

## **Leicestershire County Council Proposal – Consultation Response**

### **Executive summary**

Leicestershire County Council's proposal supports local government reorganisation through a single unitary authority for Leicestershire and Rutland (with Leicester City remaining unchanged), retaining existing boundaries to align with established public-service footprints (including police, fire and health) and the long standing Leicester/Leicestershire functional economic area. The proposal argues this approach is the simplest and lowest risk route to deliver reorganisation and will deliver improved public service and devolution quicker than any other proposal. This is because it uses a proven model, avoids boundary change and avoids disaggregation of services, delivering a "Day 1 Safe and Legal" transition that can be built on quickly to deliver longer term transformational benefits. The financial assumptions have been independently checked and aligned with Leicester City Council, projecting £114m savings over four years, a 1.58 year payback, and £21.5m transition costs funded from reserves (rather than asset sales or borrowing). The Council contends the Leicestershire–Rutland footprint provides the scale and resilience needed to withstand financial shocks and service pressures (including an ageing population and funding reductions), while avoiding the inefficiencies and workforce competition that could arise from creating multiple smaller unitaries. It also emphasises maintaining local responsiveness through strengthened Area Committees (with small budgets) and area-based planning and licensing, and reports engagement feedback showing no appetite for city boundary expansion and strong interest in protecting local identity and ceremonial counties (including Rutland).

### **Sensible geographies and economic areas**

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*Simple – no boundary changes required*

*Sensible – built on border that all residents and partners recognise*

*Strategic – best combination of authorities for Strategic Development Strategies and Devolution*

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This proposal maintains the geography of Leicester, Leicestershire, and Rutland to reflect established arrangements for public services. The new unitary authority will match the boundary for police, fire and health services.

Leicestershire and Leicester are an established functional economic area and the proposal builds on this by integrating Rutland into the Leicester and Leicestershire economic partnerships.

The county is already experiencing significant growth; by combining district and county functions, it will establish more robust and flexible planning structures capable of addressing substantial infrastructure challenges that currently hinder development.

Leicestershire County Council has considered the role of Spatial Development Strategies and Strategic Authorities that will cover the Leicester, Leicestershire and Rutland region and the important strategic functions around development, transport and growth that will accrue to the Strategic Authority. Other proposals have stressed the importance of having two or

three unitary authorities balanced by population, even when this will involve breaching the government guidelines. However, Strategic Authorities already operate successfully without balanced populations showing the most important factor is coherent unitary authorities that can deliver what residents need.

With no changes to boundaries, this approach offers the simplest method for reorganisation for the new authority, residents, and partner organizations.

### **Ability to deliver the outcomes described in the proposal**

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*Simple – quick and low risk approach*

*Sensible – delivers all the outcomes at low cost*

*Strategic – fastest preparation and delivery of transformation in the new authority*

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All of the financial calculations and assumptions have been independently checked and verified by the consultancy 31Ten and PwC and have been shared with and verified by Leicester City Council.

This proposal will save £114m over 4 years, paying back the necessary investment to deliver transition within 1.58 years. The proposed approach delivers substantial efficiency gains, achieving £40 million in savings by refining management structures, streamlining back office processes, and removing unnecessary duplication. At this scale, the authority is able to leverage enhanced purchasing power and strengthen its position within the market, optimising the benefits that arise from aggregating activities across the county.

Transition costs total £21.5m and are the lowest of all the proposals put forwards. It is proposed to fund transition through reserves, rather than through asset sales or borrowing, in contrast to other proposals.

The modelling for this option has a very good level of accuracy, due to its similarity to previous re-organisations. The focus will be on 'Day 1 Safe and Legal' transition, setting the scene for transformation, once the new authorities are established.

The nature of the proposal is such that there is a very high certainty of delivery. Leicestershire County Council's bid is low risk compared to the alternatives.

