



CABINET – 21 JULY 2026

**UPDATE ON LOCAL GOVERNMENT REORGANISATION AND
ESTABLISHMENT OF VOLUNTARY JOINT COMMITTEES**

**JOINT REPORT OF THE CHIEF EXECUTIVE AND THE MONITORING
OFFICER**

PART A

Purpose of the Report

1. The purpose of this report is to provide an update on the Government's plans for Local Government Reorganisation (LGR) in Leicestershire, Leicester and Rutland (LLR) and to outline proposals and recommendations relating to the establishment of one or more Joint Committees across LLR. The report also seeks authorisation for the Chief Executive, following consultation with the Leader and the Monitoring Officer, and the Section 151 Officer where financial implications arise, to undertake preparatory and implementation activity associated with the Government's decision on Local Government Reorganisation, including taking such decisions as are necessary to support the establishment and operation of voluntary Joint Committee arrangements.
2. If the Secretary of State for Housing, Communities and Local Government reaches a decision on LGR for LLR before the Cabinet meeting, this will be the subject of a supplementary report.

Recommendations

3. The Cabinet is recommended to:
 - (a) Note the current position regarding Local Government Reorganisation in LLR;
 - (b) Approve, in principle and subject to similar approvals by the relevant LLR councils, the establishment of one or more voluntary Joint Committees under section 101(5) of the Local Government Act 1972, to support transition planning for Local Government Reorganisation in LLR.;
 - (c) Authorise the Chief Executive, following consultation with the Leader, the Monitoring Officer and, where financial implications arise, the

Section 151 Officer, to take such steps as are necessary or expedient to support preparatory and implementation activity arising from the Government's decision on Local Government Reorganisation in LLR, including agreeing implementation arrangements, participation in joint committee arrangements, deployment of staff and resources, responding to Government requests, approving transition documentation and making consequential non-material amendments, provided that the exercise of this delegation shall be subject to the Council's Constitution, Financial Procedure Rules and any other relevant legal requirements.

- (d) Authorise the Chief Executive, following consultation with the Leader and the Monitoring Officer, to approve the terms of reference for the voluntary Joint Committee(s), and to agree any non-material amendments, provided that the terms remain consistent with the purpose and scope set out in this report and do not confer functions beyond those required for transition planning and implementation preparation.
- (e) Authorise the Chief Executive, following consultation with the Leader and the Monitoring Officer, to nominate representatives, including substitute members, to serve on the voluntary Joint Committee(s), subject to any applicable requirements relating to political balance and the Council's Constitution.
- (f) Note that the exercise of the delegated authority referred to in paragraph 3(c) above shall be undertaken within existing approved budgets and that any additional expenditure, or commitment of resources, shall be subject to the necessary approvals in accordance with the Council's Financial Procedure Rules.
- (g) Note that whilst the Joint Committee(s) is established by resolution of all current councils in the geography of LLR, on a voluntary basis, upon the enactment of the Leicestershire, Leicester and Rutland (Structural Changes) Order 2026/7 the Joint Committee(s) shall become the Joint Committee(s) required to be established under the provisions of that legislation and that this will be constituted and established under the provisions of section 101(5) of the Local Government Act 1972 and pursuant to the requirements of the Leicestershire, Leicester and Rutland Structural Changes Order 2026/7.
- (h) Note that, if and when the anticipated Structural Changes Order is made for Leicestershire, Leicester and Rutland, the voluntary Joint Committee arrangements approved under this report are intended, so far as legally permissible and subject to the terms of that Order, to provide continuity with any statutory joint committee arrangements required by the Order. Any further decisions required to give effect to the Order will be brought forward or taken under existing delegations as appropriate.

- (i) Authorise the Monitoring Officer to make any necessary and consequential amendments, arising from the resolution of Cabinet to the Council's constitution.

(KEY DECISION)

Reasons for Recommendation

- 4. As LLR transitions to new unitary local authorities, all councils remain committed to maintaining openness and transparency with residents and wider partners, which includes regular updates to members on LGR.
- 5. The recommendations in this report support the desire to be well prepared for LGR and the establishment of Shadow Authority/s from May 2027.
- 6. The establishment of voluntary joint committees has been adopted in other areas progressing through Local Government Reorganisation and is regarded as good practice, as it enables preparatory work and transition planning to begin before the relevant Structural Changes Order is in force. They allow direction to be given on the establishment of the new authorities without the Structural Changes Order (SCO) being in place.

Timetable for Decisions (including Scrutiny)

- 7. All local authorities in LLR are being asked to approve similar reports.

