

**CABINET – 24 MARCH 2026****LOCAL GOVERNMENT REORGANISATION: RESPONSE TO  
CONSULTATION****EXEMPT JOINT REPORT OF THE CHIEF EXECUTIVE AND THE  
DIRECTOR OF CORPORATE RESOURCES****PART A****Purpose of the Report**

1. The purpose of this report is to seek approval of the County Council's response to the Government consultation on local government reorganisation (LGR) in Leicester, Leicestershire and Rutland.
2. A supplementary report which will contain the consultation response is currently being prepared and this will be circulated to members and published on the County Council's website as soon as it is available.

**Recommendations**

3. The Cabinet is recommended to:
  - (a) Approve the consultation response for submission to the Government by the deadline of 26 March 2026;
  - (b) Authorise the Chief Executive, following consultation with the Leader and the Director of Corporate Resources, to make any necessary amendments to the consultation response before it is submitted to the Government provided that these do not change the underlying principles of the response as presented in this report.

**Reasons for Recommendation**

4. The Government is undertaking consultation on the proposals for Local Government Reorganisation in Leicester, Leicestershire and Rutland for 7 weeks between 5 February and 26 March 2026. The County Council is a statutory consultee.

**Timetable for Decisions (including Scrutiny)**

5. The Scrutiny Commission will receive a presentation which provides an outline of the consultation response at its meeting on 18 March. The

supplementary report will include details of the views expressed by the Scrutiny Commission at this meeting.

### **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. 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 set 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.
8. 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 LGR 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.
9. 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 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.
10. 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 was 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.
11. 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; and that the County Council did not support any expansion of the Leicester City Council area boundaries.

12. The Cabinet at its meeting on 12 September 2025 considered a report regarding the Government's policy on LGR, the local response made earlier in the year, the position locally and nationally, and the financial modelling (on different options) being undertaken to inform the Council's final proposal. The Cabinet, inter alia, acknowledged the decision of the County Council on 30 July not to support the expansion of the Leicester City boundary proposed by the Mayor of Leicester but recognised the need to provide evidence of the financial, service and other impacts of any proposed expansion on the County.
13. The County Council on 12 November endorsed the draft business case. It also agreed to oppose any expansion of the boundaries of Leicester City Council and that, should the Government be minded to implement an expansion, a referendum should take place on the matter. The costs of such a referendum should be met by the Government.
14. The Cabinet on 25 November approved the County Council's business case for submission to the Government. The business case was subsequently submitted to the Government before the deadline of 28 November 2025.

### **Resource Implications**

15. 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.

### **Circulation under the Local Issues Alert Procedure**

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

### **Officers to Contact**

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## **PART B**

### **Background**

17. Once the statutory consultation has concluded, the Minister will decide, subject to Parliamentary approval, which, if any, proposal is to be implemented, with or without modification. The timetable is for this decision to be made before the Parliamentary summer recess in 2026. A Structural Change Order would then be prepared and laid for Parliamentary approval. A Structural Change Order establishes the new single tier of local government and makes provision to abolish the predecessor councils. It would replace any currently planned elections with elections for the new councils with appropriate wards/divisions for these new elections, amend the terms of office of current councillors as required, and give any preparatory functions needed. This means, for example, any councillors elected in local elections in May 2025 would serve for a normal term but, if the council is abolished during that term through the reorganisation process, their terms would be reduced in this legislation. MHCLG has said that it will work with current councils during the preparation of the legislation, seeking input on specific matters which are expected to include names of the councils, transitional arrangements and electoral arrangements.
18. The Order would also specify functions and governance arrangements during the transition period and would give powers to the relevant executive or joint committee overseeing the transition. Structural Change Orders typically take six to nine months to prepare and take through Parliament. It is planned that elections to the new authorities would take place on 6 May 2027. These would be operating in shadow form during the transition year and the role of unitary councillors would be to begin preparatory work, including setting up governance structures, budgets and services arrangements. Meanwhile, existing councillors from the predecessor councils (district and county) would continue to serve until those councils are formally abolished. A councillor may be elected to a new unitary authority while still serving on an existing council.
19. The date that the new authorities go live, on the current timetable 1 April 2028, is known as vesting day. On that day, all assets, functions and staff would be transferred to the new authorities and expected to deliver safe and legal services.
20. In a written Ministerial Statement to Parliament on 3 June 2025, the Minister of State acknowledged the tightness of the Government's timetable and the risk of slippage, saying "I understand that developing proposals and preparing for Local Government Reorganisation is demanding, and that for areas with new councillors and Leaders this is a particularly busy time. I want to reiterate my commitment to working with every area to deliver on this ambitious programme.". Nevertheless, there has been speculation that the amount of work required within Government and Parliament to reorganise 21 two-tier local authority areas in the full term (to 2029) of this Parliament may mean that not all of those reorganisations are concluded. Although the English Devolution and Community Empowerment Bill (paragraph 20) may be regarded as a flagship

policy of the Government, there could be changes in priorities or delays in scheduling parliamentary stages in the progression of the Bill and subsequent structural change.

### **Equality Implications**

21. 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**

22. 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>

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>

25 November 2025 – "Local Government Reorganisation: Draft Business Case"

<https://democracy.leics.gov.uk/ieListDocuments.aspx?CId=135&MId=8321&Ver=4>

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>