### **The right size to be efficient, improve capacity and withstand financial shocks**

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*Simple – a straightforward transition that maximises financial savings for future resilience*

*Sensible – avoids creating competition between three unitary authorities for staff and resource*

*Strategic – well-positioned to address the challenges arising from both a growing and ageing population*

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Leicestershire is a relatively small county with low funding per capita, making it highly sensitive to changes in scale; it currently ranks 19th lowest among remaining 21 counties by Core Spending Power. Consideration was given to ensuring manageability of change, and the new unitary authority would only be a modest increase compared to the existing County Council, serving a population that is approximately 5% larger. In practice, this increase is even less significant, as many services for Rutland are provided by Leicestershire.

Adopting the Leicestershire and Rutland footprint enhances efficiency by facilitating aggregation of activity, yielding rapid financial returns that support long-term financial stability.

Importantly, there is no requirement for unnecessary disaggregation, allowing resources and expertise to be deployed collectively. By managing service pressures as a unified county, notable advantages are realised, especially in areas experiencing higher growth rates in the North compared to the South—an issue that alternative proposals, such as the North-City-South model, fail to address effectively. Furthermore, the City fringe continues to be one of the most cost-effective regions to serve, owing to its lower levels of rurality, which simplifies service delivery and supports overall efficiency.

The proposed approach is well-positioned to address the challenges arising from both a growing and ageing population, ensuring increased demand for health, social care, and other essential services is met effectively. By enabling flexible deployment of services according to specific needs, the model maintains adaptability and resilience. Existing operations have already demonstrated the capability to deliver effectively at this scale, with no requirement for asset or capacity transfers. This not only streamlines processes but also helps to close gaps in savings activities. However, it is important to recognise that the current market presents difficulties for certain service areas. Establishing a competing council would likely exacerbate these issues, competing for specialist teams, staff, assets and resources. Any attempt to partition or redraw boundaries could result in costly imbalances in service capacity, ultimately undermining efficiency and stability.

Financial resilience is a central aspect of this proposal. Leicestershire County Council have carefully considered the implications of funding reform, basing the approach on existing organisational structures to address the anticipated £27 million loss of district transitional protections. This plan ensures that the City Council remains sustainable at its current scale, while also resolving issues linked to Rutland's small size and its relatively high Council Tax, which stands at 20% above the average. By avoiding the pitfalls associated with disparities in growth and demand between the North and South, this proposal is well-placed to deliver stability.

Leicestershire County Council have also taken into account the current financial climate in which the new unitary authority will operate. Significant savings will be required due to ongoing pressures on services, and these challenges will be intensified by the reduction in income protections that comes into effect from April 2029. By adopting the simplest and most efficient transformation strategy, Leicestershire County Council believe the new unitary authority will be best equipped to meet these financial challenges and secure long-term stability.

## **High quality, sustainable public services**

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*Simple – no need to unnecessarily disaggregate services between authorities*

*Sensible – making every penny of taxpayers' money count by getting best economies of scale*

*Strategic – rapid transition means the future focus can be on service improvements to reap the benefits of LGR*

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Leicestershire County Council believe this proposal will enhance consistent, flexible, and localised services for residents. By unifying district-delivered services, it will strengthen prevention, collaboration, and joint efforts across areas like waste, planning, housing, and social care. This will cement existing operations through community-based library points, family hubs, and area coordinators, alongside central functions such as the multi-agency child exploitation team for targeted needs and cost efficiency.

Leicestershire and Rutland's services perform well despite budget pressures, with notable achievements in children's social care, highways, and adult social care. Splitting these services risks undermining good practice and performance. Leicestershire's and Leicester City's Adult Social Care services are rated as "requires improvement", the improvements both authorities are committed to risk being slowed if disruption occurs through disaggregation and reaggregation.

People services and infrastructure planning are most effective at scale, minimising leadership costs and maximising frontline resources. Aligning neighbourhoods with partners like health and police is crucial.

Combining county and district functions will reduce duplication and expand prevention work, continuing demand reduction efforts. A new single county unitary would minimise Council Tax harmonisation costs compared to city proposals, protecting frontline spending.

