

# Local Government Reorganisation for Leicester, Leicestershire and Rutland

## Final proposal



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November 2025

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# Executive summary

The Government has made clear its commitment to reorganise local government to achieve a single tier of councils across England. Alongside devolution to create new strategic authorities, this represents the biggest change in local government in recent times.

The council strongly welcomes this once in a generation opportunity for Leicester, Leicestershire and Rutland (LLR) to address longstanding complex local government structures and illogical boundaries.

The council's preferred option provides the best outcome for LLR as a whole. People will benefit from transformed high quality public services and simpler, more efficient and financially sustainable local government at a time of unprecedented growth in service demands and financial pressures.

## Options considered

The Government has set out clear criteria against which options for LGR will be considered. This submission is structured around those criteria.

Discussions have been ongoing with other LLR councils to agree a single proposal. Despite initial signs of a common approach through a joint letter to Government supporting city boundary expansion, final agreement has not been possible. This reflects a change in political leadership at the county council and differing views from district councils on city expansion.

There is however joint agreement with Leicestershire County Council for the principle of a two unitary council solution for LLR.

- **Leicester City Council's preferred proposal for LLR would:**
- establish two unitary councils with balanced populations, both meeting the Government's 500,000 + guideline
- deliver the highest annual savings for LLR as a whole of £46m, putting the most back into frontline public services
- ensure the best financial balance between new unitary authorities by sharing savings across LLR, to narrow budget gaps and equalise the costs of service delivery
- replace fragmented council services across LLR with a structure that is easily understood by people
- create two councils focused on urban and rural issues respectively, resulting in more efficient services for the region as a whole
- recognise the true physical extent of the urban area and how people travel and use facilities across the city
- better balance development opportunities across LLR
- unlock land to meet local housing and job needs in one of the fastest growing cities in the country
- maximise economic growth potential by unlocking a mayoral strategic authority aligned to other LLR public service providers - police, fire and NHS
- strongly connect the new councils to local communities through Neighbourhood Area Committees.

Four options have been considered for Leicester, Leicestershire and Rutland.

- Options 1 (preferred) and 2 (base proposal) are put forward by Leicester City Council for the whole of LLR
- Option 3 is preferred by Leicestershire County Council and excludes Leicester in its final plan
- Option 4 is preferred by the districts and Rutland and excludes Leicester in its final plan

<b>Local government reorganisation options for LLR</b>			
<b>Option 1</b>	<b>Option 2</b>	<b>Option 3</b>	<b>Option 4</b>
<b>City boundary expansion</b>	<b>City with three districts</b>	<b>City/county &amp; Rutland</b>	<b>City/North/South</b>
<b>Unitary 1</b> City with boundary expansion	<b>Unitary 1</b> Existing city, Oadby and Wigston, Harborough, and Blaby	<b>Unitary 1</b> Existing city	<b>Unitary 1</b> Existing city
<b>Unitary 2</b> Part Leicestershire county and Rutland	<b>Unitary 2</b> Hinckley and Bosworth, North West Leicestershire, Charnwood, Melton and Rutland	<b>Unitary 2</b> Leicestershire County and Rutland	<b>Unitary 2</b> North West Leicestershire, Charnwood, Melton and Rutland
			<b>Unitary 3</b> Oadby & Wigston, Harborough, Blaby, and Hinckley and Bosworth

Detailed options appraisal has been carried out using in-house and external expertise. Specialist financial modelling, jointly commissioned with Leicestershire County Council, was not taken up by the districts/Rutland.

Data has been shared between all councils.

## The council's base proposal

Following Government guidance this submission is formed of two parts – a base proposal and preferred proposal.

Option 2 provides a good compliant base proposal but there is strong justification for boundary change under option 1, which performs significantly better against Government criteria and is therefore this council's preferred proposal.

**Leicester City Council formally submits option 2 – city and three districts – as the legally compliant base proposal formed of whole district building blocks.**

**It further requests that the Secretary of State use their available powers of modification, applied to the base proposal, to make the changes required to effect the council's preferred proposal: option 1 – city boundary expansion.**

## Preferred proposal – city boundary expansion

Leicester City Council has heavily constrained boundaries that were largely established around 100 years ago. As with a number of other councils, this was not addressed during local government reorganisation in 1973, nor in 1997 when the city became a unitary authority.

The boundaries are illogical and incoherent, splitting streets and communities and truncating built-up urban areas and suburbs which continue to grow well beyond the city boundary into adjacent districts. Public service delivery is consequently fragmented, confusing and highly inefficient.

This would continue under proposals by other councils, which exclude Leicester and fail to secure greater efficiency benefits and savings that could be shared across LLR.

**The city council has concluded that option 1 – city boundary expansion – should be the preferred proposal:**

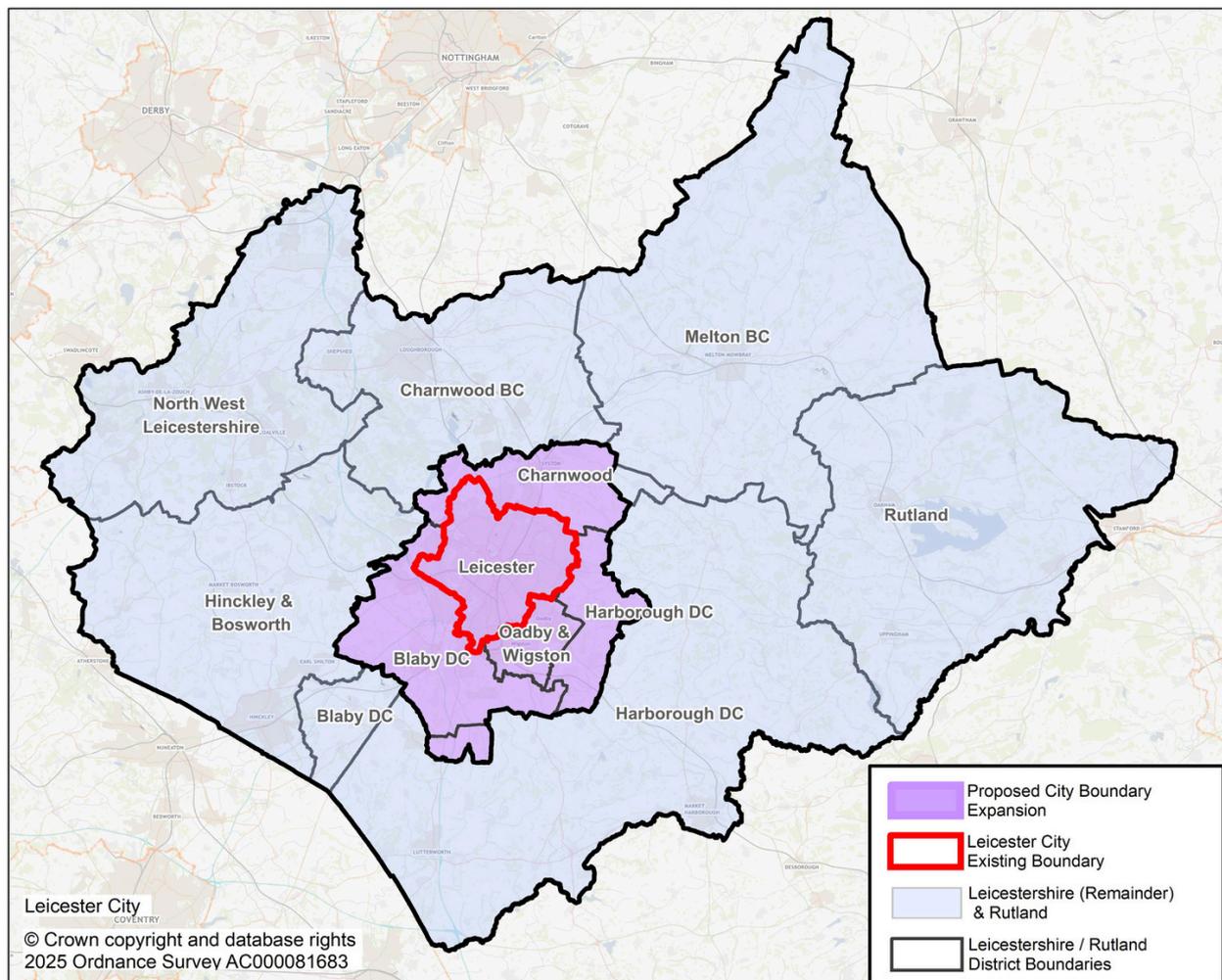
- It delivers a once in a generation opportunity to transform local government across the whole of Leicester, Leicestershire and Rutland.
- By including Leicester with an expanded boundary, it brings additional efficiency and savings benefits.
- There is strong evidenced justification to expand the city boundary.
- Of all the options, it most convincingly addresses Government criteria.

## How our preferred proposal meets Government criteria:

### A single tier of local government with sensible and balanced economic areas and geography

- Creates two unitary councils based on coherent geography focused on urban and rural issues respectively - removes fundamental constraints of the current city boundary
- Recognises a strong pattern of people living their daily lives travelling to work, shopping and leisure facilities within the built-up area, beyond the current boundary
- Creates sensible economic areas with the most balanced unitary councils in terms of population, deprivation levels and financial resources
- Provides a better balance of development opportunities across LLR and unlocks housing and employment land supply to address 'unmet' city needs – around 30,000 homes and 67 ha of employment land to 2046

(Detailed city boundary expansion plans are included in Appendix 3) and in the link: <https://www.leicester.gov.uk/media/paehdwh/lo-cal-government-reorganisation-detailed-option-1-map.pdf>



## Maximising financial efficiency and balance

- The only option that meets the Government's guideline of 500,000+ population per unitary council and achieves good population balance across both authorities
- Delivers the best improvement to local government finances of all options with highest annual savings of £46m, putting the most back into frontline services across LLR. (£17m under district/Rutland plans; £43m under county plans)
- More equitably balances budgets by sharing savings across the councils – city budget gap reduces from £61m under the county and district/Rutland plans to £44m
- Equalises the cost per person of service delivery across LLR, with a difference of only £45 between councils, compared with £300-£340 under county and district/Rutland plans
- Higher transitional costs, but with the highest savings, pays back in less than two years

- Puts local government across LLR on the best path to financial sustainability, where the unitary authorities are the right size to achieve efficiencies and financial balance, and can withstand financial shocks

## Delivering high quality sustainable public services

- Delivers more efficient and higher quality public services to citizens as there is greater potential for transformation and reform across the whole of LLR
- Removes fragmentation of services across ten LLR councils and aligns service delivery within two coherent unitary councils, focused on urban and rural issues: more effective and easily understood by people
- Removes fragmentation of services across the wider urban area and enables a stronger joined-up 'one city council' focus on challenges and public service reform
- Has an effective transition plan to manage disaggregation of county services such as social care and education

## Maximising devolution potential

- The most balanced unitary representation to unlock the full potential of a mayoral strategic authority (MSA) and deliver strong economic growth across LLR
- An MSA with two unitary councils would align with other public service providers operating across LLR, such as police, fire and NHS

## Community engagement and representation

- Maintains strong connection and representation through Neighbourhood Area Committees and parishes
- Balanced councillor representation following Local Government Boundary Commission for England guidance

## Responding to local views

Improvements have been made to the final submission following extensive engagement with around 100 stakeholders (public sector service providers, VCSE bodies, businesses, parish councils and other organisations) and public consultation.

A large majority of stakeholders largely supported the rationale for city boundary expansion. An overwhelming majority of the public believed that councils should reflect how people live, work and travel across an area, and should represent rural or urban areas that share common issues. Significant opposition to city growth was mainly from within the proposed expansion area.

## Next steps

Government is expected to consult on compliant proposals in the new year and reach a decision by summer 2026.

A detailed implementation roadmap outlines steps to achieve a smooth transition to the new unitary councils and ensure these are safe and legal on Day 1.

Clear and effective programmes will be in place to manage the disaggregation and aggregation of services. This will deliver the reforms essential for longer term sustainable efficiency gains that would not be available by excluding the city from local government reform.

Plans are also set out for effective transformation to achieve full savings benefits alongside service reform. Risks and mitigating actions are highlighted.

The council will work closely with all LLR councils, public service providers and other stakeholders to deliver LGR at pace and to the timeframes specified.



# 1.0 Introduction

## 1.1 Context

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, for strategic transport and planning, economic development and skills, and net zero.

The Local Government and Public Involvement in Health Act 2007 provides the statutory framework for LGR for structural and boundary changes.

The English Devolution and Community Empowerment Bill (July 2025) provides the policy and legislative framework for devolution. The decisions on devolution are subject to a separate process from LGR with invitations for submission expected during 2026.

## 1.2 Government invitation to develop LGR proposals

Under the legislative framework of the 2007 Act, in February 2025 the Secretary of State for Housing, Communities and Local Government invited principal authorities in Leicester, Leicestershire and Rutland (LLR) to bring forward proposals for local government reorganisation. The invitation required final proposals to be submitted by 28 November 2025. ([Letter: Leicestershire, Leicester and Rutland - GOV.UK](#)).

The invitation 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 requested.

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 must support devolution arrangements.
- New unitary structures should enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment.

Leicester City Council submitted an interim plan to MHCLG in March ([Local Government Reorganisation](#)), setting out proposals for detailed boundary change to expand the current city boundaries. Leicestershire County Council also made an interim submission ([Local Government Reorganisation | Leicestershire County Council](#)) as did all second tier districts/boroughs with Rutland ([North, City, South proposal for Leicestershire and Rutland](#)).

MHCLG provided feedback on all interim proposals for LLR ([Local Government Reorganisation and devolution - Interim Plan Feedback - Leicestershire Leicester Rutland.pdf](#)). The feedback did not accept or reject any proposals but encouraged the councils to collaborate, together with advice on how to strengthen the final submission for 28 November. We have carefully considered the feedback and this final submission reflects the additional analysis of options and evidence requested.

### 1.3 Leicester City Council's approach to boundary change

Leicester City Council is submitting a final proposal for unitary council coverage for the whole of the Leicester, Leicestershire and Rutland Area. In doing so it sets out how this would help unlock a devolved strategic mayoral authority and align with other public services for the same area.

The invitation from Government to submit LGR proposals, and subsequent MHCLG/ legal advice, confirms that to be legally compliant proposals should in the first instance be formed using whole districts as building blocks. However, local authority proposals may request detailed boundary change with justification.

Where boundary change is sought, this must firstly be presented as a 'base proposal' using districts as building blocks. Then, in parallel, the submission should request the Secretary of State to amend boundaries in a particular way using their powers of modification, to achieve an even better outcome – making a strong justification for this.

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

In line with the invitation and advice provided, the council's final submission formally comprises two parts:

**1. A statutory 'base proposal'** - 'City with three districts' formed from whole district boundaries (option 2):

Unitary 1 – Leicester plus Oadby and Wigston, Harborough, and Blaby council areas

Unitary 2 – Melton, Charnwood, Hinckley and Bosworth, North West Leicestershire, and Rutland council areas.

This fulfils the council's legal duty to provide a compliant proposal in accordance with the 2007 Act;

**2. Request for ministerial modification** of the base proposal, asking the Secretary of State to consult on a proposal with boundary changes **to achieve a preferred city expansion** (option 1) which better meets the Government's statutory criteria: Unitary 1 – expanded city with bespoke boundaries

Unitary 2 – the remainder of Leicestershire and Rutland – see plan in Appendix 3.

## 1.4 How this final proposal is structured

This document is structured to respond directly to the Government's criteria and guidance.

### Section 2

- Overview description of Leicester, Leicestershire and Rutland.

### Section 3

- How the council has developed its proposals and options for appraisal.
- Appraisal of options against Government criteria.

### Section 4

- 'Base proposal' – using whole districts as building blocks.
- Preferred proposal – the council's preferred proposal, requiring modifications by the Secretary of State, illustrating the benefits for people across LLR.

### Section 5

- How the preferred proposal will be delivered through a clear transition and transformation plan.

## Appendices

- Provides detailed evidence.

## 1.5 Equality impact assessment

In accordance with the Equality Act 2010 the council has carried out an equality impact assessment (EIA) of its approach to final LGR submission. This can be found at Appendix 1.

The EIA sets out the potential impact, both positive and negative, of each of the options being appraised, in terms of people with protected characteristics. It also identifies potential mitigation. The EIA will continue to be evolved for services and staff as the LGR process continues.

## 1.6 Process after final submission

Following final submission, the Government will conduct a statutory consultation on compliant proposals with councils affected and other persons considered appropriate.

Once the consultation is concluded, ministers will decide, subject to parliamentary approval, which, if any, proposal will be implemented, with or without modification.

Once a decision is taken the Government will make a Structural Changes Order which provides secondary legislation for the transfer of functions to new councils and puts in place arrangements for shadow elections.

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

- Statutory consultation launched early 2026
- 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' 1 April 2028



## 2.0 Leicester, Leicestershire and Rutland

### 2.1 Description of place

A description of the Leicester, Leicestershire and Rutland area and its demography, economic, social and environmental characteristics is provided in Appendix 2 and summarised below.

#### Geography

Leicester, Leicestershire and Rutland (LLR), covering a combined area of c2,500 km<sup>2</sup>, occupies a strategic location in central England with excellent road, rail and air connections, making it a key economic hub for the country.

