



CABINET – 21 JULY 2026

**UPDATE ON LOCAL GOVERNMENT REORGANISATION AND
ESTABLISHMENT OF VOLUNTARY JOINT COMMITTEES**

**SUPPLEMENTARY REPORT OF THE CHIEF EXECUTIVE AND THE
MONITORING OFFICER**

PART A

Purpose of the Report

1. Since publication of the original report, the Government has announced its decision regarding local government reorganisation (LGR) in Leicestershire. This supplementary report updates the Cabinet on the decision and its implications for the County Council.

Recommendations

2. The Cabinet is recommended to:
 - a) Note the Secretary of State's decision to proceed with the two-unitary proposal submitted by Leicester City Council, with the requested boundary modification except for the six part-parishes identified in the Secretary of State's letter;
 - b) Note that implementation will require a Structural Changes Order, subject to Parliamentary approval, to abolish the existing councils, establish the new unitary authorities and make transitional arrangements;
 - c) Note the implications for the County Council as set out in this supplementary report, including the need to engage fully in transitional and implementation arrangements while continuing to discharge its statutory responsibilities until vesting day;
 - d) Authorise the Chief Executive, following consultation with the Leader of the Council and the Monitoring Officer, to take such steps as are necessary, through the County Council's usual decision making and governance processes, to protect the County Council's interests during the transition, including in relation to governance, service continuity, assets, liabilities, staffing, finance, data and programme implementation;

- e) Agree that further reports be brought to the Cabinet as necessary as the detail of the Structural Changes Order, implementation arrangements and programme governance become clearer.

(KEY DECISION)

Reasons for Recommendation

- 3. The Secretary of State's decision represents a significant development in the local government reorganisation process for Leicester, Leicestershire and Rutland. Although the existing councils will continue to operate until vesting day, substantial transitional and implementation work will now be required. The Cabinet is therefore asked to note the decision, the requirement for a Structural Changes Order, and the need for the County Council to participate fully in implementation arrangements while protecting the interests of residents, service users, staff and council taxpayers.

Timetable for Decisions (including Scrutiny)

- 4. This is set out in the main report.

Policy Framework and Previous Decisions

- 5. This is set out in the main report.

Resource Implications

- 6. In addition to the resource implications outlined in the main report, the Secretary of State's letter refers to national capacity funding to support reorganisation, including £900,000 transition support for each new unitary authority and up to a further £150,000 per new unitary authority for leadership capacity and continuity in Children's Services, Adult Social Care and Public Health. The letter states that each new unitary authority will receive over £1m in capacity funding, with details of allocations to be confirmed in due course. The County Council will need to assess the financial, staffing and programme management implications of the selected option as the detail of the Structural Changes Order and implementation arrangements becomes available.
- 7. Details of the allocation are expected to be confirmed shortly.

Circulation under the Local Issues Alert Procedure

- 8. This report has been circulated to all members of the Council.

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PART B

Government Decision

9. On Thursday 16 July, the Secretary of State for Housing, Communities and Local Government wrote to local leaders confirming that, following consideration of the proposals, consultation responses, representations and requests for modification, he had decided to move forward with implementation of the two-unitary proposal submitted by Leicester City Council. The Secretary of State stated that he would exercise his power under the Local Government and Public Involvement in Health Act 2007 to modify the proposal to achieve the boundary change requested alongside that proposal, with the exception of six part-parishes. Implementation will require a Structural Changes Order, which will be subject to Parliamentary approval. A copy of the letter from the Secretary of State is appended to the report.

10. These new councils will comprise the current areas of:
 - Leicester City Council, Oadby and Wigston Borough Council, plus 16 parishes from Blaby District Council, 11 parishes from Charnwood Borough Council and seven parishes from Harborough District Council.
 - Blaby District Council less 16 parishes, Charnwood Borough Council less 11 parishes, Harborough District Council less seven parishes, Hinckley and Bosworth Borough Council, Melton Borough Council, North West Leicestershire District Council and Rutland County Council.

11. The six part parishes in the proposal put forward by Leicestershire have not been approved and will remain in the Leicestershire and Rutland authority. These are: Ashby Magna, Dunton Bassett, Gaulby, Houghton on the Hill, Kings Norton, and Rothley.

12. The Secretary of State felt that, although all three proposals met the criteria, his selected option was the best overall. The Secretary of State considered that the selected option was the only proposal that resolved what he described as the core structural issue facing the region, namely the under-bounding of the City of Leicester. He judged that this proposal delivered the best long-term geographic and strategic fit for the area. The Secretary of State also acknowledged that the selected option will be more complex to deliver in the short term because of the requested boundary changes and the extensions of service delivery required. He particularly highlighted the following reasons for his selection:
 - Sensible geography for economic growth
 - Meeting local needs, especially on housing
 - Devolution.

Implications for the County Council

13. The County Council will continue to exist and discharge its statutory functions until the vesting day for the new authorities, currently expected to be 1 April 2028. During that period, the Council will need to maintain business as usual service delivery while also participating in a substantial transition and implementation programme.
14. The selected option is likely to have significant implications for the County Council, including in relation to service continuity, staff, finance, property and assets, contracts, data, ICT, democratic governance, locality arrangements, partnerships, and statutory responsibilities. The proposed boundary extension for Leicester City Council will also require detailed work to identify and manage the transfer or allocation of assets, liabilities, service responsibilities and operational arrangements within the affected areas.
15. The detailed legal and operational arrangements will be set out in the Structural Changes Order and associated implementation arrangements. Officers will review those arrangements carefully once available and will report further to the Cabinet as necessary.
16. A programme management office and implementation team will be established for Leicester, Leicestershire and Rutland to lead the LGR process, with County Council officers playing a key role.

Next Steps

17. The Secretary of State's letter confirms that a Structural Changes Order will be required to abolish the existing councils, establish the new unitary authorities and make transitional arrangements. That Order will be subject to Parliamentary approval.
18. Officers will continue to engage with Government, the other councils in Leicester, Leicestershire and Rutland, and relevant partners on the development of implementation arrangements. A further report will be brought to the Cabinet when there is greater clarity on the proposed Structural Changes Order, programme governance, transitional bodies, funding, timetable and any decisions required of the County Council.

Legal and Governance Implications

19. The Secretary of State's decision does not itself abolish the existing councils or establish the new unitary authorities. The legal mechanism for implementation will be a Structural Changes Order under the Local Government and Public Involvement in Health Act 2007, which will be subject to Parliamentary approval. The content of the Order will be significant. It is expected to address matters including the abolition of existing authorities, establishment of the new unitary authorities, transitional and shadow arrangements, electoral arrangements, staffing, property, rights and liabilities, finance, governance and other consequential matters.

20. Officers will review the draft Order and associated documentation carefully when available. The County Council will continue to reserve its position in relation to any legal, governance or implementation issues arising from the decision or the proposed Order.

Equality Implications

21. The establishment of voluntary Joint Committee arrangements is primarily a governance measure. However, given the scale and potential impact of LGR, the Council will adopt a strategic approach to equality impact assessment during all programme phases and stages, with more detailed assessments undertaken as specific proposals and implementation decisions are developed.

Human Rights Implications

22. There are no direct human rights implications arising from the recommendations in this report. Any future substantive proposals arising from LGR will be considered for human rights implications as appropriate.

Background Papers

These are set out in the main report.

Appendix

Letter from the Secretary of State for Housing, Communities, and Local Government, dated 16 July 2026.