



CABINET – 7 FEBRUARY 2025

ENGLISH DEVOLUTION WHITE PAPER: LOCAL GOVERNMENT REORGANISATION – INCLUDING URGENT ACTION TAKEN

SUPPLEMENTARY REPORT OF THE CHIEF EXECUTIVE

PART A

Purpose of the Report

1. The purpose of this report is to provide an update on the latest position in relation to local government reorganisation and devolution, following letters received from the Minister of State for Local Government and English Devolution on 5 February advising that the County Council's request to postpone the election has not been granted and setting out the formal invitation to develop a proposal for local government reorganisation.

Recommendations

2. It is recommended that:
 - (a) The urgent action taken by the Chief Executive under delegated authority to request the Minister of State for Local Government and English Devolution to postpone the County Council elections from May 2025 to May 2026 and to provide a clear commitment to devolution and reorganisation be noted;
 - (b) The letter from the Minister of 5th February saying that he has decided not to agree to the request be noted, together with the invitation received from the Minister also on 5th February to submit a proposal for unitary local government reorganisation and the accompanying guidance and assessment criteria, including the requirement to submit an interim plan to Government before 21st March 2025;
 - (c) The Minister's decision not to allow local government reorganisation in Leicester, Leicestershire and Rutland through the fast-track process, as jointly requested by the City Mayor, the Acting Leader of the County Council and the Leader of Rutland Council, has resulted in devolution to the area being further delayed with any estimated date for devolution currently uncertain;

- (d) The criteria for unitary local government be noted and supported, including that a unitary authority must be the right size to achieve efficiencies (with the aim of a population of 500,000) ensuring value for money for council tax payers, improve capacity and withstand financial shocks; must prioritise the delivery, improvement and sustainability of services; that reorganisation should avoid unnecessary fragmentation of services such as social care; and that a unitary authority should enable stronger community engagement and should reflect sensible geography and a sensible economic area;
- (e) It be noted that, following the publication of the English Devolution White Paper, a meeting of the Leaders and Chief Executives of the 10 councils in Leicester, Leicestershire and Rutland took place on 8th January, at which no consensus was reached on unitary authority structure options and it was agreed to meet again after the receipt of the Minister's invitation to submit proposals and the criteria to be followed;
- (f) If consensus cannot be reached, it be noted that guidance on the interim plan recognises that it may contain more than one potential proposal for a unitary structure;
- (g) This supplementary report and the original report be submitted to the meeting of the County Council on 19 February for information;
- (h) Progress on the interim plan be reported regularly to the Group Leaders.

Reasons for Recommendations

3. The Council's Constitution (Part 3, Section D) provides that the Chief Executive, following consultation with the Leader, may take urgent decisions between Cabinet meetings subject to this being reported for information to the next available meeting.
4. The Minister of State required that requests for postponement and clear commitment to devolution and reorganisation aims were submitted by no later than 10 January 2025. The request had to be contained within a letter jointly signed by the Leaders of the requesting authority and neighbouring unitary councils. A joint letter was submitted. The Minister's letter of 5 February confirms that the County Council's request has not been granted.
5. The formal invitation to submit reorganisation proposals, received on 5 February, sets out clear criteria for the proposals. It also encourages local authorities to work together to develop proposals, whilst recognising that there will be some cases when it is not possible for all councils in an area to jointly develop and submit a proposal, despite their best efforts. This will not be a barrier to progress, and the Government will consider any suitable proposals submitted by the relevant local authorities.
6. Although the taking of decisions relating to local government reorganisation are 'Executive Functions' and therefore a matter for the Cabinet, it is felt that, given the significance of the decision, it should be referred to the full Council for consideration and debate.

Timetable for Decisions (including Scrutiny)

7. The Minister's letter of 5 February confirms that interim proposals for a single tier of local government must be submitted by 21 March 2025. In order to meet this deadline, the Cabinet meeting currently scheduled for 25 March will have to be moved forward.
8. Progress with the development of the interim proposals will be reported to the Scrutiny Commission at its meeting on 10 March.
9. The full proposal for local government reorganisation will need to be submitted to the Government by 28 November 2025.

Policy Framework and Previous Decisions

10. These have previously been set out in the main report.
11. The Secretary of State for Housing, Communities and Local Government has the power under Part 1 of the Local Government and Public Involvement in Health Act 2007 to invite proposals for a single tier of local government. In responding to an invitation a council is required to have regard to any advice from the Secretary of State as to what a proposal should seek to achieve and the matters that should be taken into account in formulating a proposal.

Resource Implications

12. There are no resource implications arising from the recommendations in this report although it is noted that the interim proposal will require indicative costs of preparing proposals.
13. The Director of Corporate Resources and the Director of Law and Governance have been consulted on the content of this report.

Circulation under the Local Issues Alert Procedure

14. A copy of this report will be circulated to all Members.

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PART B

Background

15. Following the statement made in the House of Commons by the Deputy Prime Minister on 5 February that the County Council's request to postpone the election has not been granted, a letter addressed to the Acting Leader, City Mayor and Leader of Rutland Council was received from the Minister of State for Local Government and English Devolution. The letter is attached as Appendix A to this report.
16. Also on 5 February, a letter was received from the Minister of State of Local Government and English Devolution setting out the formal invitation to develop a proposal for local government reorganisation. The letter is attached as Appendix B to this report.
17. In regard to the encouragement to local authorities to work together to develop proposals, the Acting Leader and the Chief Executive were invited to meet the District Council Leaders on 8 January. The City Mayor and the Leader of Rutland Council were also invited and all Leaders were present. Referring to previous meetings, to which the County Council had not been invited, it was said on behalf of the Districts that a consensus existed on a way forward. At the end of the meeting, it was agreed that a consensus did not exist and a further meeting of all councils would be held.

Equality Implications

18. Due to the complexity and 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

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

Appendices

Appendix A – Letter from the Minister of State for Local Government and English Devolution in response to the request to postpone elections

Appendix B – Letter from the Minister of State for Local Government and English Devolution setting out the formal invitation to submit reorganisation proposals

Background Papers

“English Devolution White Paper” published 16 December 2024
<https://www.gov.uk/government/publications/english-devolution-white-paper-power-and-partnership-foundations-for-growth>

Reports to the Cabinet and minutes of those meetings –

17 December 2024 – “English Devolution White Paper”

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

29 March 2019 - “Review of Proposals for a Unitary Structure of Local Government for Leicestershire”

<https://cexmodgov01/ieListDocuments.aspx?CId=135&MID=5601#A159004>

22 October 2019 - “A Vision for Local Government in Leicestershire”

<https://cexmodgov01/ieListDocuments.aspx?CId=135&MId=5606&Ver=4>