Leicester and its suburbs comprise a central urban conurbation, providing an economic, education and cultural hub for LLR.

Rural areas interspersed with villages and some exceptional landscapes lie beyond the city conurbation.

A ring of market towns in neighbouring districts are connected to the city by main radial roads.

#### Demography

Leicester is one of England's largest and fastest growing cities.

In 2024 (ONS, 2025), LLR population was estimated to be 1,175,364; Leicester (388,348), Leicestershire (745,573), and Rutland (41,443).

The wider urban conurbation has a population of around 650,000 people (Leicester Local Plan 2020-36) – 56% of the total LLR population.

Leicester is the third most densely populated area in England outside London, with over 5,300 residents per km<sup>2</sup>.

Leicester is a relatively young city with a median age of 33 (England's is 40). In contrast, Leicestershire and Rutland have older populations with median ages of 43 and 48 respectively. Younger populations are also found in the suburban areas just outside the city boundary and in some of the county towns.



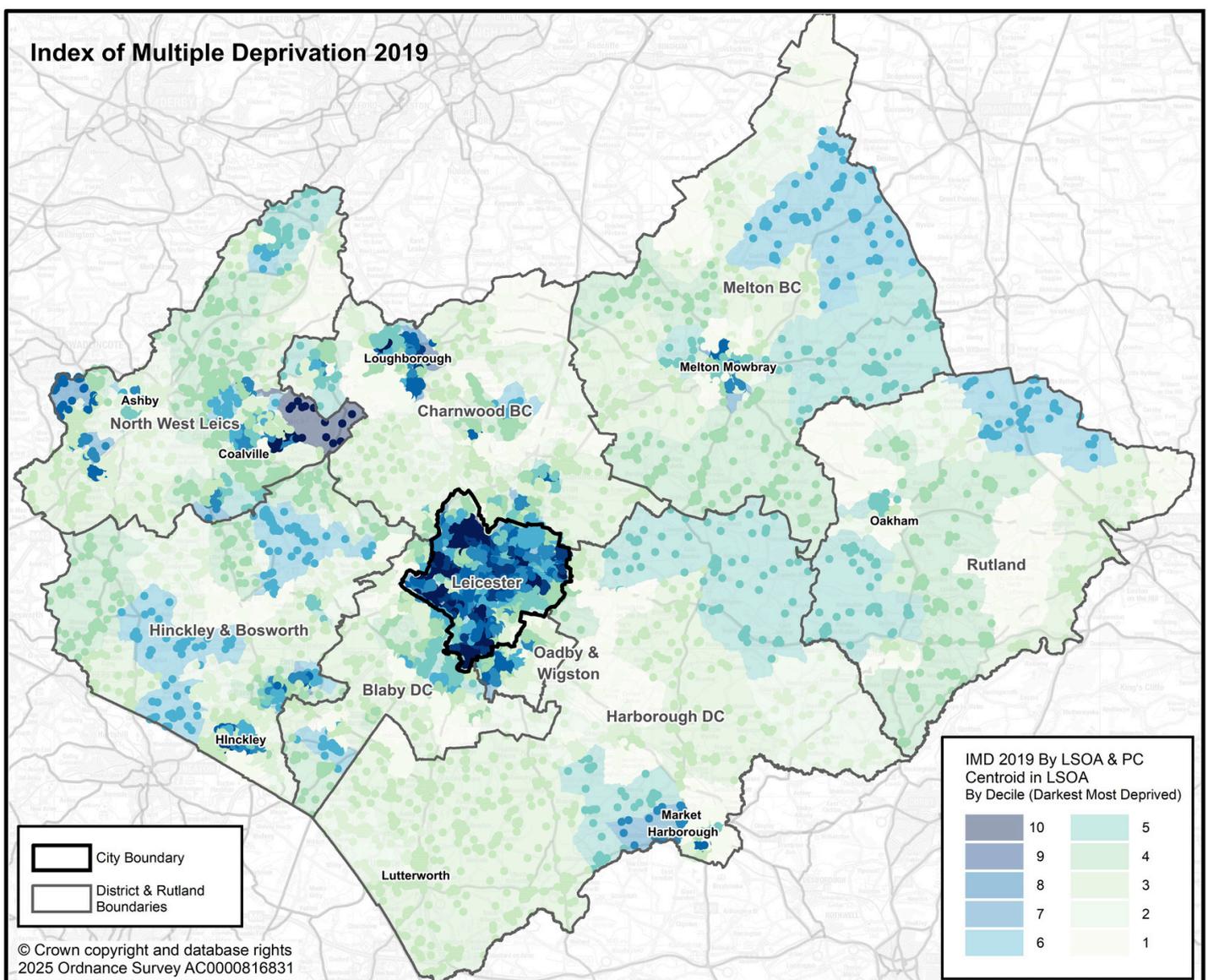
The city is one of the most diverse in England in terms of ethnicity, language and religion, and considerably more diverse than Leicestershire and Rutland overall. However, areas of the county also have significant concentrations of diversity, in particular the neighbouring districts in the wider urban conurbation.

## Deprivation

Levels of deprivation (2019 IMD) vary significantly across LLR, with the most deprived areas predominantly located in urban areas, across the city and some market towns.

Lower levels of deprivation are generally evident across much of rural LLR and suburbs outside the city boundary.

There is a stark difference between Leicester (ranked the 32nd most deprived local authority in England) and Leicestershire and Rutland, with 80% of Leicester's LSOAs falling within the bottom half most deprived in the country, compared with only 20% in Leicestershire and Rutland.



## Health

The health of LLR residents varies across the area, with city residents on average having poorer health outcomes (more ill health and shorter life expectancy) than England overall. In comparison, Leicestershire and Rutland are above average in these measures, although there are also areas such as Hinckley, Coalville and Loughborough with poorer health.

The percentage of active adults in Leicester in 2024 was 55.8, significantly below England's average (at 67.4%). Leicestershire and Rutland are both above the national average at 68.6% and 71.9% respectively.

## Economy, skills and education

Leicester and Leicestershire contribute significantly to England's economic growth. The LLR area is the largest economy within the East Midlands region, with a GVA of over £31 billion (2022) and approximately 30% (c £10 billion), originating from Leicester.

The area is characterised by a large manufacturing and distribution sector and a strong community of diverse, smaller businesses.

There are considerable disparities in employment rates: the number of people claiming unemployment related benefits in the city is 250% higher than in Leicestershire.

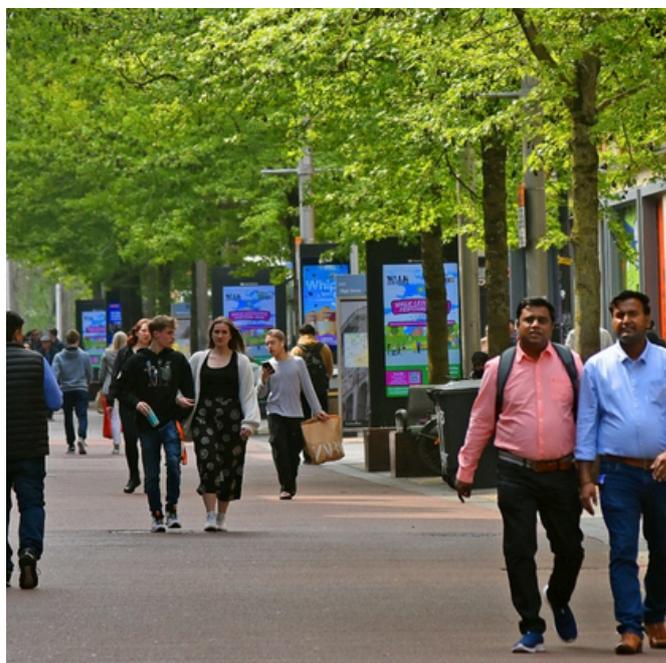
Similarly, average earnings and education levels are lower within the city than in the adjoining districts.

Significant efforts have been made to improve job opportunities within the city to address these issues. Business and employment support activity has been delivered across Leicester and Leicestershire through the former LLEP and Growth Hub.

Leicester city centre is a main retail hub for the wider area, with Fosse Park (in Blaby district) being a major out-of-town retail park. Local shopping areas are found in the city and surrounding market towns.

LLR also offers many cultural, sports and leisure facilities, mainly concentrated in the city centre.

LLR has three universities, two in the city centre: University of Leicester and De Montfort University, and Loughborough University in Charnwood. The three acute hospitals serving the whole LLR area are located in the city.



## Housing

Leicester's population continues to grow, but current projections suggest that growth will slow due to the limited opportunities for future development, a result of the heavily constrained nature of the city's boundary.

Median house prices at £235,000 (2024) are lower in the city than in the county at £270,000, but with median earnings being lower in the city, houses are less affordable in general for city than county residents. Demand for rental properties is high, with city rents being higher than surrounding districts and increasing at a high rate as demand outstrips supply.

Homelessness figures show very significant pressures in the city compared to the rest of the area and are also 30% higher than nationally.



## Transport

Leicester, Leicestershire and Rutland are well connected, with the city acting as a central hub. The area is also well connected nationally with important road, rail and air connections.

The city council has invested heavily, with government funding support, to provide high quality public transport, cycling and walking infrastructure, with substantial progress made towards full electrification of the bus network. Improvements to the bus network have largely been focussed on the city council area with limited impact outside.



## **Green Wedges and the Local Nature Recovery Strategy**

LLR has no formal green belt but has protected “Green Wedges”. These are an important local designation extending into urban areas which act as green lungs within the built environment, preventing separate built-up areas from merging and providing recreational uses for residents.

The rural area of LLR has some exceptional landscapes such as at Bradgate Park, the National Forest and Rutland Water.

The River Soar and its catchment tributaries are an important asset for the city and county, as well as a challenge in terms of flood risk, with projects such as Saving Saffron Brook and Restoring the Soar developed in partnerships to address this risk and deliver enhancements to biodiversity, accessibility, active travel and health and well-being. These projects span the city’s administrative boundaries into adjoining districts.

## **Case study: Tackling flood risk across the urban area**

Leicester City Council, as a Lead Local Flood Authority (LLFA), is committed to reducing flood risk to the urban area. Working in close partnership with the Environment Agency, Canal & Rivers Trust, Trent Rivers Trust and Severn Trent Water, over the last ten years projects have reduced the risk of flooding to over 2,000 properties.

Exemplar work included the creation of the award-winning Ellis Meadows scheme, making space for flood water to reduce flood risk in Belgrave, whilst creating new recreational green space and wildlife habitats. Cycling and walking along the river corridor have also benefited from the creation of a combined flood culvert and underpass at Loughborough Rd.

The rivers and watercourses that flow through the city rise in the wider surrounding landscape outside the current city boundary. The city council is currently working with the Trent Rivers Trust to deliver natural flood management schemes in such areas.

An expanded city area would bring many of these areas under the control of a single council with the ability to plan for and mitigate flood risk in strategic partnership with the Environment Agency, substantially reducing the complexity of dealing with multiple councils to deliver essential flood relief schemes.



## 2.2 Local authority context

### Overview

The Leicester, Leicestershire and Rutland area is made up of ten councils. Leicester City Council and Rutland County Council are both unitary councils. The remainder of the area is covered by two tier local government comprising Leicestershire County Council and seven district councils: Blaby District Council; Charnwood Borough Council; Harborough District Council; Hinckley and Bosworth Borough Council; Melton Borough Council; North West Leicestershire District Council; and Oadby and Wigston Borough Council.

Leicester City Council lies centrally within LLR, outside of which lies the county council and districts, with Rutland lying to the east of Leicestershire.

Leicester became a municipal borough in 1836 and gained city status in 1919.

In 1974 the city was designated as a non-metropolitan district, a lower tier district on its same boundaries, alongside the district councils listed above and Rutland. Leicestershire County Council was established for the first time to provide upper tier services across these districts.

When the city became a unitary authority in 1997, Leicester was one of a small number of local authorities, like Nottingham and Bristol, that still retained its original boundaries. Other cities, like Sheffield and Leeds, had far more generous boundaries drawn, allowing for future city growth and expansion.

Rutland also broke away from Leicestershire to become a unitary council in 1997, and in doing so became one of the smallest unitary authorities in the country.

In 2011 the position of directly elected mayor was established for the city.

The administration of the LLR area is historically intertwined from a local government perspective, which contributes significantly to the reasons for it to become unified under a proposed mayoral strategic authority.

Local government reorganisation provides an opportunity to move away from the current confusing local authority arrangements and to establish simpler unitary council structures with coherent geography and clarity over who is delivering services for local people.

### Challenges facing local authorities

Local government across the UK is facing unprecedented challenges and councils across LLR are no different. The most difficult challenges include:

- surging demand for services – a major threat to sustainability is the unprecedented demand for services, especially for supported housing and temporary accommodation, adult social care and children's services, including SEND provision
- financial pressures and funding gaps – authorities are facing significant funding shortfalls due to inflation and wage pressures, leading to increasing operational costs
- uncertain central government funding – ongoing uncertainty surrounding how much funding will come from central government, making financial planning difficult
- the need to comply with new legislation – environmental and procurement regulations, for example.

All councils are involved in extensive savings and efficiency programmes to help manage their finances and deliver balanced budgets.

Local government reorganisation is considered to be the only vehicle available to deliver efficiencies on the scale required to address the challenges noted above.

Section 3 of this submission highlights the potential options and their relative benefits in this regard.

## 3.0 Appraisal of LGR options against Government criteria

### 3.1 Background and context

In December 2024 the English Devolution White Paper set out plans for devolution and local government reorganisation (LGR). An accompanying letter from the Minister also invited areas to request to become part of the Devolution Priority Programme (DPP) where reorganisation would unlock devolution. This would have enabled a delay to county council elections until May 2026, and an accelerated programme for devolution and linked LGR.

#### Approach to collaborative working

Following discussion with the upper tier councils, a joint position was agreed and submitted on 10 January 2025 from all leaders of 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 5 February rejecting the county council’s request, along with a formal invitation to councils in the LLR area to submit proposals

for LGR by 28 November, with interim submissions by 21 March.

All the LLR councils agreed to meet after the county council elections once the political position was known. These elections saw the county’s leadership change from Conservative to Reform.

Following the Minister’s decision not to delay county elections and the subsequent outcome, the joint position outlined above could not be taken forward and the prospect of a single LGR submission was significantly reduced.

#### Interim submissions

Three interim proposed options were subsequently submitted in March 2025.

#### LGR interim proposals – March 2025

Leicester City Council proposal: <a href="#">Local Government Reorganisation</a>	<ul style="list-style-type: none"> <li>• Expansion of unitary city council boundaries to include adjoining suburbs/built-up areas.</li> <li>• A new unitary council for the remaining Leicestershire County area and Rutland.</li> </ul>
County Council proposal: <a href="#">Local Government Reorganisation   Leicestershire County Council</a>	<ul style="list-style-type: none"> <li>• One unitary council for current county area, excluding Rutland.</li> <li>• Exclusion of city unitary with no boundary change.</li> </ul>
Districts and Rutland proposal: <a href="#">North, City, South proposal for Leicestershire and Rutland</a>	<ul style="list-style-type: none"> <li>• Two unitary councils for North Leicestershire and Rutland, and South Leicestershire.</li> <li>• Exclusion of city unitary with no boundary change.</li> </ul>

MHCLG sent feedback on the LLR interim submissions on 3 June 2025.

The response set out expectations for local leaders to work collaboratively and proactively to develop robust and sustainable proposals that are in the best interests of the whole area. It also encouraged data sharing to support the development of a robust shared evidence base to underpin final proposals, noting it would be helpful if final proposals use the same assumptions and data sets.

The response also asked for consideration of an options appraisal to help demonstrate how the proposals best meet the assessment criteria in the invitation letter, compared to any alternatives.

Noting Rutland was part of the LLR invitation area, the response also asked for clarity on the position of Rutland.

Since the MHCLG feedback was received there has been very productive work to share data and a common data platform has been used by the councils.

Joint finance modelling has also been carried out by the city and county councils using common assumptions. This was offered to the district councils and Rutland but was not taken up.

Ongoing communication between leaders and senior officers has included exploring the fundamental question of city boundary expansion.

At a special meeting of Leicestershire County Council on 30 July, members voted by 23 to 22 to oppose a city expansion.

A joint statement by the district councils and Rutland on 5 September stated “Council leaders developing a plan for new council structures in Leicester, Leicestershire and Rutland say they will be recommending that the Leicester City boundary should not be changed when councils are reorganised in 2028.”

Despite the city council’s openness to pursuing an agreed position on city boundary expansion and a single submission in line with the joint statement of 10 January, it became clear that politically this was not possible. As such the city council had no choice but to prepare a separate proposal for LLR alongside those of the county and the districts/Rutland.

There is however joint agreement with Leicestershire County Council for the principle of a two unitary council solution for LLR.

### **3.1.1 Developing final options for appraisal**

Following the Minister’s invitation and ongoing MHCLG feedback, further detailed consideration has been given to options for appraisal. We have taken the following into account:

- Proposals should be for the whole LLR invitation area.
- Proposals should be credible and able to be clearly articulated.
- Consideration should be given to options put forward by other councils.
- Consideration of MHCLG advice, including on submitting boundary change proposals.

