
Local Government Reorganisation for Leicester, Leicestershire and Rutland

Overview and Scrutiny Commission

Date of meeting: 10/11/2025

Lead director/officer: Andrew Smith

Useful information

- Ward(s) affected: All
- Report author: Andrew Smith
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- Report version number: 1

1. Summary

A report of progress on the Council's LGR submission has been prepared for consideration by OSC.

Noting this is an evolving process, a presentation will also be provided at the meeting.

Feedback from the meeting will be considered when shaping the final proposed submission which is due to be reported to Full Council for a decision on Wednesday 20th November.

The final submission is required to be made to Government by 28th November 2025.

2. Recommendations to scrutiny:

Overview and Scrutiny Commission is invited to:

- note progress made on the council's final LGR proposed submission.
- make comments to be considered in finalising the submission.
- Note that a report will be considered, including the final submission, at Full Council on Wednesday 20th November.

3. Detailed report

3.1 Context and background

The Government set out its proposals for Local Government Reorganisation (LGR) and Devolution in the English Devolution White Paper (December 2024). This outlines the commitment to achieve a single tier of local government across England by establishing new unitary councils and to devolve powers to Strategic Authorities ideally led by elected Mayors.

In February 2025 the Government invited principal authorities in Leicester, Leicestershire and Rutland (LLR) to bring forward proposals for Local Government Reorganisation. ([Letter: Leicestershire, Leicester and Rutland - GOV.UK](#)).

The invitation required final proposals to be submitted by 28th November 2025 with Interim proposals requested by 21st March 2025.

The invitation from Government sets out the approach councils should take in considering submitting proposals to The Secretary of State. Principal authorities are

able to submit, individually or jointly as a group, a single formal proposal for the invitation area. This should have regard to the criteria and guidance set out in the invitation and be supported by appropriate information and evidence.

Government Criteria

Government has set out six criteria which it will use to assess all proposals:

- A proposal should seek to achieve for the whole of the area concerned the establishment of a single tier of local government.
- Unitary local government must be the right size to achieve efficiencies, improve capacity and withstand financial shocks.
- Unitary structures must prioritise the delivery of high quality and sustainable public services to citizens.
- Proposals should show how councils in the area have sought to work together in coming to a view that meets local needs and is informed by local views.
- New unitary structures should enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment.
- New unitary structures must support devolution arrangements.

Boundary changes

The Government's LGR invitation and subsequent advice noted that existing district areas should be considered the building blocks for proposals, but where there is a strong justification more complex boundary changes will be considered, particularly where there is a strong public services and financial sustainability justification

Devolution

The Government's proposals for devolution formed part of the English Devolution Bill published in July 2025. This indicates a preference for Strategic Authorities with Mayors with an economic growth focus on strategic transport, planning, skills & employment.

Devolution is a separate process to LGR but LGR proposals have to show how they can unlock devolution. An invitation to submit devolution proposals is expected during 2026.

There has been general agreement between LLR councils on a Mayoral Strategic Authority, however for the city council, city boundary change is considered to be the only way to unlock devolution.

3.2 Options for local government reorganisation for LLR

Council engagement

The Government has encouraged councils to work together to prepare a single LGR submission, or if this is not possible to have an open data sharing approach.

Following discussion with the upper tier councils, a joint position was submitted to Government on 10th January 2025 from Leicester City Council, Leicestershire County Council and Rutland County Council. The joint submission noted:

- “unanimous in-principle agreement to a Mayoral Strategic Authority linked to local government reorganisation; LGR needed to unlock devolution”
- “any LGR option will need to address the boundaries of the City”
- “Currently the city boundaries exclude built-up areas in adjacent districts that most people would recognise as the contiguous urban area of Leicester, restricting the City’s growth potential, and its long-term financial sustainability.”
- “Leicestershire County Council is therefore requesting the postponement of elections scheduled for May 2025.”

A response was received from the Minister on 5th February rejecting the county council’s request along with a formal invitation to councils in the LLR area to submit LGR proposals.

