



SCRUTINY COMMISSION – 10 MARCH 2025

**ENGLISH DEVOLUTION WHITE PAPER: LOCAL GOVERNMENT
REORGANISATION**

MINUTE EXTRACT

English Devolution White Paper: Local Government Reorganisation

The Commission considered a joint report and presentation of the Chief Executive, the Director of Corporate Resources, and the Director of Law and Governance which sought views on the proposed content of the interim plan for local government reorganisation. A copy of the report, marked 'Agenda Item 8', and of the presentation, are filed with these minutes.

In introducing the report and presentation, the Chief Executive reported that Mrs. Deborah Taylor, Acting Leader of the County Council, had hosted a meeting of the City Mayor, the Leader of Rutland and the District Council Leaders, on 6 March. The expectation from this meeting was that three separate proposals would be submitted to the Government: one by the County Council; one by the City Council; and one by the District Councils. It was known that Rutland Council would meet on 11 March to discuss its position. To date, the Leader of Rutland Council had indicated her support for the proposal made by the District Councils.

The Director of Corporate Resources provided an overview of the funding position in relation to local government reorganisation. He stated that the financial position of the County Council reflected that of other local authorities nationally, including district councils. It was not clear whether the Government's expected funding reforms would have an impact on the Council's overall budget and the last local government settlement had not provided an increase in core spending power for district councils. Local government reorganisation was not expected to solve all of the financial challenges being faced by authorities, but it could lead to a significantly improved position for the County Council. Discussions on the right solutions for Leicestershire would focus on finance, services and democracy. The Director emphasised that the three could not be considered in isolation. The investment in reorganisation would be significant and it would therefore be vital for reorganisation to focus on improving services and generating savings. Despite the fact that a number of financial challenges were outside of local government's control, a single unitary option for Leicestershire would put a new unitary authority in the best possible position to deal with these challenges.

Arising from discussion, the following points were raised:

- (i) In response to a question asked regarding the interim plan, the Acting Leader stated that the Government's decision not to fast-track local government reorganisation in Leicester, Leicestershire and Rutland through postponing the County Council elections, as jointly requested in a letter from the Acting Leader of the County Council, the City Mayor and the Leader of Rutland Council, meant that devolution to the area had been further delayed with any estimated date for devolution uncertain. In light of this, the County Council had focussed on revising and updating the 2019 business case, a 'Vision for Local Government in Leicestershire'. This business case would inform the interim plan.
- (ii) Concern was raised regarding the sustainability of discretionary services currently provided by district councils within the proposed unitary model. The Acting Leader assured members that the proposal for a single unitary authority for Leicestershire would be focussed on delivering high quality and sustainable statutory and non-statutory public services and that there would be benefits in bringing services together. She said that the County Council itself provided discretionary services. Further work would need to be undertaken in order to consider the future funding model and understand the impact of a reallocation of resources. This would not be possible until the Government had provided feedback on the interim plan.
- (iii) In response to a question relating to population size, the Chief Executive stated that the interim plan for a proposed single unitary council for Leicestershire was being developed according to the Government's stated aim that the population size for new councils should exceed 500,000 residents. It was expected that any proposal for a unitary authority which did not meet that benchmark would need to include a justification against all the criteria in the ministerial invitation letter.
- (iv) Concern was raised relating to extension of Leicester City Council's boundaries in terms of the impact this would have on residents in those localities, as well as the impact on the remaining area of Leicestershire. The Acting Leader acknowledged these concerns and confirmed her view that, if the Government were to seek to progress any proposal for an extension of the City's boundaries, it would not be in the interests of Leicestershire's residents.
- (v) With regards to the role of town and parish councils under a single unitary council for Leicestershire, the Chief Executive stated that town and parish councils would be invited to deliver some local services within their communities. Concern was raised that some parish councils would not have the necessary resource in place in order to undertake this role. The Chief Executive assured members that a framework would be developed whereby parish and town councils would be offered the opportunity to deliver certain services, and that funding arrangements would be considered. The proposed unitary authority

would be the responsible body for ensuring that services were delivered, in line with statutory responsibilities and its priorities. Governance and monitoring arrangements would be developed for working with town and parish councils, and Community Governance Reviews could be undertaken in unparished areas such as Loughborough, Market Harborough, and other such areas across the County.

- (vi) The Interim Plan would outline the proposal for a Cabinet and Strong Leader model, with Area Committees and Area Planning Committees for local decision making. It was expected that the number of Area Committees would either be 10, based on a population of roughly 70k, in order to address issues around sense of community and common sense of place, or seven, based on parliamentary constituency areas. Concern was raised that additional committees could lead to increased costs. Members were assured that Area Committees would aim to support the necessary governance and decision-making arrangements of the proposed unitary authority. Details relating to the proposed governance and decision-making model would be developed following feedback from the Government on the interim plan.
- (vii) Concern was raised relating to the performance of local authorities which had been through a process of reorganisation. The Chief Executive and the Director of Corporate Resources stated that it would not be beneficial to make comparison due to differences in financial circumstances, local issues, and geography. The interim plan would focus on outlining the benefits of a single unitary council for Leicestershire and point to the high performance of the County Council as its proposer.
- (viii) In response to a question regarding the next steps, the Chief Executive outlined that the interim plan would be submitted to the Government before 21 March 2025. A new business case would then be developed based on latest information, as well as the views of local residents. These views would be obtained through focus groups, extensive internal and external communications, online consultation, and through engagement with targeted stakeholders and groups. This business case would fully reflect the Government's criteria and would also take on board any feedback on the interim plan provided by the Government. The deadline for the submission of a final plan to the Government would be 28 November 2025. It was acknowledged that following feedback from Government, it would be important for local authorities across Leicester, Leicestershire and Rutland to work together to deliver reorganisation for their residents.

RESOLVED:

That the Commission's views now made on the option for a single unitary Council for Leicestershire, excluding Leicester City, be forwarded to the Cabinet for consideration at its meeting on 18 March 2025.

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