introduced in Lincolnshire. The Leader of Rutland said that she would send a copy to the Acting Leader of the County Council but did not do so. The County Council obtained a copy from Lincolnshire County Council and was satisfied that the majority of information listed for sharing was publicly available in the case of Leicestershire.

The County Council was not made aware that on 12th March (six days after the districts and Rutland had been invited to send a data request to the County Council) their leaders wrote to a MHCLG minister to complain that the County Council was being difficult about data sharing. A reply from the minister of 23rd April was copied to the Acting Leader of the County Council, who wrote herself to the minister to explain the facts in the form of the timeline described above and below.

Prior to the receipt of the copy reply from the minister, a letter on behalf of the district councils and Rutland was received by the Acting Leader on 8th April listing information requested by the district councils in 12 categories for each district area. A detailed reply was sent including a suggestion that the districts clarify exactly what information they wanted since some categories were not clear. The districts then asked for a further breakdown of the information but were content to wait until after the County Council elections and when MHCLG's response to the interim plans was received. It was received, after a delay, in early June.

An email was received at officer level from the district councils at the end of May asking for a meeting to discuss data sharing. In June the district councils suggested to the County and City Councils that some of the funding made available by MHCLG to support final proposals in November could be used to establish common data sets and data sharing agreements. In the event the district councils chose to use their share of the funding for their own purposes, which are unknown to the County Council.

It was not finally clear what data the district councils and Rutland wanted until early July. Following that a data sharing group was established (meeting from July to September) with representatives from Leicestershire County Council, Leicester City Council, Rutland and the seven district councils. The group, which was chaired by the Chief Executive of Blaby District Council, worked constructively to coordinate requests for data from the different local authorities and ensure use of consistent data sources and time periods. The last meeting of the group was on 23 September 2025, where it was agreed that future meeting dates would remain in diaries for a period of time but only take place if needed.

A senior officer group was also established with representation from the County Council, Leicester City Council and Blaby District Council. A secure online data repository was established by the County Council to enable the sharing of datasets between local authorities. While much of the data shared was at middle layer super output area level (c.7,500 people), information sharing agreements were developed and signed by each party.

Following the last meeting of the data sharing group, one information request was received from the district councils, for the home postcodes of all County Council employees. The rationale for this request, which would have had to be considered taking account of the General Data Protection Regulations (GDPR), was separately queried as had been the case with many earlier requests, but no response was received.