Subsequently local elections have led to a change in political leadership of the county council. At a special meeting of the County Council on Wednesday 30th July members voted by 23 to 22 to oppose a city expansion.

There has been ongoing communication between leaders and senior officers of all councils which, amongst other matters, has included exploring the question of city boundary expansion.

Despite the city council’s openness to pursuing an agreed position and a single submission involving city boundary change, in line with the joint statement of councils of 10th January, it has become clear that this is not possible.

Interim submissions

Interim proposals were submitted in March as requested by Government.

The city council’s proposal was for an expanded city unitary council with the remaining Leicestershire County and Rutland area as a second unitary council: [Local Government Reorganisation](#).

The county council’s proposal was for the city council to remain as it is with the whole of Leicestershire County forming a unitary council: [Local Government Reorganisation | Leicestershire County Council](#)

The districts and Rutland proposal was for the city council to remain as it is with two unitary councils across the North and South of LLR: [North, City, South proposal for Leicestershire and Rutland](#)

MHCLG provided feedback on 3rd June 2025 to all promoters ([Local Government Reorganisation and devolution - Interim Plan Feedback - Leicestershire Leicester Rutland.pdf](#))

Feedback did not accept or reject any proposals but provided encouragement for the councils to collaborate, together with advice on how to strengthen the submissions, for example with options analysis.

It is understood that the county council will now be submitting a proposal as per their interim approach, but with Rutland included with Leicestershire forming one unitary council.

The district councils and Rutland are understood to be submitting a proposal based on their interim submission.

There has been productive ongoing work to share data across all councils and joint finance modelling has been carried out by the city and county councils. This was offered to the district councils/Rutland but was not taken up.

Base proposal

(Section 4.2 provides legal details)

The invitation from Government to submit LGR proposals, and subsequent MHCLG and separate legal advice, confirms that to be legally compliant proposals should initially be formed using whole districts as building blocks.

Local authority proposals may however request detailed boundary change with justification as with the city council's preferred boundary expansion proposals set out in the interim submission.

To ensure compliance, a base proposal, comprising whole districts, has been identified which includes the current city council area with Oadby and Wigston, Harborough and Blaby districts. This is not the city council's preferred option.

The city council is one of a number of local authorities with similar boundary constraints that have already submitted boundary modifications proposals of this nature (Brighton and Southampton) or are expected to do so (e.g. Nottingham and Plymouth).

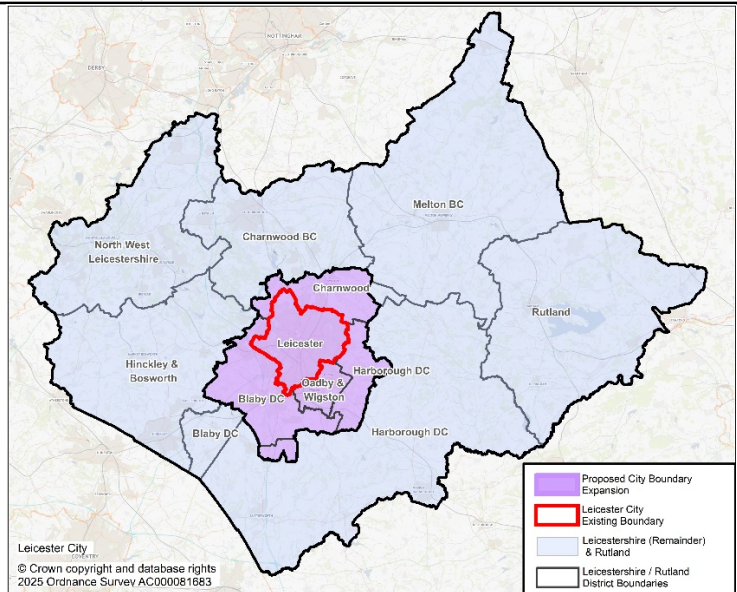
The council's final submission will include four options as shown in the table below:

LGR Options for Leicester, Leicestershire and Rutland

Option 1: City Boundary Expansion (Preferred proposal)

