

**CABINET – 25 NOVEMBER 2025****LOCAL GOVERNMENT REORGANISATION: BUSINESS CASE****SUPPLEMENTARY 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 present the County Council's business case for local government reorganisation (LGR) in Leicestershire for approval, alongside a summary of how comments made by the Scrutiny Commission have been responded to.

Recommendations

(Key Decision)

2. The Cabinet is recommended to:
 - (a) Approve the business case for submission to the Government by the deadline of 28 November 2025;
 - (b) Authorise the Chief Executive, following consultation with the Leader, the Director of Corporate Resources and Director of Law and Governance, to make any necessary amendments to the business case before it is submitted to the Government provided that these do not change the underlying principles of the business case as presented in this report;
 - (c) Note the response to the feedback from the Scrutiny Commission.

Reasons for Recommendation

3. The letter received from the Minister of State for Local Government and English Devolution on 5 February set out the formal invitation to all local authorities in remaining two-tier areas and neighbouring unitary authorities to develop a proposal for LGR and required final proposals to be submitted to the Government by 28 November 2025.

Timetable for Decisions (including Scrutiny)

4. The Scrutiny Commission received a presentation which provided an outline of the business case at its meeting on 29 October. The Commission further considered the draft business case at its meeting on 10 November.

Policy Framework and Previous Decisions

5. These have previously been set out in the main report.

Resource Implications

6. 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 a significant impact on the Council's financial position in future years. More detail will be set out in the Business Case

Circulation under the Local Issues Alert Procedure

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

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PART B

Background

8. The County Council's business case for Local Government Reorganisation has been amended following feedback from the Scrutiny Commission and is attached as Appendix A to this report.
9. A summary of the comments from the Scrutiny Commission meeting on 10 November and how they have been responded to is attached as Appendix B to this report.

Equality Implications

10. A High Level Equality Impact Assessment is included in the business case. This states that Local Government Reorganisation in Leicestershire presents a substantial opportunity to improve outcomes for residents across all protected groups. However, without targeted mitigation and inclusive governance, the transition may disproportionately impact rural communities, those with disabilities, ethnic minorities and others reliant on critical services. The Council will remain committed to inclusive engagement, robust monitoring and accessible service delivery throughout the reorganisation process.

Human Rights Implications

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

Appendices

Appendix A – Business Case for Local Government Reorganisation
 Appendix B – Response to comments from the Scrutiny Commission

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>

12 September 2025 - "Local Government Reorganisation"

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

Reports to the Scrutiny Commission

29 October 2025 – "Local Government Reorganisation"

<https://democracy.leics.gov.uk/ieListDocuments.aspx?CId=137&MId=8324&Ver=4>

10 November 2025 – "Local Government Reorganisation – Draft Business Case"

<https://democracy.leics.gov.uk/ieListDocuments.aspx?CId=137&MId=7836&Ver=4>