Policy Framework and Previous Decisions

- 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.
- 9. The Cabinet on 25 November approved the County Council's final business case for submission to the Government. The business case was subsequently submitted to the Government before the deadline of 28 November 2025. Leicester City Council also submitted a business case, as did the district councils in Leicestershire and Rutland Council.
- 10. On 24 March 2026 the Cabinet approved the County Council's response to the Government consultation on the three proposals for LGR in LLR.

Resource Implications

- 11. There are no direct financial implications arising from recommendations in this report. Some limited expenditure may be incurred in relation to the administration, servicing and member expenses associated with the voluntary Joint Committee(s). The Chief Finance Officers of the existing councils are discussing how any such costs should be apportioned. Any material financial

implications will be reported through the appropriate decision-making process. The Government is expected to give a grant to each new authority to support with the transition. However, this will not be sufficient to cover all costs.

12. The exercise of delegated authority will be undertaken within existing approved budgets. The delegation is intended to enable preparatory and implementation activity to progress efficiently, including participation in joint committee arrangements, officer support, responding to Government requests and the development of transition documentation. Where any activity gives rise to additional expenditure, requires the commitment of resources beyond existing approved provision, or otherwise requires financial approval under the Council's Financial Procedure Rules, the necessary approvals will be obtained before the expenditure is incurred or commitment entered into.
13. The three proposals submitted to the Government across LLR contained forecasts in relation to the financial implications of LGR in LLR.
14. As the Council transitions through reorganisation and gains more certainty, financial implications will be refined and updated.

Circulation under the Local Issues Alert Procedure

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

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PART B

Background

16. Since the submission of the LGR proposals in November 2025 work has been continuing on LGR. The timetable, including for phases which are already complete, is set out below.

2025 – Development and Decision Phase

- **21 March 2025** – Interim proposals submitted to Government.
- **3 June 2025** – Government feedback received on interim submissions.
- **Summer 2025** – Local engagement activity undertaken with residents, stakeholders, and partners.
- **29 October and 10 November 2025** – Final proposal considered by Scrutiny Commission
- **12 November 2025** – Final proposal endorsed by the full County Council.
- **25 November 2025** – Final proposal submitted to Cabinet for approval.
- **28 November 2025** – Deadline for submission of full proposals to Government.

2026 – Government Consideration and Decision

- **Early 2026** – Formal Government consultation on proposals.
- **July 2026** – Government decision on the preferred reorganisation model.
- **Dec 2026** – Draft SCO expected

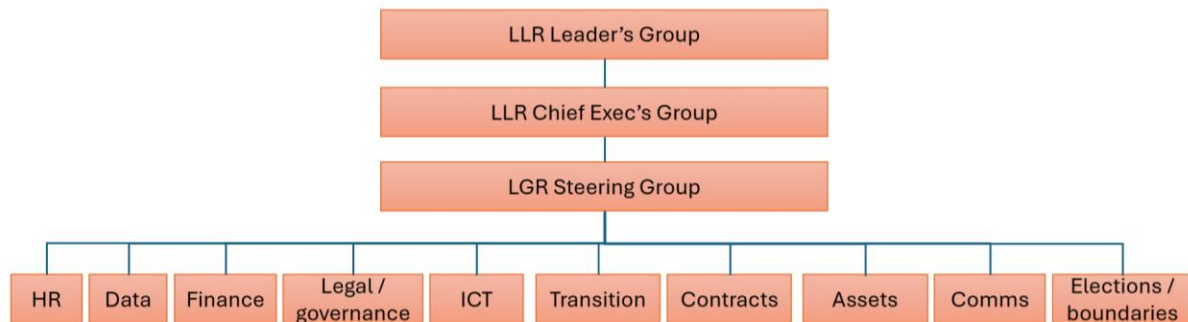
2027 – Transition Arrangements

- **March 2027** – SCO expected to be made
- **May 2027** – ‘Shadow’ councils established to begin transition to new structures.
- **During 2027** – Recruitment to key senior posts within the new authorities.

2028 – Implementation

- **April 2028** – New unitary authorities formally take effect and become operational.

17. During 2026, local authorities across LLR have been focusing on 'no regrets' activities based on work that will be required irrespective of the decision made by Government. This work has been undertaken through the workstream structure outlined below, informed by MHCLG advice and experience from other areas progressing through the current LGR programme. The County Council has representation on all these groups and continues to work collaboratively with partner councils across LLR on the development of transition arrangements. Once the decision has been made by the Secretary of State, workstreams will also be established to oversee service change and transition.