Unitary 1: City with boundary expansion

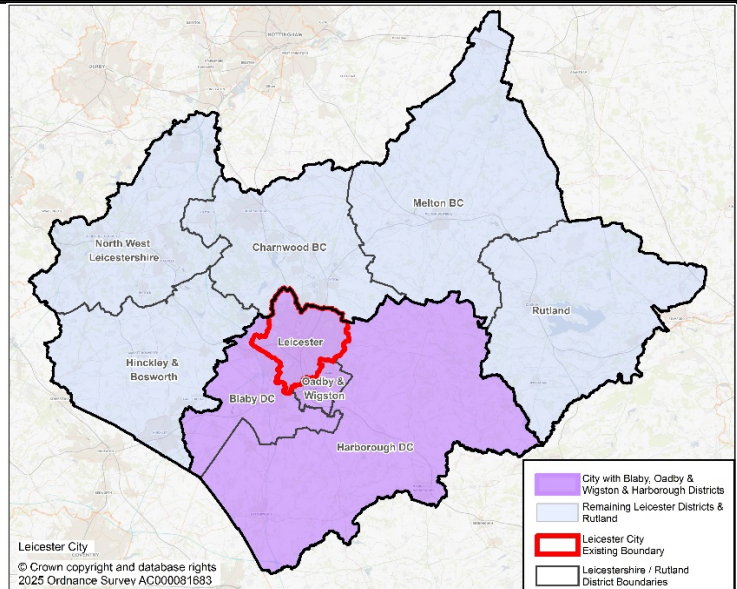
Unitary 2: Part Leicestershire County and Rutland



Option 2: City with three Districts (Base proposal)

Unitary 1: Existing City, Oadby & Wigston, Harborough and Blaby

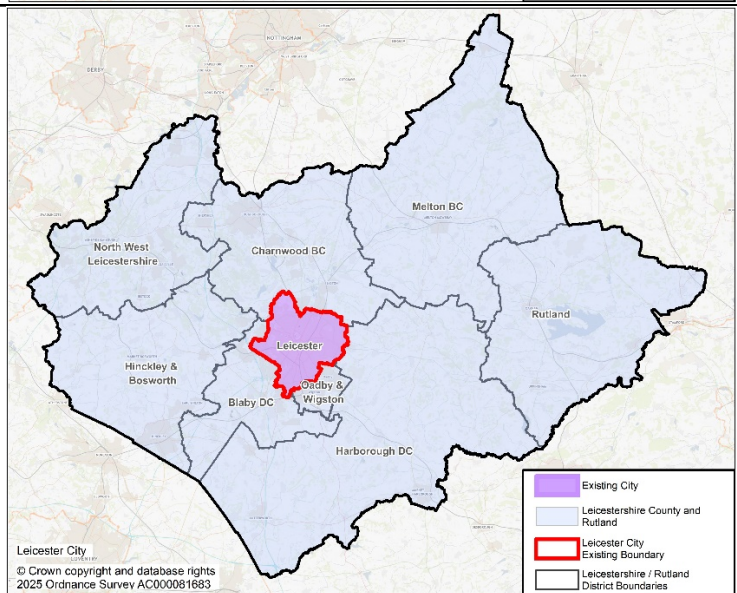
Unitary 2: Hinckley & Bosworth, NW Leicestershire, Charnwood, Melton and Rutland



Option 3: City/County & Rutland (Leicestershire County Council proposal)