It is understood that the County Council will be submitting a proposal based on their interim submission but with Leicestershire and Rutland forming a new unitary council.

The districts and Rutland proposal based on the interim submission was made public on

It is not clear whether any proposal being made by councils in Lincolnshire include Rutland, or if this will be supported by Rutland Council. In this context it has not been practicable to consider any options where Rutland forms part of any Lincolnshire proposal.

It remains the city council's view that any proposals excluding Rutland are not credible. Reasons for including Rutland in all options are clearly set out in this section and reflect the statutory invitation in respect of the whole LLR area.

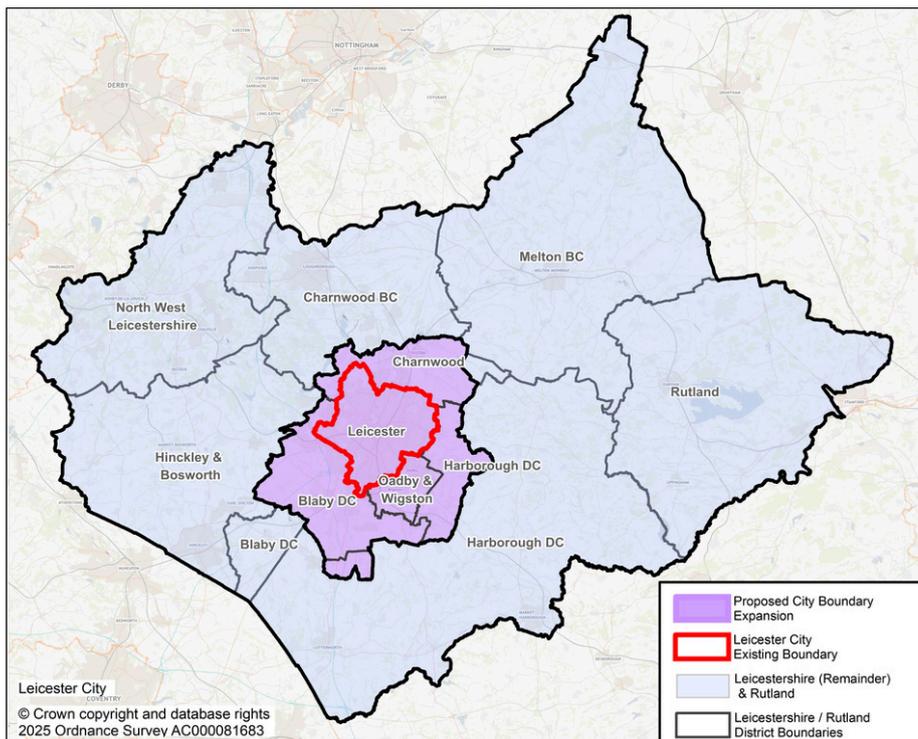
As part of the financial modelling process the county council requested that two alternative options be addressed:

- 'County Principal Urban Area (PUA)' option, defined by the county council
- The Centre for Cities definition of Leicester, including the districts of Blaby and Oadby and Wigston.

Neither of these have been taken forward as preferred options by the county council and neither are considered credible, lacking any known support.

We have therefore undertaken detailed appraisal of the following four options:

## LGR options for Leicester, Leicestershire and Rutland



### Option 1: City boundary expansion

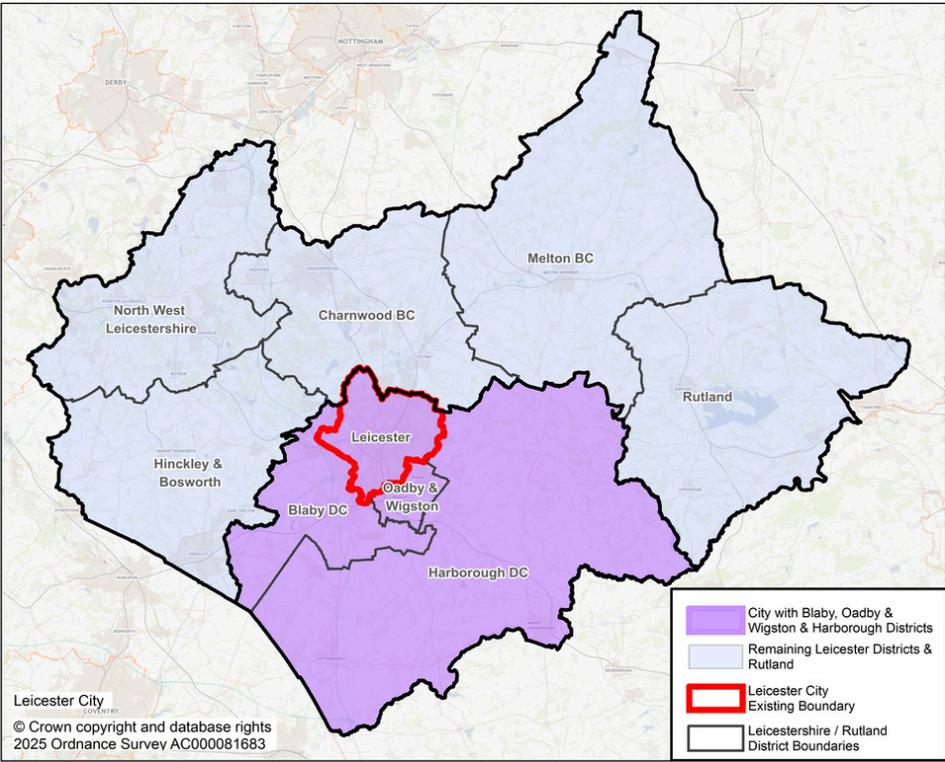
**Unitary 1:** Expanded city including whole of Oadby and Wigston and parts of Charnwood, Harborough and Blaby

**Unitary 2:** Rest of Leicestershire county and Rutland

**Option 2: City with three districts**

**Unitary 1:** Existing city, Oadby & Wigston, Harborough and Blaby

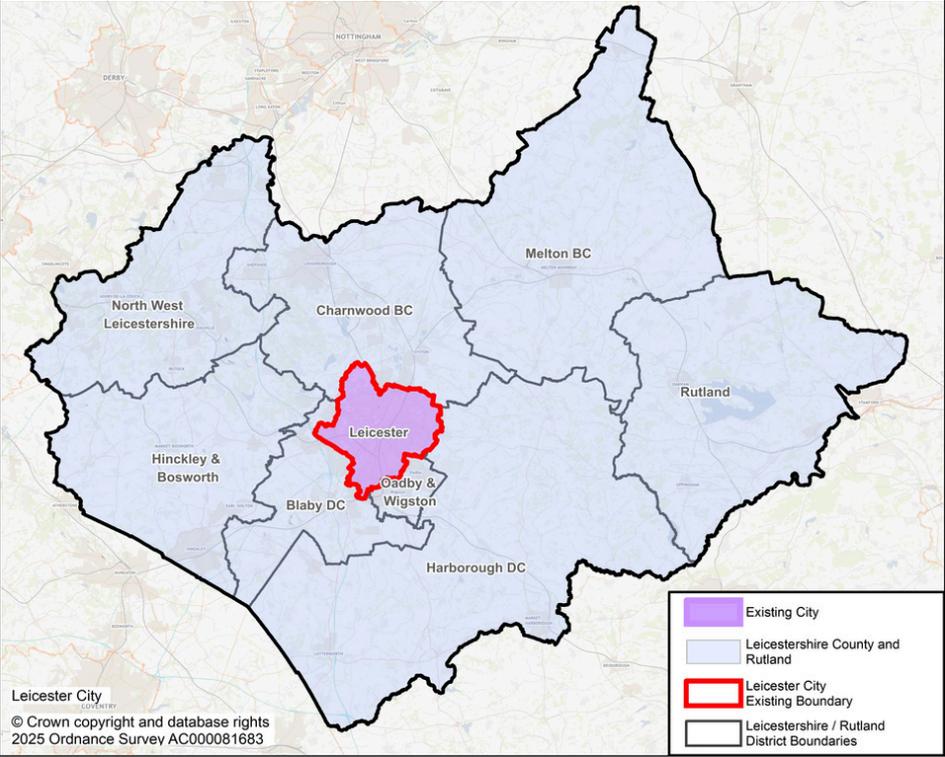
**Unitary 2:** Hinckley & Bosworth, North West Leicestershire, Charnwood, Melton and Rutland

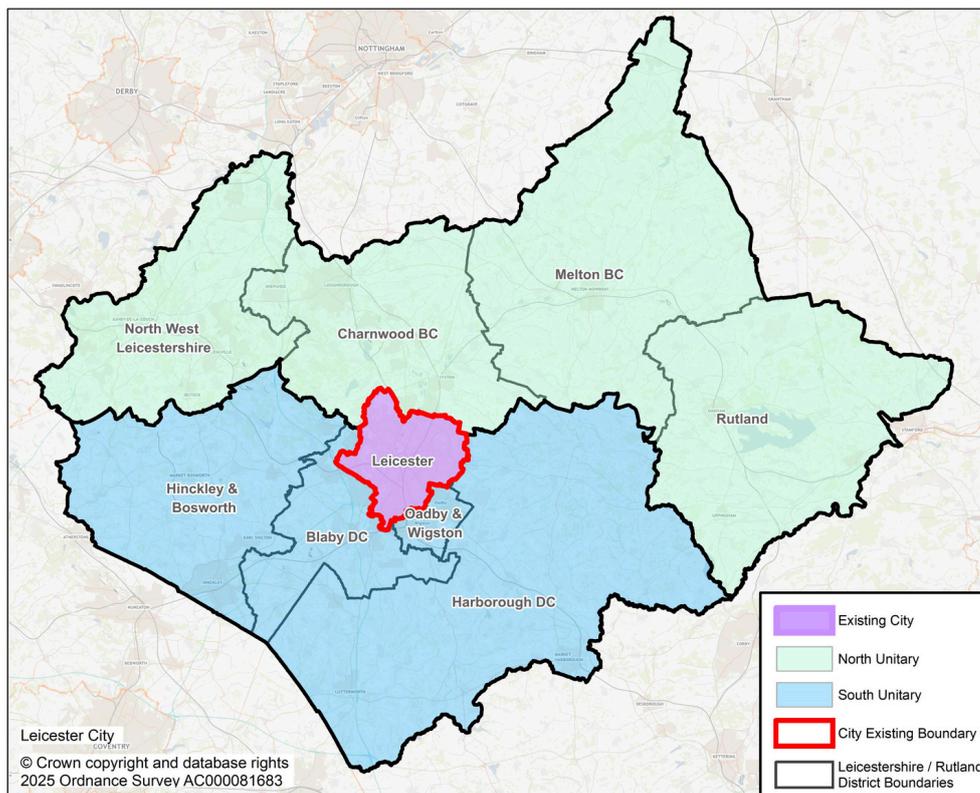


**Option 3: City/county & Rutland**

**Unitary 1:** Existing city

**Unitary 2:** Leicestershire and Rutland





## Option 4: City/North/South

**Unitary 1:** Existing city

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

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

### 3.1.2 Government criteria and guidance

The Government has asked that final submissions analyse options against the issued criteria and guidance drawn from:

- Government’s invitation letter to LLR ([Letter: Leicestershire, Leicester and Rutland - GOV.UK](#))
- Feedback provided to interim proposals ([Local Government Reorganisation and devolution - Interim Plan Feedback - Leicestershire Leicester Rutland.pdf](#))
- Ongoing advice and guidance from MHCLG.

Sections 3.2 to 3.7 appraise each of the options against relevant Government criteria/guidance.

The appraisal of options follows a quantitative and qualitative approach. A standardised appraisal framework has been used where appropriate.

Options are RAG rated in relation to the extent to which they meet the Government’s criteria as follows:

- Does not meet (R)
- Partially meets (A)
- Meets (G)

Section 3.8 summarises appraisals from the preceding sections and draws conclusions on which option best meets Government criteria overall.

## 3.2 Establishing a single tier of local government (criteria 1)

### Government LGR criteria

1. A proposal should seek to achieve for the whole of the area concerned the establishment of a single tier of local government.

- a) Proposals should be for sensible economic areas, with an appropriate tax base which does not create an undue advantage or disadvantage for one part of the area. (NB – see options appraisal Section 3.3 on tax base balance)
- b) Proposals should be for a sensible geography which will help to increase housing supply and meet local needs.
- c) Proposals should be supported by robust evidence and analysis and include an explanation of the outcomes it is expected to achieve, including evidence of estimated costs/benefits (see section 3.3) and local engagement (see section 3.5).
- d) Proposals should describe clearly the single tier local government structures it is putting forward for the whole of the area, and explain how, if implemented, these are expected to achieve the outcomes described.

### 3.2.1 A single tier of local government

All options in this submission would achieve a single tier of local government for the Leicester, Leicestershire and Rutland area.

### 3.2.2 Sensible economic area

This section considers the four LGR options in terms of the balance of economic outcomes that would be delivered and the degree to which they result in advantage or disadvantage for the new unitary areas.

#### Financial balance – including tax base

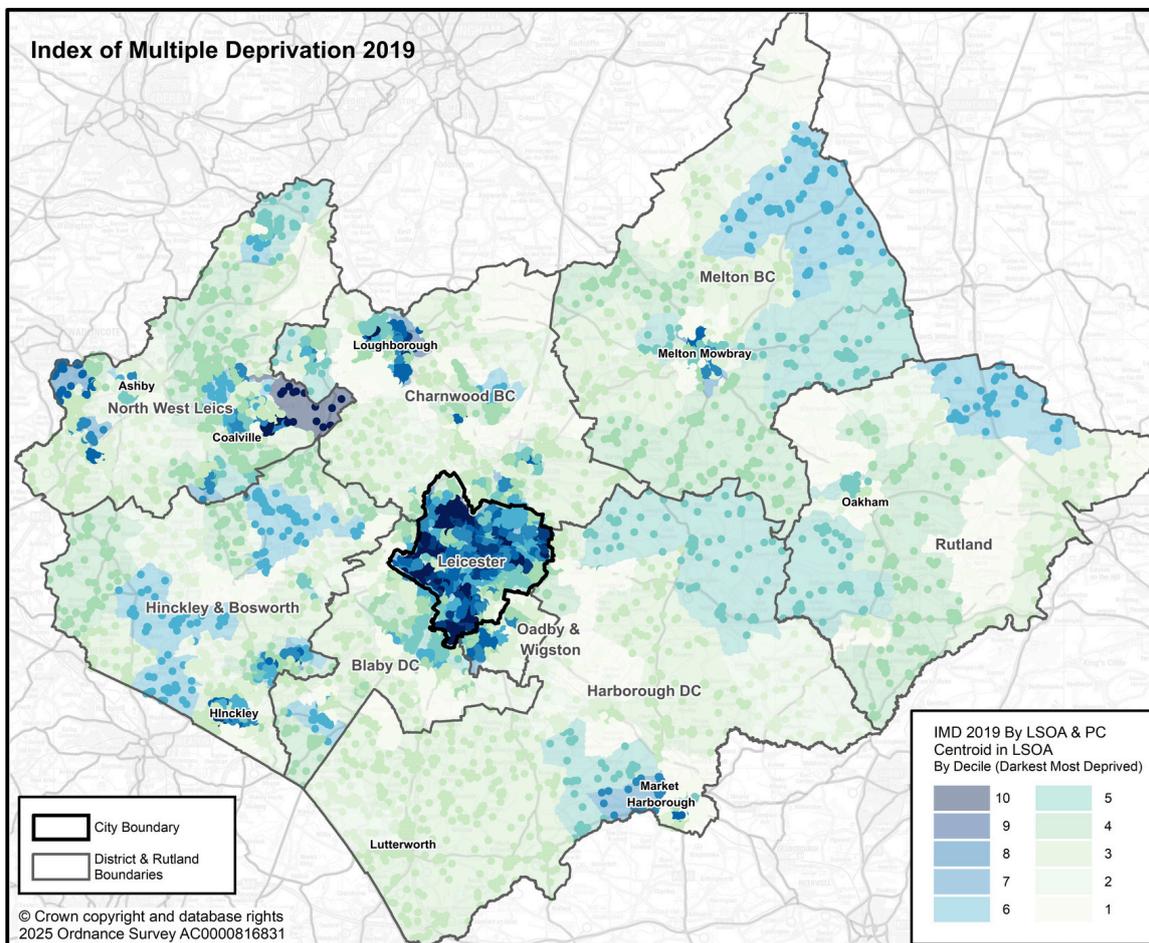
Section 3.3 appraises the impact of each of the options with regard to creating a balanced financial and economic outcome. This considers the tax base, but also other key financial considerations from LGR, including the balance between unitary councils in terms of cost per head of population, budget gaps and resource base. In summary, city boundary expansion, either through options 1 or 2, would have a number of positive outcomes in terms of a more sensible economic area with more balanced unitary councils, when compared with options 3 and 4 that would retain the city boundaries in their current form.

#### Population balance

Section 3.3 considers the size and balance of populations for the proposed unitary options in detail. The two options involving city boundary change (options 1 and 2) are the only options where all proposed unitary councils meet the Government's 500,000 + population guide, with option 1 delivering the most balanced councils in population terms.