Government Decision and Next Steps

18. At the time of publication of this report, a decision from the Secretary of State for Housing, Communities and Local Government to create new unitary local authorities for LLR has not been received, although it is expected to be made in July 2026. If a decision is announced before the Cabinet, the implications of that decision will be reported in a supplementary report.
19. Once the Secretary of State has made his final decision, the proposals for reorganisation will be implemented by way of a Structural Changes Order (SCO), which provides the legal basis for LGR in LLR to happen. The SCO will be subject to the applicable Parliamentary procedure and, if approved and made, will provide for matters such as the set-up of the new unitary authority/s, initially as shadow authority/s, elections to the new shadow authority/s and the responsibilities both the current and successor councils will have in implementing LGR. It also provides for the transfer of statutory functions, property and land, contracts, rights and liabilities and staff. It sets out arrangements relating to finance and council tax such as budgeting, council tax harmonisation and the close down of accounts. Where the Secretary of State considers it necessary, the transition arrangements may be accompanied by a Section 24 Direction controlling significant disposals, contracts and reserve decisions by predecessor councils. This is technically separate from the SCO but closely linked to the reorganisation process
20. The SCO is expected to be laid before Parliament in late 2026 and is anticipated to come into force in March 2027, pending Parliamentary approval.

21. The current composition of all LLR Councils will remain unchanged until April 2028. All councillors will continue to serve in their existing roles throughout this period.
22. Following the Government's decision, transition arrangements will need to be put in place to support implementation of the new unitary authority or authorities. The Government has indicated that transition governance arrangements, which may include one or more Joint Committees, are expected to be provided for in the Structural Changes Order and has encouraged councils to establish voluntary arrangements in advance where appropriate.
23. The voluntary Joint Committee arrangements would provide the governance framework for transition planning and implementation activity. The intention is that, so far as possible, and subject to the eventual terms of the Structural Changes Order, the terms of reference for any voluntary Joint Committee would align with those expected to be contained in the Order, thereby supporting continuity between the voluntary and statutory arrangements.
24. Subject to approval by the constituent councils, the Joint Committee or Joint Committees would oversee the preparation of transition arrangements, including implementation planning and the establishment of appropriate officer support arrangements. The Joint Committee(s) would not take decisions on behalf of any future shadow authority or successor council, and any proposals developed would be subject to consideration by the relevant Shadow Authority or Authorities once established.

Proposal

25. In light of the above, it is proposed that the County Council supports the establishment of such voluntary Joint Committee arrangements as are necessary to facilitate implementation of the Government's decision on Local Government Reorganisation and to enable the Council to influence and support the transition to the new unitary authority or councils for LLR. The voluntary Joint Committee(s) would not exercise functions on behalf of any future unitary authority or shadow authority and would be expected to operate in a way that does not fetter the discretion of any shadow authority once established.
26. Until the Government's decision is announced, the number of new councils, their geography and the corresponding Joint Committee arrangements are not known. It is therefore recommended that the County Council's representatives on any voluntary Joint Committee(s), including substitutes, be determined by the Chief Executive, following consultation with the Leader and the Monitoring Officer, once the Government's decision and proposed terms of reference are known.
27. Subject to approval by the relevant LLR councils, it is anticipated that the voluntary Joint Committee(s) would be established at the beginning of

October 2026, with first meetings taking place thereafter in line with the agreed LLR implementation timetable.

Other Options Considered

28. The Cabinet may not wish to establish a Joint Committee/s on a voluntary basis and may prefer to wait until the Council is mandated to do so by the SCO. However, this is not recommended as it would reduce the time available for transition planning and could delay the establishment of an agreed governance framework for preparatory work ahead of the statutory arrangements created by the Structural Changes Order. Experience from areas already progressing through LGR indicates that voluntary joint committees assist authorities in maximising the available transition period and provide an established governance framework ahead of the statutory arrangements created through the Structural Changes Order.
29. The Cabinet may also wish to appoint a Joint Committee but on different terms of reference from those expected in the draft SCO. Officers have considered the likely scope of functions in the Structural Changes Order, informed by previous local government reorganisation orders for other areas, and consider that there is no advantage in conferring wider functions at this stage. There is benefit in aligning the voluntary arrangements as closely as possible with the expected statutory arrangements, while preserving flexibility to respond to the final terms of the Order.

Equality Implications

30. The establishment of voluntary Joint Committee arrangements is primarily a governance measure. However, given the scale and potential impact of Local Government Reorganisation, the Council will adopt a strategic approach to equality impact assessment during all programme phases and stages, with more detailed assessments undertaken as specific proposals and implementation decisions are developed.

Human Rights Implications

31. There are no direct human rights implications arising from the recommendations in this report. Any future substantive proposals arising from Local Government Reorganisation will be considered for human rights implications as appropriate.

Background Papers

Report to the Cabinet - 25 November 2025 – “Local Government Reorganisation: Draft Business Case”

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

Exempt Report to the Cabinet – 24 March 2026 – “Local Government
Reorganisation: Response to Consultation”

<https://democracy.leics.gov.uk/ieListDocuments.aspx?CId=135&MId=8305&Ver=4>

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