Unitary 1: Existing City

Unitary 2: Leicestershire County and Rutland

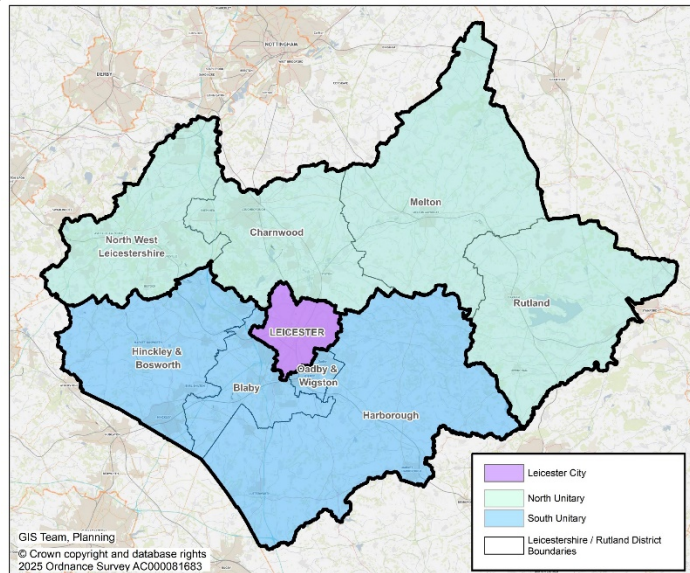


**Option 4:
City/North/South (Districts
and Rutland proposal)**

Unitary 1: Existing City

Unitary 2: North-West
Leicestershire, Charnwood,
Melton and Rutland

Unitary 3: Oadby &
Wigston, Harborough, Blaby
and Hinckley & Bosworth



3.3 The City Council's preferred option

The council set out its preferred position at the interim submission stage in March as noted above.

Of fundamental concern for the council is continuation of the challenges posed by the heavily constrained city boundary. In summary:

- City boundaries have been largely fixed for c100 years
- A small number of city authority's boundaries were not extended in 1973, or in 1997 when they became a unitary council - Leicester, Nottingham, Derby and Bristol.
- The current city boundaries are illogical, cutting across streets and communities e.g. Braunstone, Scraptoft, Oadby/London Road
- The boundary does not recognise the actual extent of the current built-up area that extends into surrounding districts
- Land is heavily constrained land for housing and jobs – reliant on county districts to absorb the city's 'unmet housing need' of 18,000 homes – this will worsen over time
- Comparator cities that benefitted from boundary expansion in the 1980's, such as Leeds, Bradford and Sheffield, have considerably more space for development and greenspace – these are less than a third as densely populated as Leicester
- Inefficient service delivery with higher costs due to current fragmented arrangements across council seven councils operating within the urban area e.g. planning, waste collection, social care and highway maintenance
- Resulting confusion amongst residents and businesses over who runs services across the urban area
- Heavily constrained by low tax base – this will impact on the future financial sustainability of the city council

With reference to Government criteria and guidance, detailed consideration is being given to the issues noted above and delivering the best outcomes for the city and wider LLR area, in particular....

- Establishing a coherent geography for unitary councils recognising the city and its suburbs, and predominantly rural areas
- Achieving the right size councils following the Government's guide of 500,000+ population per unitary and also balance across unitary councils for LLR
- Recognising how people live their day to day lives across the urban area – travel to work, shop and use city facilities such as leisure sites
- Providing land for long term future city expansion - housing and jobs for local people for the city and wider LLR area
- Removing fragmented responsibility for service delivery across LLR and the urban area more specifically
- Ensuring efficient joined-up public service delivery within respective councils that are able to focus on common challenges e.g. housing, SEND, care provision and transport
- Simplest arrangement and most easily understood unitary council areas with clear responsibility for services that residents/business can understand
- Strong community engagement for unitary councils at the neighbourhood level
- The most cost-effective solution offering a credible and sustainable financial future not just for the city council but for LLR as a whole
- Achieve a smooth transition to the new unitary councils

3.4 Detailed options appraisal

Detailed appraisal of the four options against the Government LGR criteria is being finalised. This has included for example:

- Joint financial options modelling with the county council looking at savings, transitional costs and financial balance across new unitary authorities
- Public service delivery options and how this can be more effectively achieved across new unitary councils
- Stakeholder engagement and public consultation

A presentation will be provided at the Scrutiny meeting summarising the up-to-date position in this regard and the proposed approach to the final submission.

3.5 Next Steps

Comments will be sought at the OSC Special meeting to support completion of the final proposal which will then be considered at Full Council on 20th November.

The final proposal will subsequently be submitted to Government by the deadline of 28th November.

It is the Government's responsibility to then consider if the submissions made for the Leicester, Leicestershire and Rutland area are compliant and then conduct a statutory consultation exercise before reaching a decision.