#### Deprivation

Appendix 2 outlines the variance in deprivation across the LLR area. A relatively simple way to understand the impact of the proposals on economic and social factors is through the Index of Multiple Deprivation (IMD), which ranks areas on deprivation across seven domains – income, employment, education, skills and training, health and deprivation, crime, barriers to housing services, and living environment.



The map shows the levels of deprivation in 2019 across LLR by Lower Super Output Area (LSOA). Levels of deprivation are shown ranging from low (pale green) to high (dark blue).

The areas with the very highest levels of deprivation are mainly located within the city’s administrative boundary. Leicester was ranked the 32nd most deprived local authority in England.

There is a stark difference between the current Leicester administrative area, where 80% of LSOAs fall within the bottom half most deprived LSOAs in the country, compared with only 20% in Leicestershire and Rutland. In strong contrast to the city, all seven Leicestershire districts fall within the least deprived half of all local authority districts within England. Rutland is noted for its very low levels of deprivation, being lowest in the East Midlands and ranked 303 out of 317 nationally.

LGR options 3 and 4 would retain the city boundary as it is and therefore perpetuate the stark differences in deprivation between the resulting unitary councils.

The proposed city boundary expansion under option 1 would see the city’s proportion of LSOAs in the bottom half of most deprived in the country reduce significantly to 56%. The remainder of Leicestershire and Rutland would still have considerably fewer LSOAs in the bottom half at 22%, but overall there would be a more balanced position across LLR.

The proposed city expansion into three adjoining districts under option 2 would see its percentage of LSOAs in the bottom half of most deprived in the country reduce to 52%. The remainder of Leicestershire and Rutland would still have considerably fewer LSOAs in the bottom half at 23%, but again overall there would be a more balanced position across LLR.

Options 1 and 2 will deliver significantly better economic balance in terms of the challenges and costs associated with service provision, as these are higher and more concentrated in the most deprived areas: for example, in health and housing.

## Future development opportunities

The location of potential strategic sites for housing and employment development is a key consideration to ensure balance and future viability of new unitary areas.

In 2023 the city, county and district councils commissioned a detailed study to identify such sites, linked to a potential review of the Leicester and Leicestershire Strategic Growth Plan: [Strategic Growth Options for Leicester and Leicestershire, AECOM \(2023\)](#).

This study does not include the Rutland area. However, strategic sites will be limited in Rutland and in any case the inclusion of Rutland would only exacerbate the imbalances illustrated below.

The table below sets out the LGR options and the balance of future strategic development opportunities (green and amber rated in the study) available to each unitary authority from the study.

Following the appraisal framework used in this final submission, options are rated as follows:

 Does not meet (R): Significant imbalance of future development land.

 Partially meets (A): Some rebalancing of future development land.

 Meets (G): Significant rebalancing of future development land.

Balance of potential future development opportunities			
Option	Unitary councils	Land (Ha)	
<b>Option 1</b> City boundary expansion	Unitary 1: City with boundary expansion	3,744	G
	Unitary 2: Part Leicestershire county and Rutland	4,126	
<b>Option 2</b> City with three districts	Unitary 1: Existing city, Oadby and Wigston, Harborough, and Blaby	5,001	G
	Unitary 2: Hinckley and Bosworth, North West Leicestershire, Charnwood, Melton, and Rutland	2,869	
<b>Option 3</b> City/ county & Rutland	Unitary 1: Existing city	0	R
	Unitary 2: Leicestershire and Rutland	7,870	

<b>Option 4</b> City/ North/ South	Unitary 1: Existing city	0	<b>R</b>
	Unitary 2: North West Leicestershire, Charnwood, Melton and Rutland	2,248	
	Unitary 3: Oadby and Wigston, Harborough, Blaby, and Hinckley and Bosworth	5,622	

It is clear that the present severe imbalance in development opportunities would continue under options 3 and 4, as the city boundary would remain as present, within which no strategic scale development opportunities remain.

Conversely, options 1 and 2 would significantly rebalance future development opportunities. This would help to balance future economic growth benefits that come directly from construction and from the additional local spending power of new communities.

Furthermore, it would result in a substantially more balanced outcome in terms of future income from council tax and business rates for the respective unitary councils. This will help to achieve a more financially sustainable outcome across the LLR unitary councils, building on the tax rebalancing considerations outlined in Section 3.3.

### 3.2.3 Sensible geography

The following section considers the current boundaries of councils in the proposal area and the approach taken to establishing a sensible coherent geography. We consider how best to define the proposed unitary councils in terms of their character, the way people live their lives and also how to increase the supply of housing and employment land to meet local needs.

### Existing council boundaries

Leicester's current boundaries were largely set around 100 years ago.

In 1974 the city was designated as a non-metropolitan district. When it became a unitary authority in 1997, Leicester was one of a few local authorities, like Nottingham and Bristol, that still retained its original boundaries. Other cities, like Sheffield and Leeds, had far more generous boundaries drawn, allowing for future city growth and expansion.

These long-standing city boundaries do not reflect the true extent of the city and its growth over many decades. This has seen development extend well beyond the city's administrative area, resulting in a much larger contiguous built-up area representing the full and recognisable extent of the city.

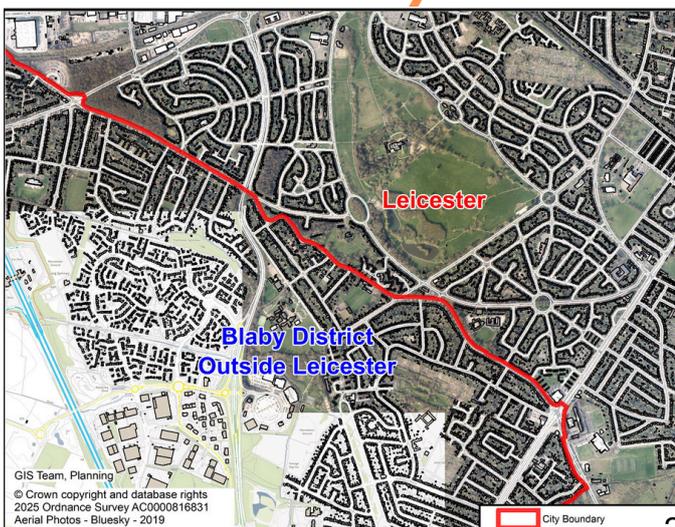
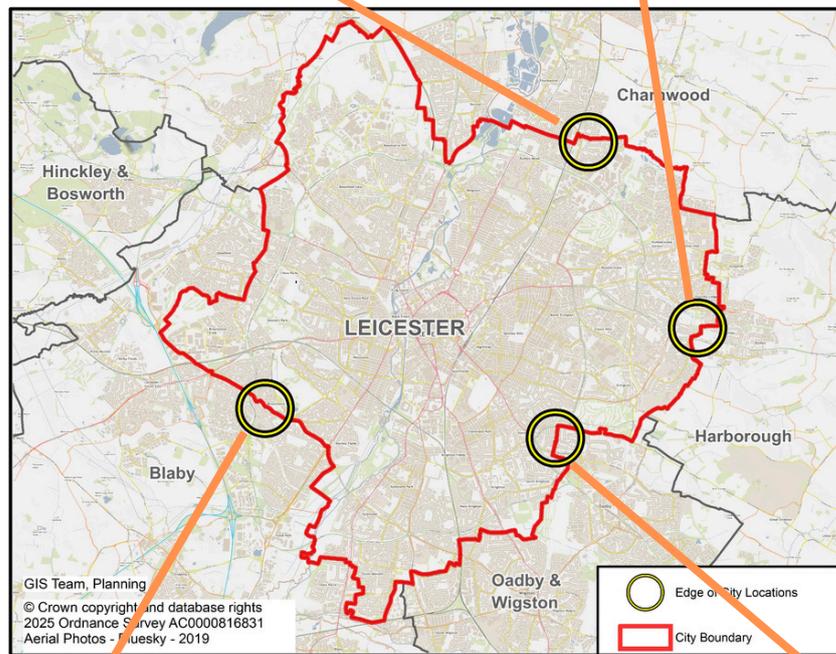
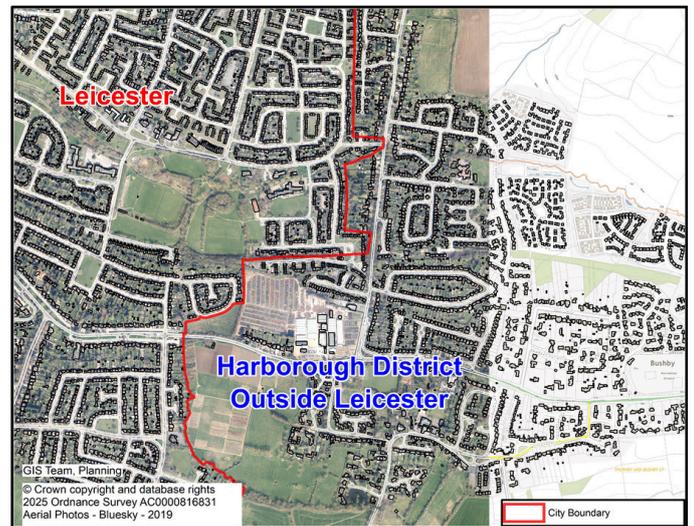
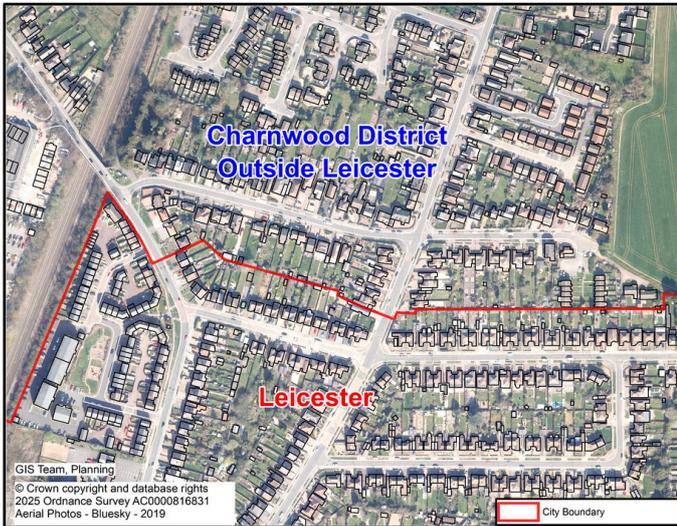
### Illogical boundaries

The images overleaf show the illogical nature of the current boundaries between the city and adjoining districts/county. Boundaries cut through streets and neighbourhoods, such as at Braunstone Town (Blaby District), Thurmaston (Charnwood Borough), Oadby & Wigston, and Scraftoft (Harborough District).

Local people living in these areas are regularly confused as to which council is responsible for delivering their services. The council's public survey (Section 3.5) revealed that 15% of respondents have been unsure which council to contact for a service or issue.

This represents a significant number of people: for example, in the proposed city expansion area alone (option 1), this would equate to around 30,000 people who are uncertain.

Section 3.4 refers in detail to the issues that these illogical boundaries create in services such as waste collection, adult social care home support, housing, and SEND.



## Establishing common sense boundaries

Retaining the city boundary would perpetuate the longstanding and increasingly illogical administrative council arrangements.

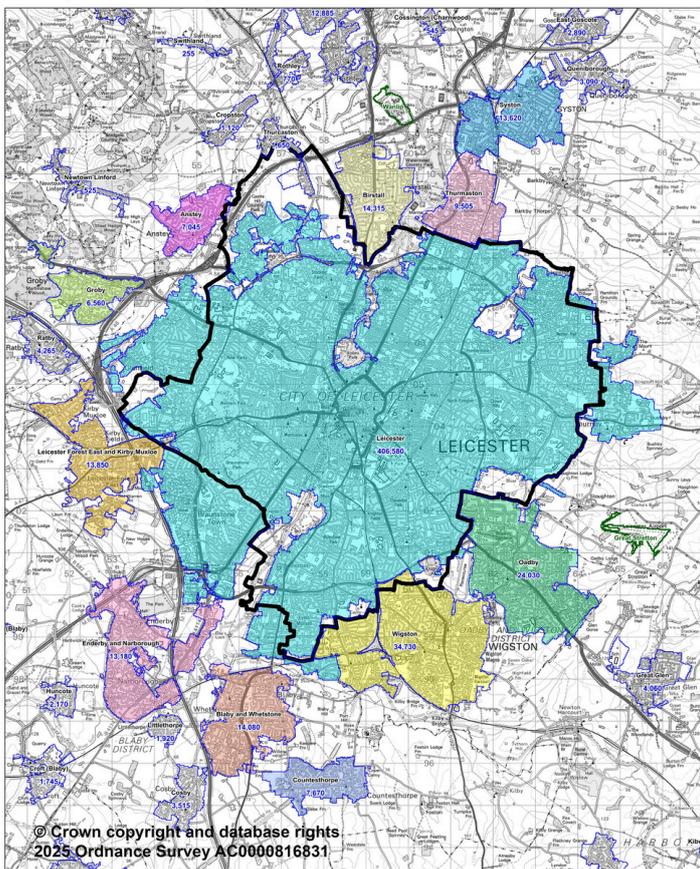
In reviewing options for establishing a revised and expanded city boundary, Leicester City Council has taken the following into account:

- existing city boundary designations
- comparator city boundaries
- how people live their lives
- cohesive geography and character
- accommodating future need for housing and employment land
- parish and town council boundaries.

### a. Existing city boundary designations

A number of boundary designations have been used to describe Leicester which do recognise the actual extent of the physical built-up area of the city and its suburbs. These have been used for statistical analysis, planning purposes and service delivery.

Built Up Area - ONS Population Statistics - 2021 Census



## 'Built-up area'

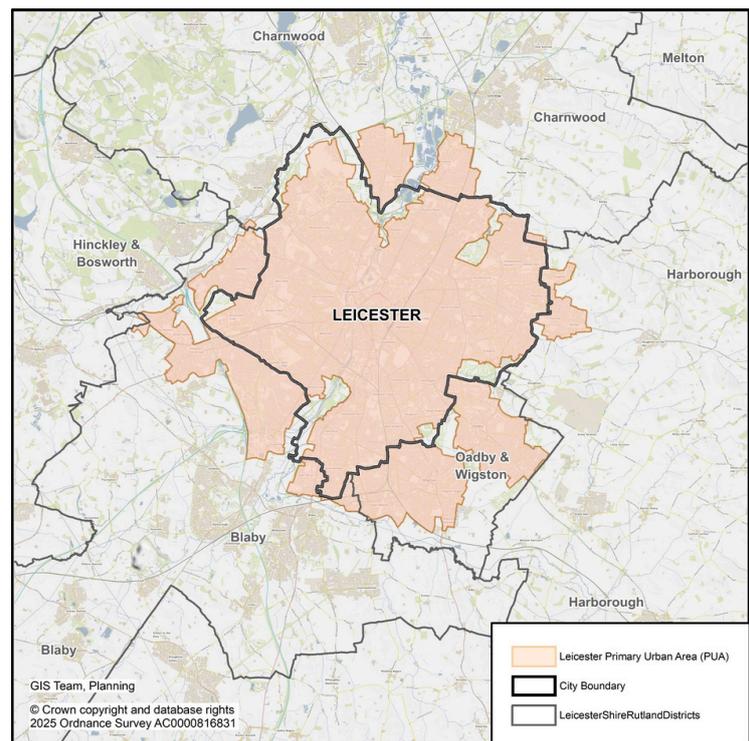
For the purpose of statistical analysis, the Office of National Statistics defines the 'Built-up area' as the urban areas of the city and connected suburban areas that have effectively become merged into Leicester.

The teal coloured area shown on the map (bottom left), representing the city urban area, extends well beyond the city's administrative boundary marked with a black line.

The built-up areas shown in other colours are the connected outer suburbs of Leicester.

## 'Principal Urban Area' (PUA)

The PUA has been used locally to define the contiguous built-up area and connected suburban areas that have become merged into, and form part of Leicester.



This designation has been recognised in statutory planning and transport documents, including Local Plans and Local Transport Plans. The PUA, unlike the city boundary, has been amended over time to reflect new developments built on the urban edge.

The areas on the map shown in pink, comprising the PUA, extend well beyond the city's current administrative boundary into the adjacent districts of Blaby, Hinckley and Bosworth, Charnwood, Harborough and Oadby and Wigston.

### Coronavirus lockdown area

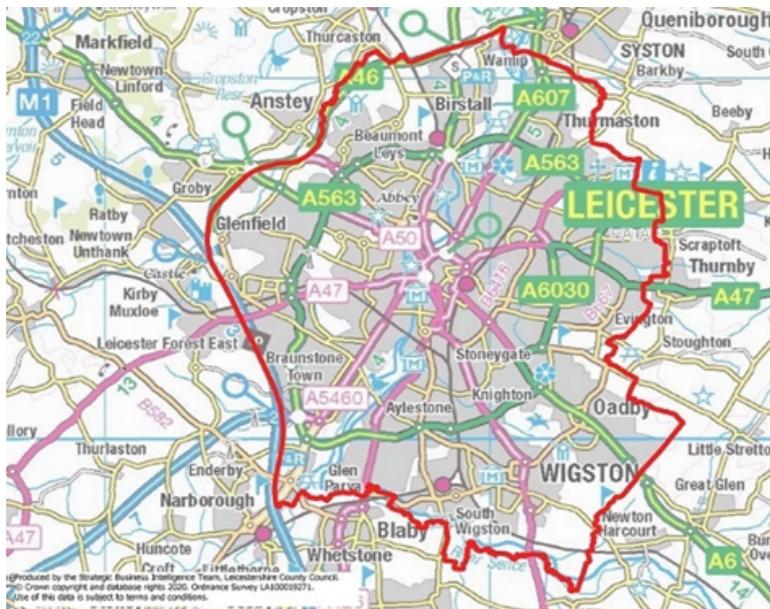
During the Covid-19 pandemic Leicester was held in a local lockdown for the longest period of any area in the country.