Critically, this proposal is the only one not to require any form of disaggregation of services, allowing a faster transition, with continual focus on service standards and effective delivery in the new authority. It means that residents of Leicestershire and Rutland can access services anywhere in Leicestershire and Rutland. The service to Rutland residents will noticeably improve as a significantly larger number of assets are available to members of the public and greater scale and expertise can be amalgamated with the public services already delivered in Rutland.

One unitary for Leicestershire and Rutland has been criticised for creating an authority so large that it cannot respond to the differing natures of parts of the region. Analysis shows that the larger of the two unitaries created in this proposal would still only be the 19<sup>th</sup> largest in the UK. Leicestershire County Council cannot see any compelling evidence in any of the proposals that shows there is this 'diseconomy of scale' from a larger organisation. The track record at County and District level in delivering from community locations, such as libraries, family hubs and with local area coordinators, shows that this will not be the case. Furthermore, the ambitious plans for Area Committees will enhance local engagement with decision-making and service delivery, ensuring that no community is left behind.

The City's service delivery approach would need to significantly change, as it currently cost 30% more per head than county services and serves a younger, more deprived and densely populated population. This would be a significant activity to align services potentially requiring either downsizing or delivering a reduced offer. For example, the county switches off street lights for efficiency, unlike the city.

This bid enables all services to continue seamlessly alongside LGR, avoiding disruption from service disaggregation or interim arrangements. There will be no need for 'shared services' or 'pay to use' models in this proposal. The County Council is committed to LGR's benefits and is already delivering at scale, including Rutland and Public Health.

Opportunities include integrating social care, wellbeing, and housing, optimising school planning, reducing duplication in community safety, achieving housing efficiencies, managing demand better, streamlining waste management, and simplifying planning boundaries to support housing growth where needed.

Aggregation of services will be challenging for all of the proposals put forward. But Leicestershire County Council are confident that by undertaking aggregation without the concomitant risks of disaggregation ensures that there is the greatest opportunity to deliver a transition of high-quality, sustainable public services, ready for further transformation in the new authority.

Leicestershire County Council have listened to the experience of other authorities embarking on the LGR process and those who have come through it and recognise the importance of ensuring that transition and transformation plans are not confused. This bid is the lowest risk for Day 1 Safe and Legal transition. Whilst it presents a vision for the possibilities afforded to future authorities from the aggregation of services in one unitary authority, it has been careful to ensure that it respects the right of new authorities to choose their own strategic direction for services. Leicestershire County Council believes that there is substantial risk from other proposals that are predicated on wholesale service redesign on largely untested and ill-defined prevention-based models or neighbourhood based approaches with wildly optimistic savings targets.

### **Being informed by local views and meeting local needs**

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*Simple – decision making taken close to residents*

*Sensible – listening to the clear opinion from residents around boundary expansion*

*Strategic – creating a structure that balances local needs and opinions with efficiency in service delivery to deliver value for the taxpayer*

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Leicestershire County Council collaborated with councils and partners to conduct a comprehensive financial analysis, establishing shared assumptions, data, and insight regarding the implications of public sector services.

Leicestershire County Council wanted to ensure that we engaged residents as much as possible to hear as many views as possible.

Initial engagement in February and March 2025 focused on understanding what people value from their council. Every household received information and a copy of the survey through their door and just under 1,500 responses were received.

Further engagement took place in October 2025 with around 1,000 residents, parish and town councils, businesses, voluntary and community groups, and council staff.

Just under 800 people responded to an online survey asking for feedback on proposals for change.

Additionally, engagement took place with residents, businesses, the VCSE and parish and town councils who provided valuable feedback on their priorities, including:

- Streamlined services
- Preservation of local identity
- Recognition of ceremonial counties
- The mechanics of Area Committees
- Transparency and long-term strategic planning

Leicestershire County Council acknowledged in our proposal that a specific concern raised was around the proposed authority being too large. We noted that the proposed unitary authority is not significantly larger than most other local authorities in budget, population, or area. Local changes are modest, with minimal budget increases and boundary adjustments, ensuring responsiveness to community needs. Most decisions—like social care and highway inspections—already occur locally; this reorganization is a structural update, not a change in service delivery.

