

**CABINET – 12 SEPTEMBER 2025****LOCAL GOVERNMENT REORGANISATION****JOINT REPORT OF THE CHIEF EXECUTIVE, THE DIRECTOR OF
CORPORATE RESOURCES AND THE DIRECTOR OF LAW AND
GOVERNANCE****PART A****Purpose of the Report**

1. The purpose of this report is to provide the Cabinet with an overview of the Government's policy on local government reorganisation, the local response earlier this year, and an analysis of the current position across Leicester, Leicestershire and Rutland.
2. A supplementary report will be circulated to members, including information on the financial modelling currently being undertaken to inform the options appraisal and final business case.

Recommendations

3. The Cabinet is recommended to note this and the supplementary report and consider the latest position with regard to local government reorganisation for Leicestershire.

Reasons for Recommendation

4. To consider the next steps to be taken by the County Council with regard to local government reorganisation.

Timetable for Decisions (including Scrutiny)

5. The final full business case must be submitted to the Government by 25 November 2025. The full business case will be considered by the Cabinet in November and prior to that will be considered by the Scrutiny Commission. It is intended that the draft business case will be considered by a Special Council meeting in November.

Policy Framework and Previous Decisions

6. 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.

7. A letter was received from the Minister of State for Local Government and English Devolution on 5 February 2025 setting out the formal invitation to develop a proposal for local government reorganisation and with a requirement for an interim plan to be submitted to the Government before 21 March 2025. This was subject of a report to the Cabinet meeting on 7 February and that report was also submitted to the County Council for information on 19 February 2025.
8. The Cabinet on 18 March approved the outline of the Interim Plan for submission to the Ministry for Housing, Communities and Local Government and authorised the Chief Executive, following consultation with the then Acting Leader, the Director of Corporate Resources and the Director of Law and Governance, to finalise the interim plan for submission to the Government, provided that this did not change the underlying principles as presented in the report.
9. The County Council at its meeting on 2 July 2025 agreed, inter alia, that it considered that a north/south split of the County (proposed by district councils and Rutland Council) would have a significant risk to the stability of countywide services, particularly social care, would cause unnecessary disaggregation of services, and that it was unable to support that proposal. The Council's resolution also noted that there is joint agreement with the City Council that the best option for reorganisation in Leicester and Leicestershire is a two unitary model, one City, one County.
10. On 30 July, an Extraordinary Meeting of the County Council was called. A Notice of Motion was agreed, in summary, that - proposals for, or agreements to Devolution and Local Government Reorganisation made on behalf of the County Council by the Leader and/or Cabinet and/or Chief Executive, would be subject to debate by and a vote of Full Council before submission to the Government; that the Leader would consult with all Group Leaders on a weekly basis to update them on progress of discussions with the other local authorities concerned; that the County Council did not support any expansion of the Leicester City Council area boundaries.

Resource Implications

11. The work completed to date has been delivered using internal resources, however local government re-organisation is a significant undertaking that will have an impact on the Council's financial position in future years. A more detailed analysis will be given in the supplementary report.

Circulation under the Local Issues Alert Procedure

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

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PART B

Background

13. The Government's policy on the reorganisation of local government in current two-tier areas into unitary authorities was set out in the English Devolution White Paper, published on 16 December 2024. It sets out how the Government plans to deliver its manifesto pledge to transfer power out of Westminster through devolution and to fix the foundations of local government.
14. The deadline for submission of proposals is 28 November 2025. Following this, the Government will undertake statutory consultation on the proposals submitted by an area, with or without modification.
15. Further details including the Interim Plan submissions for the Leicester, Leicestershire and Rutland (LLR) area, MHCLG feedback to date, the current position in LLR, and modelling of options will be included in the supplementary report.

Equality Implications

16. 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

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

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>

Notice of Motion to the County Council meeting on 2 July 2025
<https://democracy.leics.gov.uk/ieListDocuments.aspx?CId=134&MId=7859&Ver=4>

Notice of Motion to the County Council meeting on 30 July 2025
<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>