The Government designated a boundary within which certain restrictions applied, essentially recognising a built-up area where transmission was most likely to occur.

The area designated by Government recognises that the actual contiguous built-up nature of the city and its connected suburbs extend well beyond the current city council administrative boundary.

Appendix 2 – Description of Place – notes that Leicester is the third most densely populated area in the country outside London, with just over 5,000 residents per km<sup>2</sup>.

Conversely, other cities have comparatively generous boundaries covering their urban areas and also extensive tracts of countryside with villages and towns, allowing room for future growth and development. Examples include Sheffield, Bradford and Leeds, which have populations exceeding the Government's current LGR guide of 500,000 or more. These all became unitary councils in 1986, following the abolition of metropolitan county councils. Comparative maps for Leicester, Bradford, Sheffield and Leeds illustrate the difference in their current boundary positions in terms of population, land available for potential future growth, overall land area and population density.



Leicester is shown to have around 300km<sup>2</sup> to 500km<sup>2</sup> less land within its boundaries and is nearly three times more densely populated than these comparators. The constrained nature of Leicester is stark in comparison with these other cities, which have considerable tracts of countryside providing potential future development opportunities and green space for residents.

### b. Comparator city boundaries

We have reviewed comparator cities and their boundaries to understand to what extent Leicester is constrained compared to other cities of similar size.

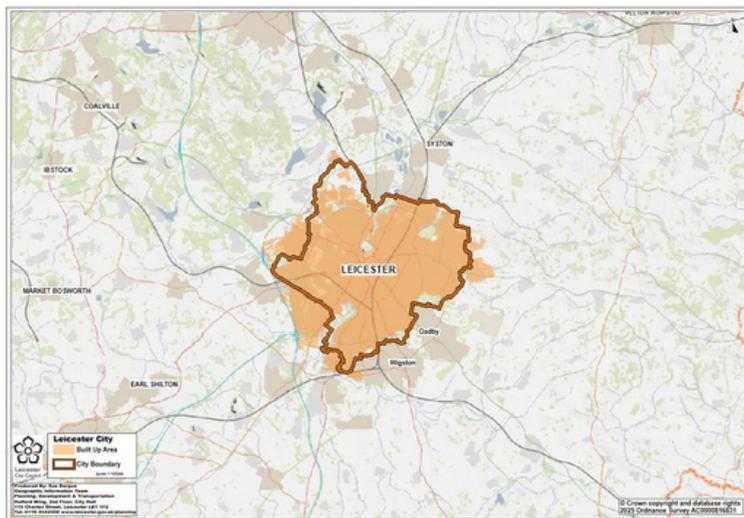
Leicester is one of a small number of unitary councils, including Nottingham, Derby and Bristol, that emerged from local government reorganisation in 1996-98 retaining their constrained boundaries.

## Leicester

Population: 372k

Area (km<sup>2</sup>): 73

Population density (pop'n/km<sup>2</sup>): **5095**

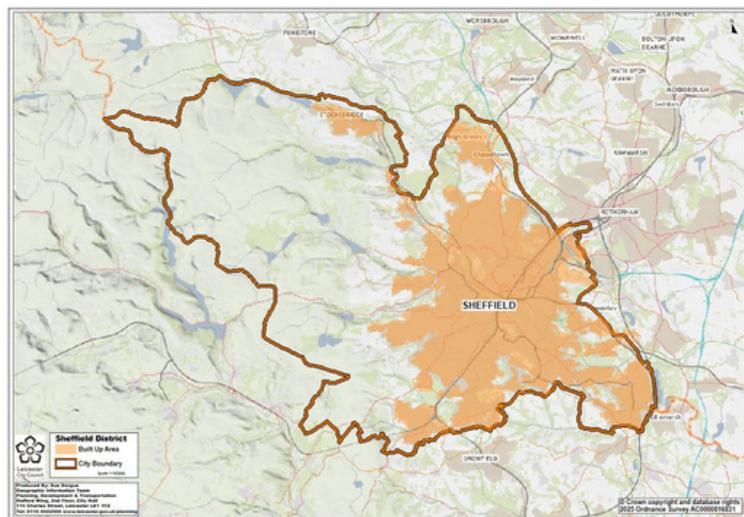


## Sheffield

Population: 564k

Area (km<sup>2</sup>): 367

Population density (pop'n/km<sup>2</sup>): **1540**

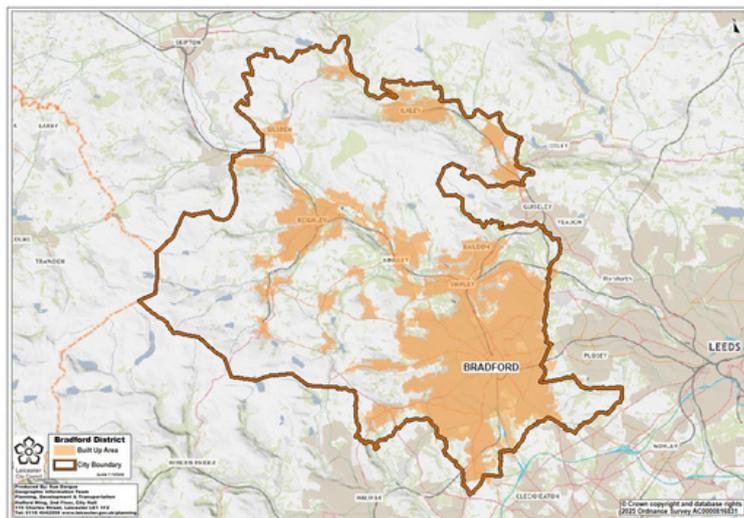


## Bradford

Population: 553k

Area (km<sup>2</sup>): 365

Population density (pop'n/km<sup>2</sup>): **1514**

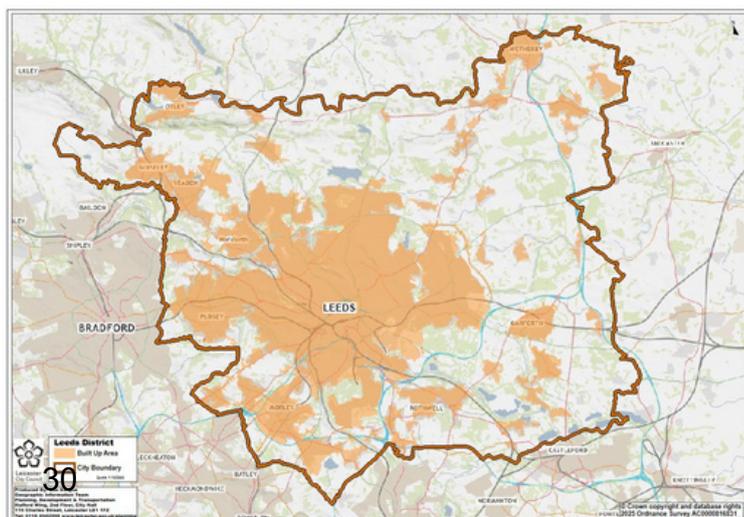


## Leeds

Population: 820k

Area (km<sup>2</sup>): 550

Population density (pop'n/km<sup>2</sup>): **1493**



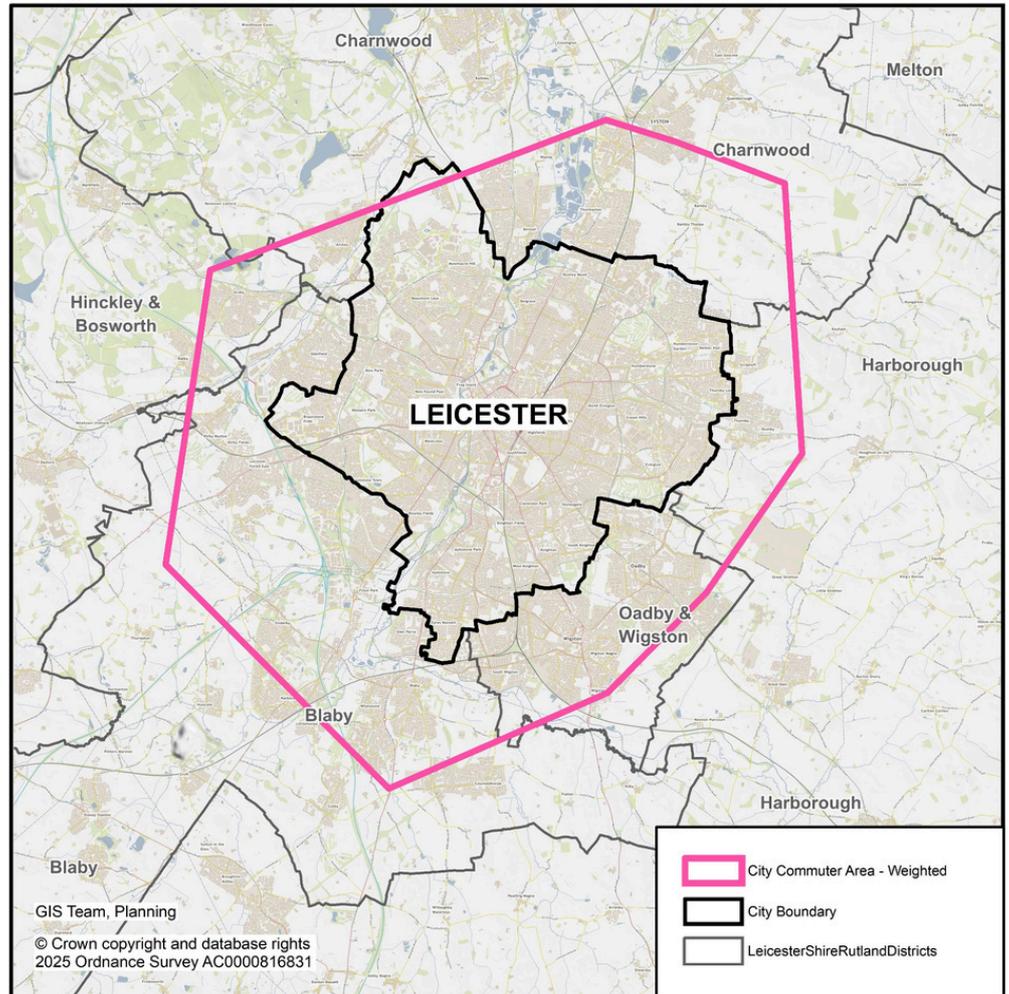
### c. How people live their lives

The way people live their day-to-day lives helps illustrate the area over which there is a concentration of activity, suggesting a natural catchment for councils to deliver services.

This section shows how people travel and use facilities across an area that doesn't align with current administrative boundaries: it extends well beyond the current city council area, into the surrounding built-up areas and suburbs.

#### Travel to work commuter area

In establishing a sensible boundary for the city, travel patterns can show how people travel to work and other facilities, and over what geography. Where people's travel habits are largely contained within a given area, this can establish a level of self-containment representing a natural city travel catchment. This broadly confirms the physical extent of the city in terms of people's travel behaviour.



The first map shows commuter movements in and out of the city at MSOA level, based on data from the 2021 census. There is a significant amount of travel across the current city boundary, particularly in areas that are immediately adjacent. Some surrounding district areas have almost a third of their population working within the city whilst others have a third of job roles filled by city residents.

#### Bus operator flexi ticket zone

The next map shows the boundary of the Leicester Bus Flexi Ticket used by commercial bus operators and the council. There is a high level of boarding and interchange by passengers living in this area, reflecting their propensity to travel by bus within the boundary shown. Outside the area there is a substantial drop in use of city bus services.

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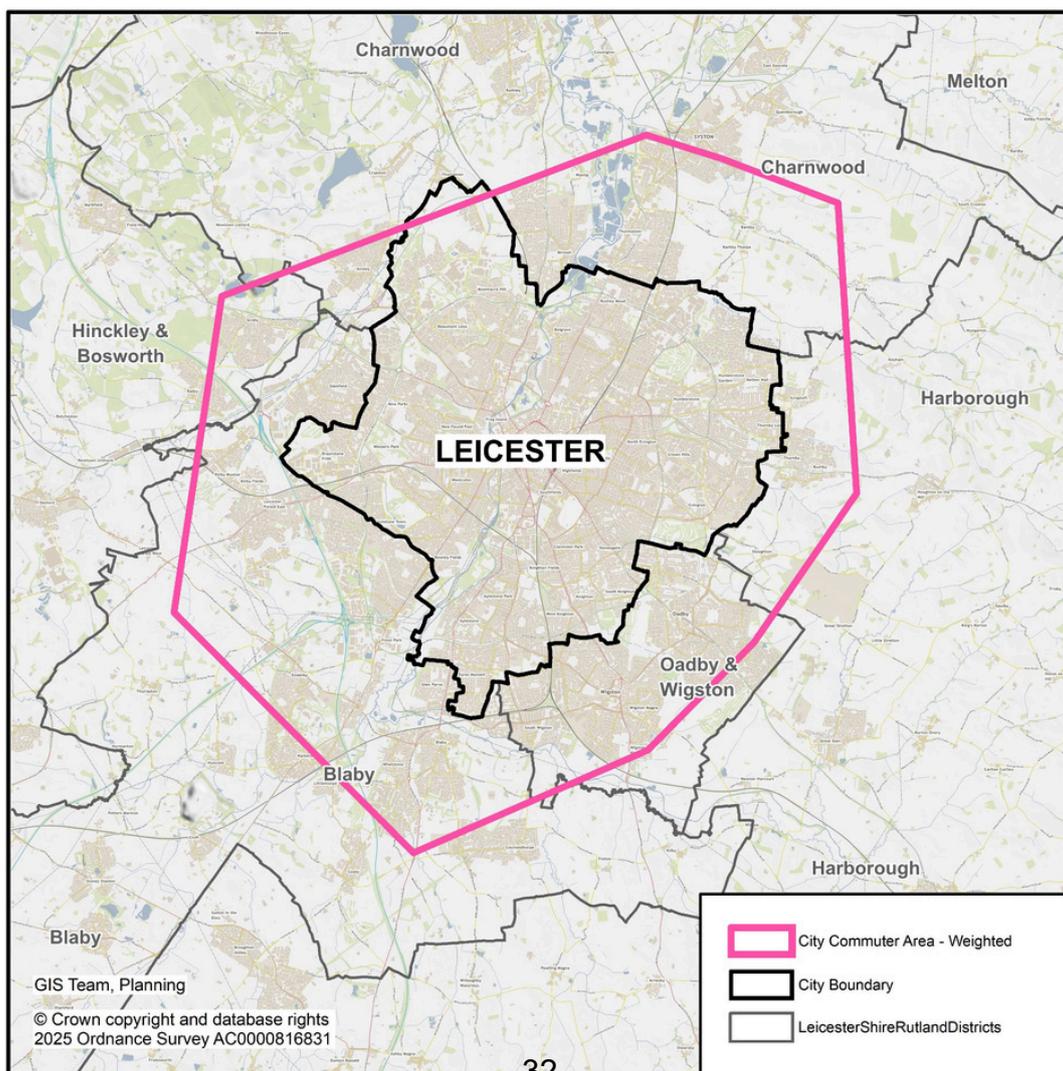
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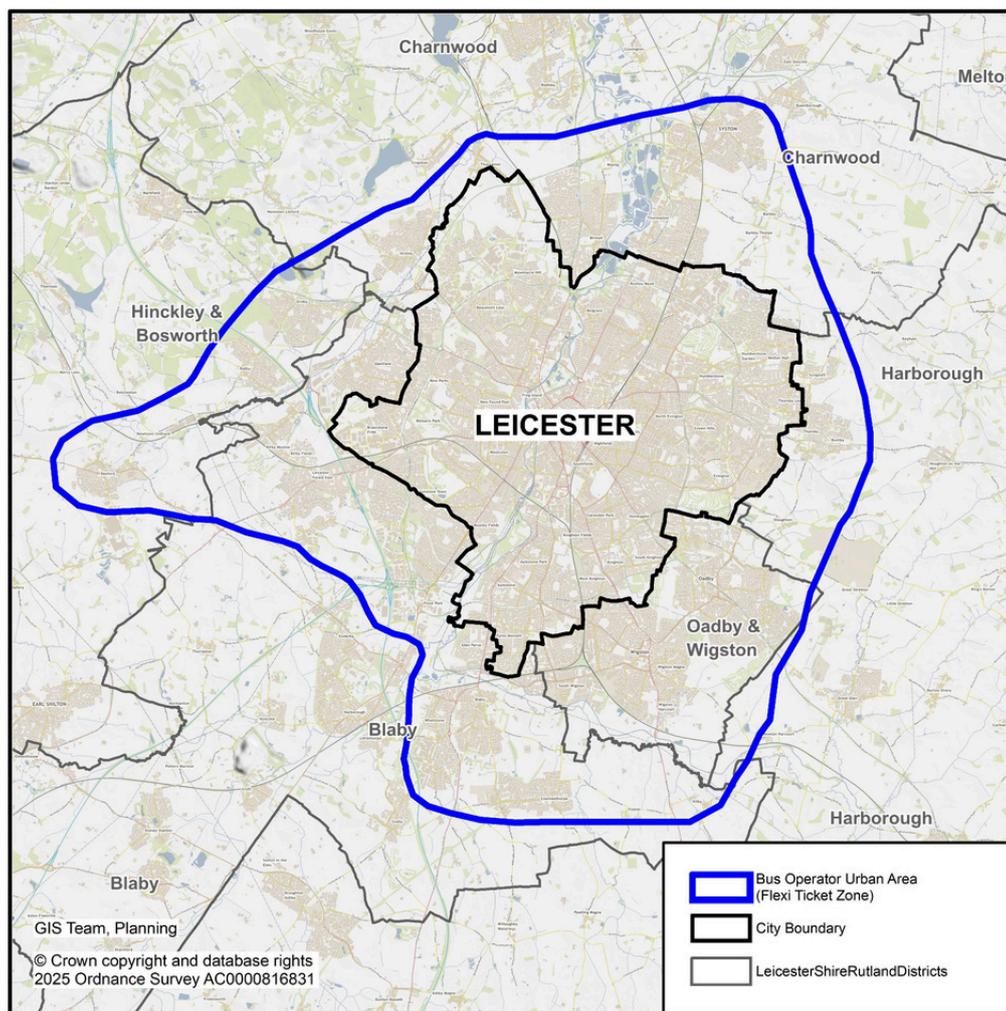
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The map on the next page shows the boundary of the Leicester Bus Flexi Ticket used by commercial bus operators and the council. There is a high level of boarding and interchange by passengers living in this area, reflecting their propensity to travel by bus within the boundary shown. Outside the area there is a substantial drop in use of city bus services.