The main way in which the proposal has addressed this concern is through bolstering our approach to Area Committees, setting them on a firmer and clearer footing, with a small budget for each. Alongside this, Area-based planning and local licensing ensure that this critical decision making is kept close to residents, addressing diverse community needs. There is also a clear commitment to devolve suitable services to town and parish councils where there is the willingness for this to happen.

Consistently, residents, partners, and Members of Parliament expressed that there was no appetite for expanding the city boundary. Over two thirds of respondents to the survey did not want any expansion to the City boundary. This was mirrored in all surveys undertaken by the other proposals.

### **Supporting devolution**

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*Simple – the most efficient way to deliver devolution*

*Sensible – working at an appropriate timescale to deliver the right results*

*Strategic – partnership working across the whole MSA area*

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All councils in Leicestershire and Rutland have publicly adopted a pro-devolution stance. This proposal supports this commitment by providing the most efficient approach to establishing a strategic authority, while minimising disruption during the transition process.

Additionally, it offers a robust foundation for the new Strategic Authority, as relevant functions remain intact and can be smoothly transferred. Partner organisations will experience continuity throughout this process.

For similar reasons, this solution is optimal for Spatial Development Strategies, ensuring that strategic planning resources remain undisturbed.

Leicestershire County Council recognise that delivering outstanding public services requires effective partnerships. This platform is designed to facilitate successful devolution and position partners for enduring success. However, in contrast to other proposals, this proposal does not seek an even faster timescale for devolution. Rather, we believe that this proposal will work with whatever timescale is most appropriate for central government.

### **Enabling stronger community engagement and gives the opportunity for neighbourhood empowerment**

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*Simple – area committee model can be easily delivered across the whole unitary authority*

*Sensible – Area Planning and Licensing committees that will deliver decisions that matter in local areas*

*Strategic – the right amount of political representation that balances effective governance and efficiency*

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Nationally, concerns have been raised regarding the scale of new unitaries. As previously discussed, this risk is highly manageable. Effective delivery at this level relies on establishing an appropriate operating model.

The proposed organisation intends to maintain a local focus while leveraging organisational scale when advantageous. For example, planning responsibilities will be allocated accordingly: area planning committees will oversee small-scale, street-level developments, whereas larger projects involving significant infrastructure will be managed centrally by professionals and Members experienced with complex proposals and major developers. Likewise, licensing will be managed through Area Licensing Committees.

Area Committees foster stronger communities by forming local groups that supervise local services and participate in area-specific decisions, ensuring the new unitary remains closely integrated with its localities and achieves enhanced sustainable growth. Leicestershire County Council are confident that this approach will ensure that all voices are heard, particular those of rural communities in Rutland.

The proposal has carefully considered an appropriate level of councillors to ensure a suitable balance of community representation and decision making, alongside a manageable workload. Mindful of the guidance from the LGBCE, for the new unitary council in

Leicestershire and Rutland, each councillor is proposed to represent about 6,500 voters—higher than the current single tier average of 5,000. This will ensure the council size fits guidance of 30 to 99 councillors.

Parish and Town Councils play a vital role in public service delivery across Leicestershire and Rutland. Where there is demonstrated demand, commitment has been made to establishing additional councils and offering all parishes a menu of services from which they may choose to assume responsibility. This strategy continues the commitment to genuine local devolution.

Leicestershire County Council recognise the importance of ceremonial counties and local tradition. This was a theme that came through strongly in engagement with communities. This is the only bid that fully recognises the historic county of Rutland by preserving its ceremonial institutions, such as the lieutenancy, rather than blurring them into a larger northern unitary.

Finally, under this proposal, Members of Parliament would interact with only one authority, further supporting robust local governance.