An anticipated timetable has been set out by Government as follows:

- Statutory consultation launched in the new year
- Decision on which proposal to implement before Summer recess 2026
- Secondary legislation after Summer recess
- Elections to shadow unitary authorities May 2027
- New authorities 'go live' 1st April 2028

4. Financial, legal, equalities, climate emergency and other implications

4.1 Financial Implications

Draft pending report to Full Council

Local government reorganisation (LGR) aims to achieve savings through economies of scale, better resource allocation and create more financially sustainable authorities.

The City Council and County Council commissioned joint financial modelling. This modelling was based on the Fair Funding Review consultation and all LLR Councils budget strategies set for 2025/26.

Full details of the assumptions used for the financial modelling will be provided as an appendix to the business case.

Signed: Amy Oliver

Dated: 24.10.25

4.2 Legal Implications

The legislative framework for LGR is Part 1 of the Local Government and Public Involvement in Health Act 2007 ("the 2007 Act").

The Council's proposal must comply with the criteria set out in the 2007 Act, and the invitation and guidance issued by the Secretary of State. The Council has sought legal advice throughout the process to ensure that the final proposal submitted by Leicester City Council is compliant. This includes the approach taken to city boundary change

involving a 'base proposal' and parallel request for SoS modification for a preferred proposal.

Failure to submit a compliant proposal would likely result in the Secretary of State not being able to accept or take forward that proposal.

Once final proposals have been submitted, there is a requirement for the Secretary of State to carry out a statutory consultation. Following this, a decision will be made, subject to parliamentary approval, which, if any, proposal will be implemented with or without modification.

Once a decision is made to implement a proposal, legislation will need to be passed to give effect to the changes proposed. This will be in the form of a Structural Changes Order.

Signed: Vanessa Maher-Smith

Dated: 20.10.25

4.3 Equalities Implications

Local government reorganisation LGR will impact individuals and communities across the city and county. LGR must adhere to the Public Sector Equality Duty (PSED), as mandated by the Equality Act 2010. This duty requires all public bodies involved in the reorganisation to eliminate discrimination, advance equality of opportunity, and foster good relations for individuals with protected characteristics.

LGR fundamentally alters how and where services are provided. This can potentially have a disproportionate effect on people with protected characteristics: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, and sexual orientation.

An initial Equality Impact Assessment (EIA) has been conducted, which outlines the high-level equality implications of the reorganisation. As detailed delivery plans evolve, further equality analysis will be undertaken. This ensures that Members and Officers maintain due regard for equality and inclusion throughout the LGR transition, specifically assessing the impact on service delivery and staffing. The LGR EIA is a very good blueprint for EIAs across the Authority due to the thorough analysis and rigour which has been applied to the analysis from the inception of the LGR process, and which will continue during the lifecycle of the transformation.

Signed: Aloma Onyema

Dated: 24.10.25

4.4 Climate Emergency Implications

Local Government Reorganisation is not being driven by climate emergency objectives. However, a single-tier structure with expanded boundaries could provide opportunities for more coherent planning across wider functional geographies e.g. integration of local transport, planning, housing and climate strategies may be easier where responsibility is consolidated in one authority.

Widening the City Council's scope of influence could create the potential for efficiencies in public service delivery, potentially resulting in sustainability benefits and carbon reduction e.g. more efficient deployment of fleets across urban area, waste and highways. For reductions in emissions to be realised, it will be important for the impact of service delivery changes on emissions to be assessed at an early planning stage, and for climate goals to be prioritised alongside other issues in decision making.

Whilst the overall ambition to reach net zero carbon emissions would not need to change, the detail of strategy and actions would need to be reviewed and revised within the new parameters. The proposed new devolved Mayoral Strategic Authority is likely to have strategic responsibility for net zero and this may present the opportunity to reduce greenhouse gases in a more coordinated way across the LLR area.

Signed: Phil Ball, Sustainability Officer, Ext 372246

Dated: 21.10.25

4.5 Other Implications

N/A

Signed:

Dated:

5. Background information and other papers:

Web links area provided to background information in the report

6. Summary of appendices: N/A