Taken together, the travel patterns shown reflect the high level of circulation between the city and neighbouring built-up areas/suburbs, which is largely driven by higher commuter and leisure travel.

The travel patterns suggest a more sensible city boundary would include these areas, reflecting the way people live their lives and travel. Transport services would be better delivered in this area by one transport authority, as opposed to it being split between the city and county as now.



It should be noted that the travel patterns reflect movements from people living in the existing built-up area. As new urban extensions are built, the travel catchments will expand.

### Customer use of city leisure facilities

The plans below underline the extent of travel catchments and illustrate the way people use facilities within the wider city area. Each plan shows in green dots the location and density of customers for different cultural and leisure facilities – Phoenix, Curve, De Montfort Hall and city council leisure centres.

What is clearly evident is that, in each case, a very substantial number of people who live just outside the current city council boundary use city facilities. Some 46% of Braunstone Leisure Centre memberships are non-city residents.

There is a strong pattern of use across all suburbs of the city: Glenfield and Birstall to the North; Oadby and Scraptoft to the East; Wigston and Blaby to the South; and Braunstone Town and Leicester Forest East to the West.

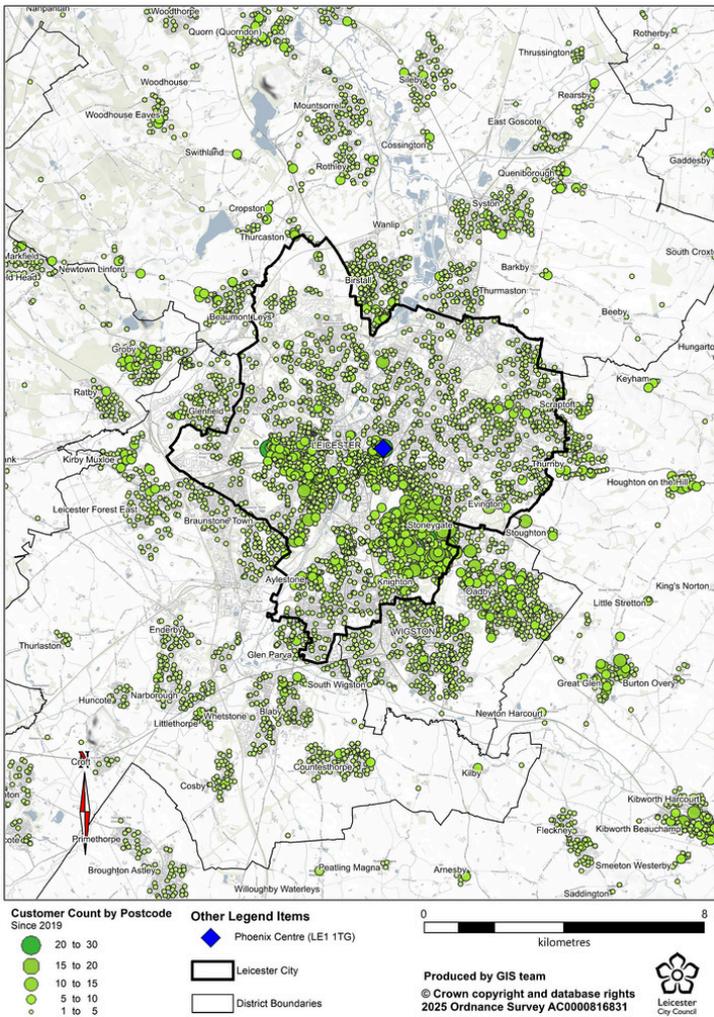
In terms of city council Active Leisure memberships, which give access to leisure facilities and activities, some 30% live outside the city boundary.

There is perhaps, not surprisingly, a strong attachment of residents in outer areas to leisure facilities in the city as there is for central shopping and other facilities.

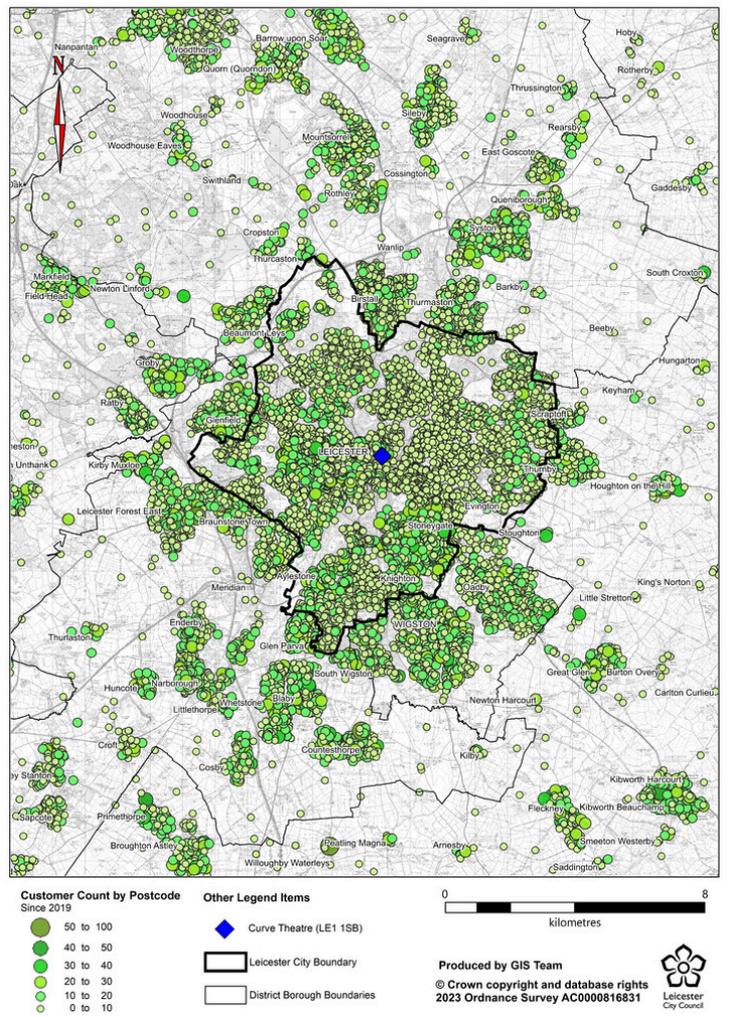
Residents living outside the city do not pay council tax to support the facilities they use in the city, nor indeed the means to get there by road, bus or cycle lanes.

Bringing the users of facilities within an extended city boundary would recognise they live within a natural catchment area reflected in their travel behaviour. It would also better connect the taxes people pay to the facilities they use. This will of course help to sustain leisure and other facilities that may be under financial pressures.

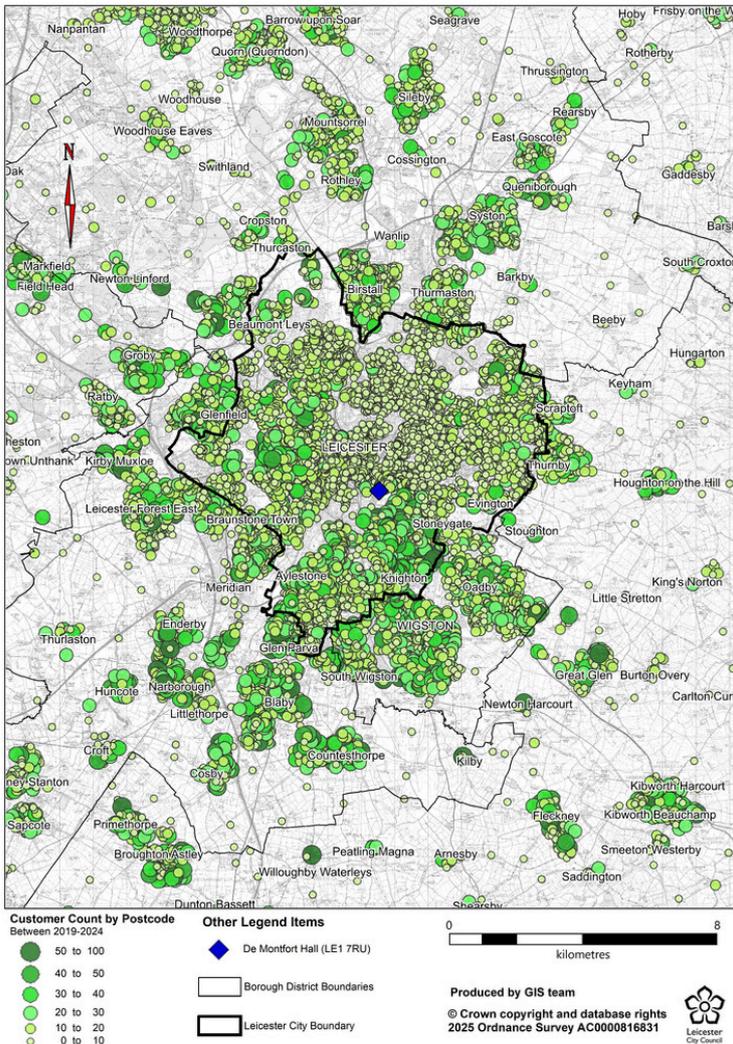
# Phoenix Centre customer location



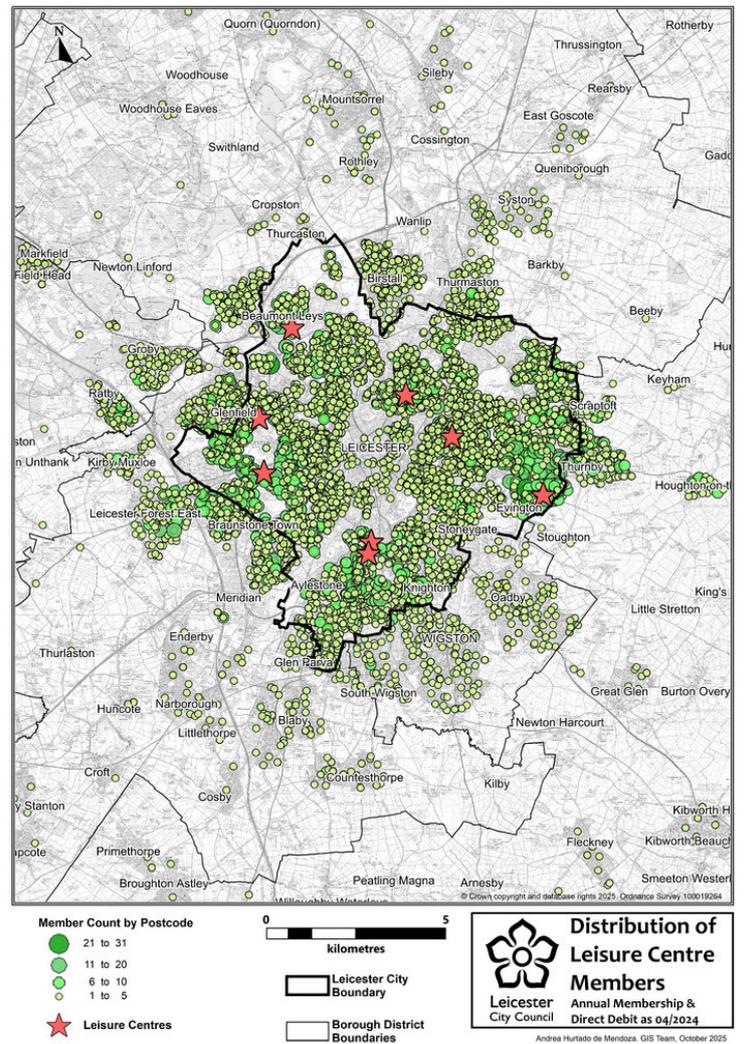
# Curve Theatre customer location



# De Montfort Hall customer location



# City leisure centre member location



## Public survey

Responses to the council's survey, summarised in Section 3.5, underline how people live their lives across the built-up area and suburbs, which extend beyond the current city boundary.

Residents of the proposed city expansion zone showed a strong connection to the city: 41% of them work in Leicester – almost as high a proportion as city residents (44%).

The survey findings show an overwhelming majority of respondents (85%) agreed/strongly agreed that councils should reflect how people live, work and travel across an area.

### d. Cohesive geography and character

The geography and character of the LLR area can help identify cohesive areas for new unitary councils.

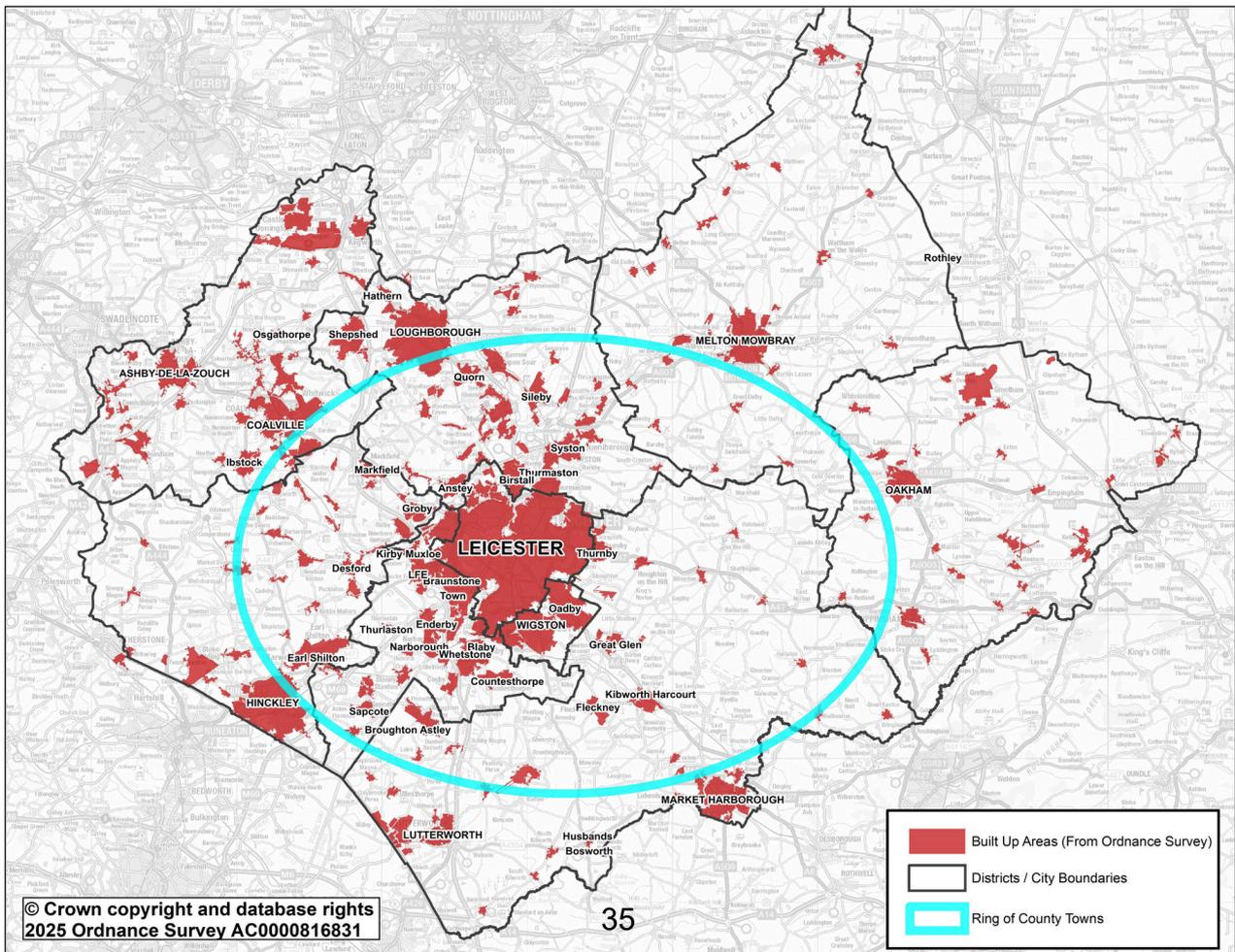
The area is made up of urban Leicester and its suburbs, and rural countryside with smaller villages and market towns. The plan below shows built settlements in red.

The built-up city area lies centrally in LLR, beyond which there are predominantly smaller villages set in countryside, with market towns forming a ring up to ten miles further out around the city.

This spatial distribution has an intrinsic logic of a city core providing a strong focus for commercial and community services and facilities such as employment, retail, leisure, health and education.

Beyond the core urban area, freestanding villages and market towns are set in rural countryside with its own character, distinct from the urban core.

Responses to the council's survey, summarised in Section 3.5, help underline how people view where they live. Some 40% of respondents who live in the proposed city expansion area describe where they live as either urban or suburban, recognising that they are effectively "city" dwellers, regardless of which council currently provides their services.



## **e. Accommodating future need for housing and employment land**

### **Local planning background**

Since gaining unitary status in 1997, Leicester City Council's planning service has positively planned for growth despite having constrained city boundaries. It has facilitated significant private and public sector developments across the city, both in terms of extensive regeneration on brownfield land and on major urban extensions, utilising limited land on the edge of the city within the council's boundaries.



The city's requirements for housing and employment land have been met through successive statutory Local Plans, including the 2006 City of Leicester Local Plan, the 2014 Core Strategy and most recently the 2023 City of Leicester Local Plan. This has been subject to recent Examination in Public ([Leicester Local Plan Examination](#)) and adoption is anticipated early in 2026. The supply of strategic development opportunities of any significant size in the city has now been exhausted.

By necessity, these plans have allocated development on sensitive environmental assets such as Green Wedge, former allotment sites, public parks and open space.

The remaining open spaces within the restrictive city boundary are subject to tight environmental constraints and also provide essential open space for residents, which effectively rules out their future release for development. Urban capacity is also limited and brownfield site development is challenging in terms of viability.

### **Meeting the need for housing and employment land**

The 2006 Leicester Local Plan covered the period of 1996-2016 and made provision for 19,593 homes, 31% of which were allocated on greenfield land. The vast majority of these allocations have now been implemented or are committed for development.

The new Local Plan covers the period 2020-2036 and is required to make provision for 39,424 homes. Exhaustive assessment of development capacity established that only 21,118 homes could be accommodated within the city's constrained boundaries.

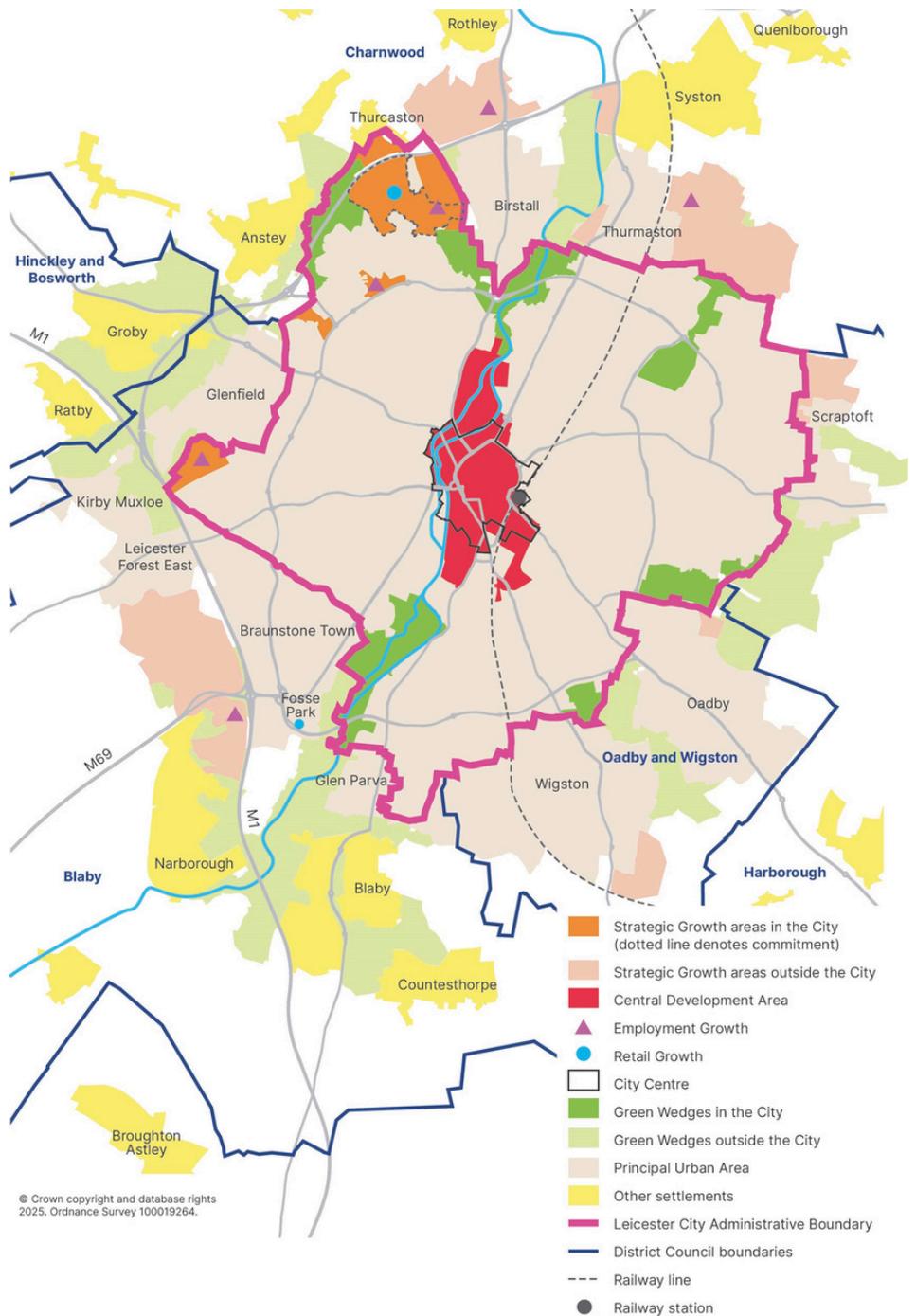
Consequently, delivery of the unmet need of 18,694 homes relied on agreement with the Leicestershire district councils under the Duty to Co-operate.

Similarly, the unmet need for employment land equates to 23 hectares out of a requirement of 65 hectares, which has had to be exported to Charnwood Borough Council, north of the city.

To secure district council agreement on this unmet need, the city council had to demonstrate in detail that it had exhausted development options within the city on brownfield land, Green Wedge, parks and public open space for development.

For the emerging Local Plan (2023), allocation of brownfield land was maximised, but this still required 29% of development allocations on greenfield sites. Four of the five major strategic sites, upon which plan delivery is reliant, are on land with previous Green Wedge policy protection and the fifth is proposed on part of a public park.

This map, from the new Local Plan, illustrates the degree to which the city is constrained and has to rely on adjacent districts to meet its growth needs. Existing development forming the contiguous built-up area is coloured light brown – this can be seen to extend well beyond the city boundary marked in pink. Remaining land within this boundary which is suitable for accommodating future growth to 2036 is shown in orange. Protected land is shown in green. Outside the city boundary, major urban extensions approved by the district councils, and now under construction, are shown in light pink and the adjacent city suburbs are shown in yellow. Taken together these form a growing contiguous built-up urban area that comprise the actual physical extent of the city.



## **Strategic growth context**

A non-statutory partnership comprising Leicester City Council, Leicestershire County Council and seven district/borough councils in Leicestershire was established to prepare the Leicester and Leicestershire Strategic Growth Plan (SGP).

The purpose of the partnership was to prepare a strategic plan, across a functional planning and economic area, principally to provide guidance to inform Local Plans. This recognised the pressure districts were under from speculative development but also the constraints upon growth in the city due to its tight boundaries.

The [Strategic Growth Plan LCC](#) was approved in December 2018 as a non-statutory planning document and provided a basis for securing partner agreement to address the city's unmet housing need.

The premise of the SGP was that to 2031, the city council would seek to deal with around two thirds of its housing needs through its Local Plan. The remaining third would be distributed as unmet need across the county in line with an agreed spatial strategy which identified the need to concentrate development within and on the edge of Leicester.

Securing agreement has been hugely challenging. Planning governance arrangements are complex and disjointed. Statutory process is divided across nine councils and decisions have to be subject to extensive processes of negotiation, consultation and agreement.

Dialogue commenced in 2014 and the time taken to scope, draft, prepare, agree and adopt the Strategic Growth Plan and Statement of Common Ground (which dealt with the city council's unmet need) amounted to over 10 years. The process of securing final agreement and signatures through governance took two years in itself.

In the absence of clear strategic responsibility, localised political concerns have frustrated progress and delivery of the wider benefits of strategic development, including the delivery of market and affordable homes for local people. Securing unanimity on housing and employment distribution through the Duty to Co-operate was also time consuming.

## **Affordable housing**

The city council declared a housing crisis in November 2024. According to the last Housing Needs Assessment of September 2022, almost 18,000 affordable houses are required in the city to 2036. [Leicester City Local Housing Needs Assessment Update Addendum 2022](#).

The constraints described to general housing delivery in the city equally apply to the delivery of affordable housing. However, unlike the provisions to accommodate general unmet housing need in the districts, the political sensitivities associated with accommodating the city's need for affordable housing were such that the issue could not form part of the negotiations for the Statement of Common Ground. As such there is no agreement on a balanced distribution of affordable housing across the Leicester and Leicestershire area, with each district determining their own affordable housing requirements.

## **Planning beyond 2036**

The city Local Plan will be subject to an immediate review, which will respond to the latest standard method for determining housing need, which at this stage equates to an annual requirement within the current city boundary of 1,588 dwellings per annum (dpa).

As the new Local Plan has largely exhausted development capacity currently identified as being deliverable to 2036, identifying further capacity for development within the city boundary beyond this date will be very challenging.

Beyond 2036, initial city council high level estimates of capacity indicate an annual supply position of around 565 dwellings per annum. This would result in a shortfall of at least 1,023 dpa, equating to an unmet need figure of 10,230 over the 10 year period 2036-2046. The shortfall would need to be met through identification of further strategic and other housing sites beyond the current city administrative boundary.

Further work is required to refine and confirm final city capacity figures post adoption of the emerging Local Plan, and work to help scope this is already underway with partners.

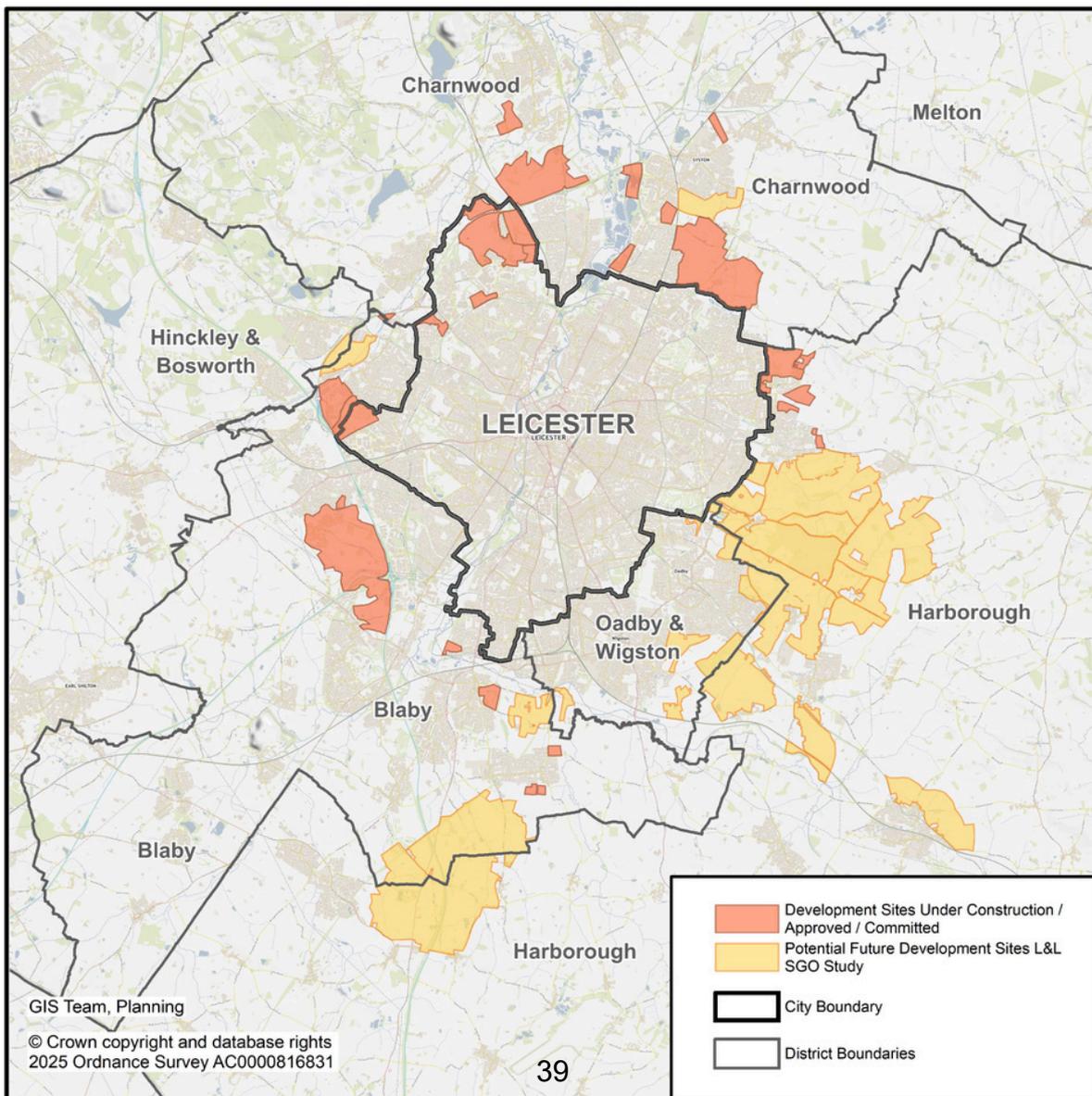
As well as the current 18,964 unmet housing need, as noted above around 10,000 additional homes would be required to be accommodated as unmet need between 2036 and 2046.

In addition to the current 23ha of unmet need for employment land, it is estimated a further 44ha would be required to be accommodated as unmet need between 2036 and 2046, based on a roll forward of previous demand trends.

Taking current and estimated unmet need to 2046 together, some 30,000 homes and 67ha of employment land cannot be contained in the city and will need to be exported to other councils.

The Strategic Growth Partnership has been considering options for future development to 2050 and prepared a Strategic Growth Options plan as noted in Section 3.2.2.

Strategic development opportunities around the city have been identified. These are shown on the map in yellow, alongside sites that are already approved or committed urban extension sites on the edge of the city in brown.



## How the LGR proposals can increase supply of housing and employment land

Without city boundary expansion to allow new development, the city would continue to be unable to meet its own needs for future housing and employment land and would be totally dependent on complex and uncertain arrangements with adjacent councils.

An expanded city unitary boundary, including known potential future development options, is therefore essential for the planning and delivery of long-term sustainable economic growth. As noted in Section 3.2.2, it will also rebalance development opportunities and therefore economic growth across LLR as a whole.

The city council's proposals for LGR and related devolution will transform and simplify planning arrangements and accelerate delivery of homes and employment growth across LLR by:

- extending the city boundaries to allow space for future city housing (including affordable housing), employment growth, and the protection and enhancement of green and recreational space to 2050 and beyond
- removing the current fragmentation of five planning authorities operating across the contiguous built-up urban area, each with inconsistent local plan timeframes, different planning policies and procedures for dealing with planning applications
- enabling joined-up planning through one unitary council for the whole city area, with full control to coordinate all development considerations such as housing, employment land, retail, transport, education, community infrastructure and placemaking

- applying, across the whole conurbation, the substantial experience the city council has of leading delivery of major complex developments such as at Waterside, Hamilton and Ashton Green. The case study below illustrates how the city council's expertise in delivering complex large development sites would help accelerate development across an expanded city
- providing an expanded unitary council with critical mass to support recruitment and retention of experienced technical staff (planners, digital transformation, urban and landscape design, ecology, archaeology, transport and regeneration)
- substantially reducing the costs of delivering planning services and preparing statutory local plans
- providing the simplest structure for strategic and local planning with one mayoral strategic authority preparing a Spatial Development Strategy (currently nine councils involved) and two unitary councils for LLR preparing a Local Plan (currently eight councils).



# Case study: Delivering complex large-scale development sites

The Waterside redevelopment, led by Leicester City Council, is an exemplar housing scheme between Leicester city centre and the River Soar.

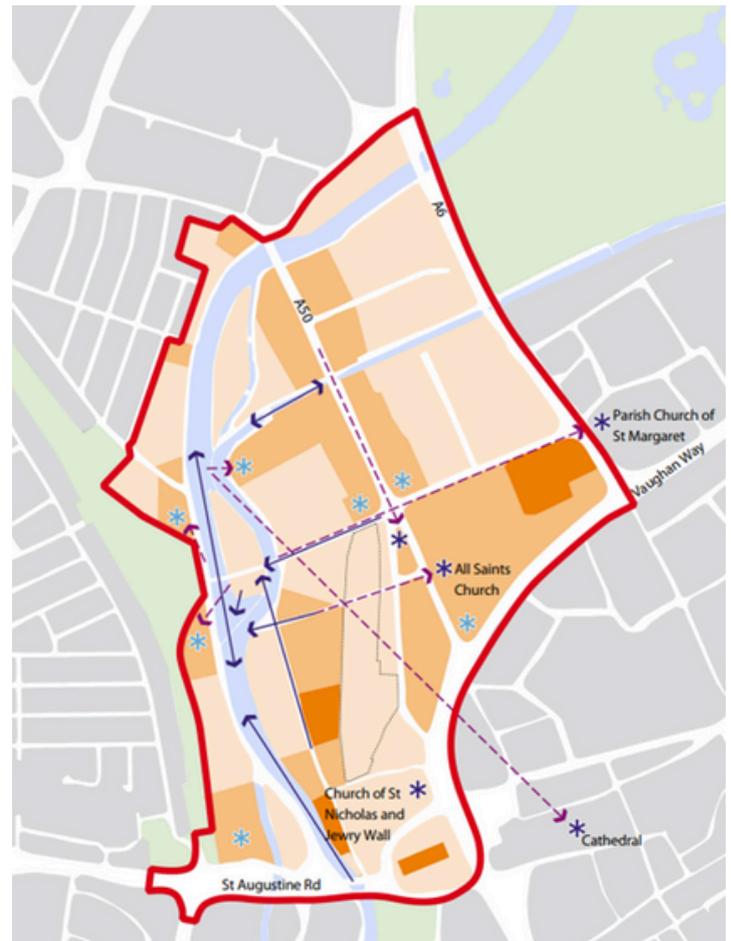


A major new neighbourhood has been constructed on former derelict land in under 10 years, with c2000 homes for students, private renters and families, 100,000 sq ft of office space, 200 hotel beds, leisure sites and schools.

The city council led an holistic development team approach that secured £20m of Government enabling funds, prepared a planning framework, acquired 80+ land interests together with a compulsory purchase order, procured a development partner and delivered extensive transport and other supporting infrastructure.

The private sector followed with around £300m of investment, demonstrating market confidence in the authority's leadership.

This project demonstrates how large-scale development can be successfully delivered at pace under one unitary authority with clear leadership, a strong in-house professional team, and streamlined and integrated decision making: for example, across planning, highways, finance, procurement and legal functions.



It is clear from the delivery of the urban extensions to the city that a fragmented, multi-authority approach across council boundaries introduces more complexity, risk and delay, with multiple planning and transport authorities having to try to coordinate their resources and decision making. Ultimately this delays the delivery of much needed homes and employment sites for local people. LGR provides the opportunity to resolve this by drawing all city urban extensions into an expanded city council area under control of a single unitary council, as with Waterside.

In terms of other LGR options under consideration, options 3 and 4 do not alter the current city council boundary and therefore cannot deliver the benefits and outcomes identified above from land provided for future housing and job growth and also streamlined planning arrangements.

Option 2 would deliver many of the benefits and outcomes identified above as it involves substantial expansion of the current city area. In particular, major future development opportunities, currently in Blaby and Harborough districts, would fall within an expanded city unitary council covering this area.

However, the proposed city unitary area under option 2 would not cover extensive parts of the current built-up area that currently lie within Charnwood. Consequently, complex cross boundary planning arrangements would persist, resulting in a failure to achieve joined-up planning and development for the whole built-up area.

#### **f. Parish council boundaries**

Section 3.7.1 sets out the council's position with regard to parish councils.

In defining a sensible boundary for an expanded city, parish council boundaries have been carefully considered in order to minimise impact.

Six parishes would be split by the proposed expanded city boundary. These are shown on plans in Appendix 3 and include Dunton Bassett, Ashby Magna, Gaulby, Kings Norton, Houghton on the Hill and Rothley. In each case the vast majority of the parish population would lie outside the proposed city boundary with a small number of people falling within the proposed boundary. This varies from 0 to 37 people in any one parish.

As part of the LGR process to establish new unitary authorities, the Secretary of State has powers, under the Local Government and Public Involvement in Health Act 2007, to make changes to parish boundaries, either leaving areas unparished or joining areas to other parishes.

As set out in Section 5 there would be ongoing engagement with parish councils through the transition phase of LGR.

### **3.2.4 Defining a sensible single tier of government and boundaries**

The council has carefully considered the issues, benefits and potential outcomes outlined in the preceding sections a to f, to help define the physical extent of proposed unitary councils with sensible boundaries.

Whilst there is significant merit in option 2 (city + three districts), the council's preferred proposal (option 1) comprises two unitary councils: the first defined by an expanded city with a bespoke boundary, and the second comprising the remainder of the current Leicestershire county area and Rutland.

The following outcomes, aligned with Government criteria, would be optimised through option 1:

- unifying the contiguous built-up urban area and connected suburbs of the city
- recognition of the way people already live their lives across the whole city urban area, including travel catchment areas for commuters/other travellers and also the use of facilities such as leisure centres and cultural venues
- increasing housing and employment land supply through inclusion of future development sites into an expanded city area

- simplifying planning arrangements with two unitary councils to maximise the delivery of homes and jobs across the city and rural county areas. From a development perspective this would benefit the whole of LLR and accelerate economic growth
- minimising impact on parish councils.

During stakeholder engagement (see Section 3.5) there was strong support from the development industry for the council's preferred proposal and the degree to which this could simplify planning and accelerate development.

### Detailed boundary proposal

The proposed expanded city boundary is shown on the plan below and Appendix 3, and is available in detail at

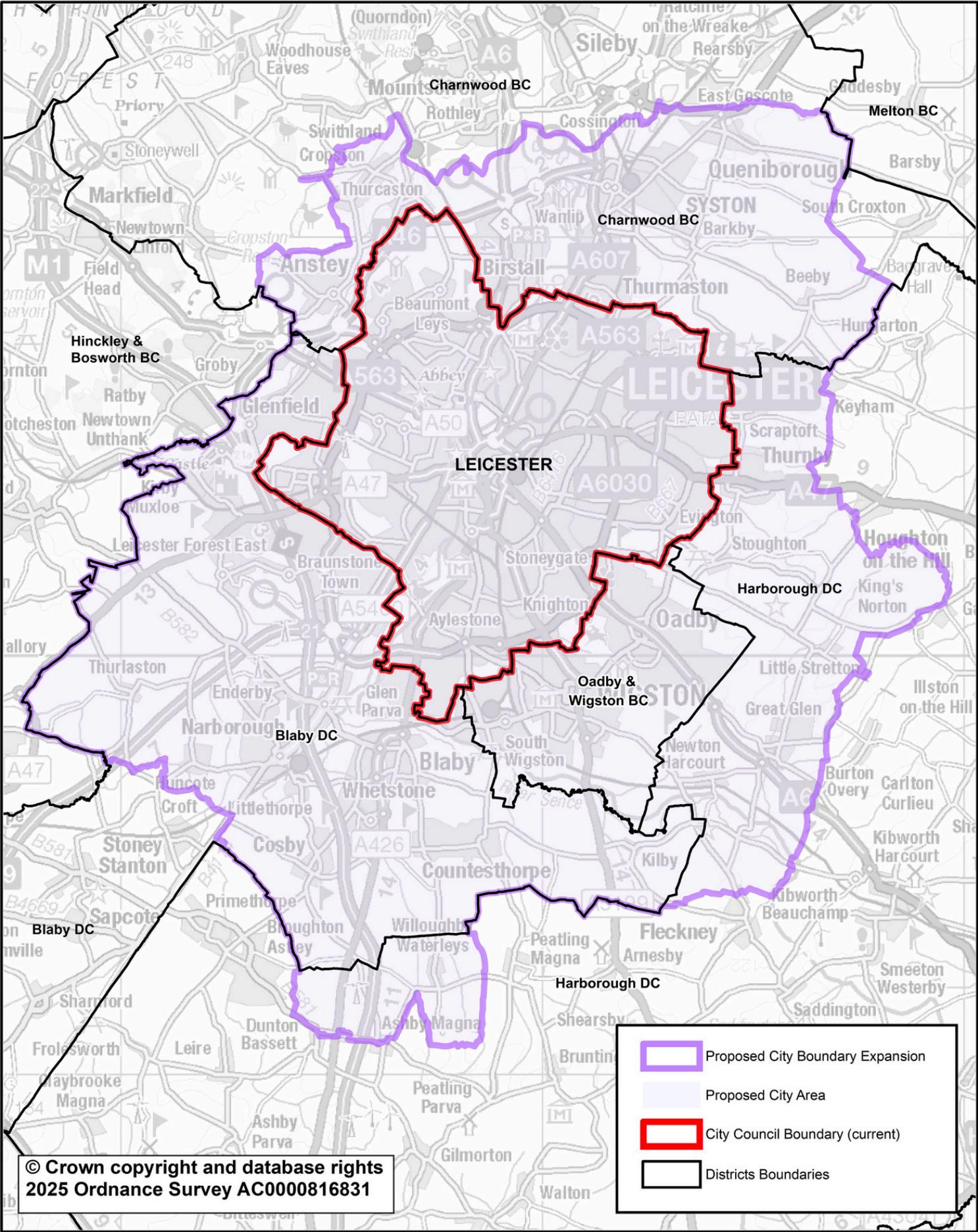
<https://www.leicester.gov.uk/media/paehtdwh/local-government-reorganisation-detailed-option-1-map.pdf>

The boundary has been carefully considered and drafted, taking into account the general outcomes identified above, including sensible economic and geographical areas, and also the following guidance:

- Use wherever possible existing recognised boundaries – parish boundaries have proved the most sensible means to capture wider boundary considerations. Appendix 3 lists all whole parishes that have been included with the proposed city boundary, and provides plans showing the six that would be split.
- Where parishes are split the impact has been minimised on the parish population as noted above, and boundaries have been fixed to sensible physical features such as roads.
- Avoid splitting districts where this is sensible in other regards – the boundary does not include land in Hinckley and Bosworth district. This was not considered appropriate for several reasons, including the limited extent of appropriate land and potential for future development, recognition of physical boundaries, and also to help minimise the complexity of service transition.



Proposed city boundary expansion plan (under preferred option 1)



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## **Establishing a single tier of local government – key points**

**All LGR options being considered achieve a single tier of local government for LLR.**

**Option 1, the city expansion proposal delivers the strongest outcomes across the whole LLR area which:**

- achieves the best and most sensible economic balance between two unitary councils in terms of population, finances, future development opportunities and deprivation levels**
- recognises the true physical extent of the built-up urban area and how this is defined by the way people travel and use facilities**
- the most sensible geography that will simplify and focus planning arrangements across coherent urban and rural area areas**
- offers land to meet local needs for housing and employment.**

**Option 2 achieves many of the above outcomes but falls short of option 1 largely as it doesn't present a coherent urban/rural geography and excludes part of the built up urban area.**

**Options 3 and 4 do not meet the Government's criteria for economic balance and sensible geography, as they retain the constraints of the current city boundary.**

### 3.3 Right size to achieve efficiencies, improve capacity and withstand financial shocks (criteria 2)

#### Government LGR criteria

2. Unitary local government must be the right size to achieve efficiencies, improve capacity and withstand financial shocks.

- a) As a guiding principle, new councils should aim for a population of 500,000 or more.
- b) There may be certain scenarios in which this 500,000 figure does not make sense for an area, including on devolution, and this rationale should be set out in a proposal.
- c) Efficiencies should be identified to help improve councils' finances and make sure that council taxpayers are getting the best possible value for their money.
- d) Proposals should set out how an area will seek to manage transition costs, including planning for future service transformation opportunities from existing budgets, including from the flexible use of capital receipts that can support authorities in taking forward transformation and invest-to-save projects.

#### From criteria 1 – Section 3.2

Proposals should be for sensible economic areas, with an appropriate tax base which does not create an undue advantage or disadvantage for one part of the area.

### 3.3.1 Unitary council size and efficiency – appraisal of options

Government criteria indicates that unitary councils should, as a guiding principle, aim for a population of 500,000 or more, and a rationale is required where this does not make sense.

Leicester, Leicestershire and Rutland (LLR) is the statutory 'invitation area' for Government LGR proposals and the area over which devolution is proposed. The total population of the LLR area, projected to 2028, is 1.2 million.

The inevitable conclusion, to best fit the Government criteria, is that the LLR population would naturally support two balanced unitary councils, both with over 500,000 people.

The four options subject to appraisal in this submission are set out in the table below, indicating to what extent they meet the Government criteria.

Following the standard appraisal framework used for this final submission plan, each option is rated as follows:

-  Does not meet (R): Does not achieve the Government guide of 500k+ population and is balanced.
-  Partially meets (A): Some alignment with the Government guide of 500k+ population and balanced.
-  Meets (G): All unitary councils achieve the Government guide of 500k+ population and are balanced.

LGR option	Unitary population (000s) (2028 projections)*	500k + guide population and balance of unitary councils	RAG
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**Option 1 - City boundary expansion**

<b>Unitary 1</b> City with boundary expansion	622	<ul style="list-style-type: none"> <li>Both unitary councils achieve Government guide of 500k + population</li> </ul>	G
<b>Unitary 2</b> Part Leicestershire county and Rutland	584	<ul style="list-style-type: none"> <li>Populations broadly balanced</li> </ul>	

**Option 2 - City with three districts**

<b>Unitary 1</b> Existing city, Oadby and Wigston, Harborough Blaby	673	<ul style="list-style-type: none"> <li>Both unitary councils achieve Government guide of 500k + population</li> </ul>	A
<b>Unitary 2</b> Hinckley and Bosworth, North West Leicestershire Charnwood, Melton and Rutland	532	<ul style="list-style-type: none"> <li>Populations less balanced</li> </ul>	

**Option 3 - City/ County and Rutland**

<b>Unitary 1</b> Existing city	392	<ul style="list-style-type: none"> <li>One unitary council achieves the Government guide of 500k+ populations</li> </ul>	R
<b>Unitary 2</b> Leicestershire county and Rutland	814  47	<ul style="list-style-type: none"> <li>Populations completely imbalanced</li> </ul>	

## Option 4 - City/North/South

<b>Unitary 1</b> Existing city	392		
<b>Unitary 2</b> North West Leicestershire, Charnwood, Melton and Rutland	413	<ul style="list-style-type: none"> <li>• Does not achieve the Government guide of 500k+ populations</li> <li>• Populations are broadly balanced</li> </ul>	R
<b>Unitary 3</b> Oadby and Wigston, Harborough, Blaby, Hinckley and Bosworth	401		

\* Population figures in this table are 2028 projections and differ from those used in the financial modelling below, which has a common base date of 2022.

### Summary of appraisal above

- Only options 1 and 2 achieve the Government's guiding principle of 500k+ population for all proposed unitary councils to be the right size to "achieve efficiencies, improve capacity and withstand financial shocks".
- Option 1 populations are balanced and more so than option 2.
- Options 3 and 4 do not meet the Government guiding principle of 500k+ population for proposed unitary councils. Therefore they would not be the right size to "achieve efficiencies, improve capacity and withstand financial shocks".
- Option 3 is completely imbalanced and option 4 is broadly balanced.

### 3.3.2 Financial health of current authorities

The current financial position of LLR authorities varies considerably. The table below shows key measures of financial health as at 31/3/25:

Authority	Population (000)	Borrowing as % of budget	Net Investment as % of budget	Reserves per head of population (£)	NNDR growth since 2013 (%)
Blaby	106	20%	107%	177	33%
Charnwood	190	126%	-54%	50	14%
Harborough	104	7%	-239%	311	39%
Hinckley & Bosworth	116	198%	177%	98	35%
Melton	54	143%	23%	169	11%
North West Leicestershire	111	121%	31%	137	77%
Oadby & Wigston	60	249%	210%	54	6%
County council		17%	-24%	403	
<b>All county areas</b>	<b>741</b>	<b>36%</b>	<b>-14%</b>	<b>537</b>	<b>39%</b>
City council	384	17%	7%	729	5%
Rutland	41	24%	-56%	677	N/K
<b>TOTAL</b>	<b>1,166</b>	<b>28%</b>	<b>-20%</b>	<b>605</b>	

[Population – 2022 estimates]

[Budget – General Fund Revenue Expenditure 25/26 as per RA line 900 plus HRA estimated expenditure as per RA line 4035]

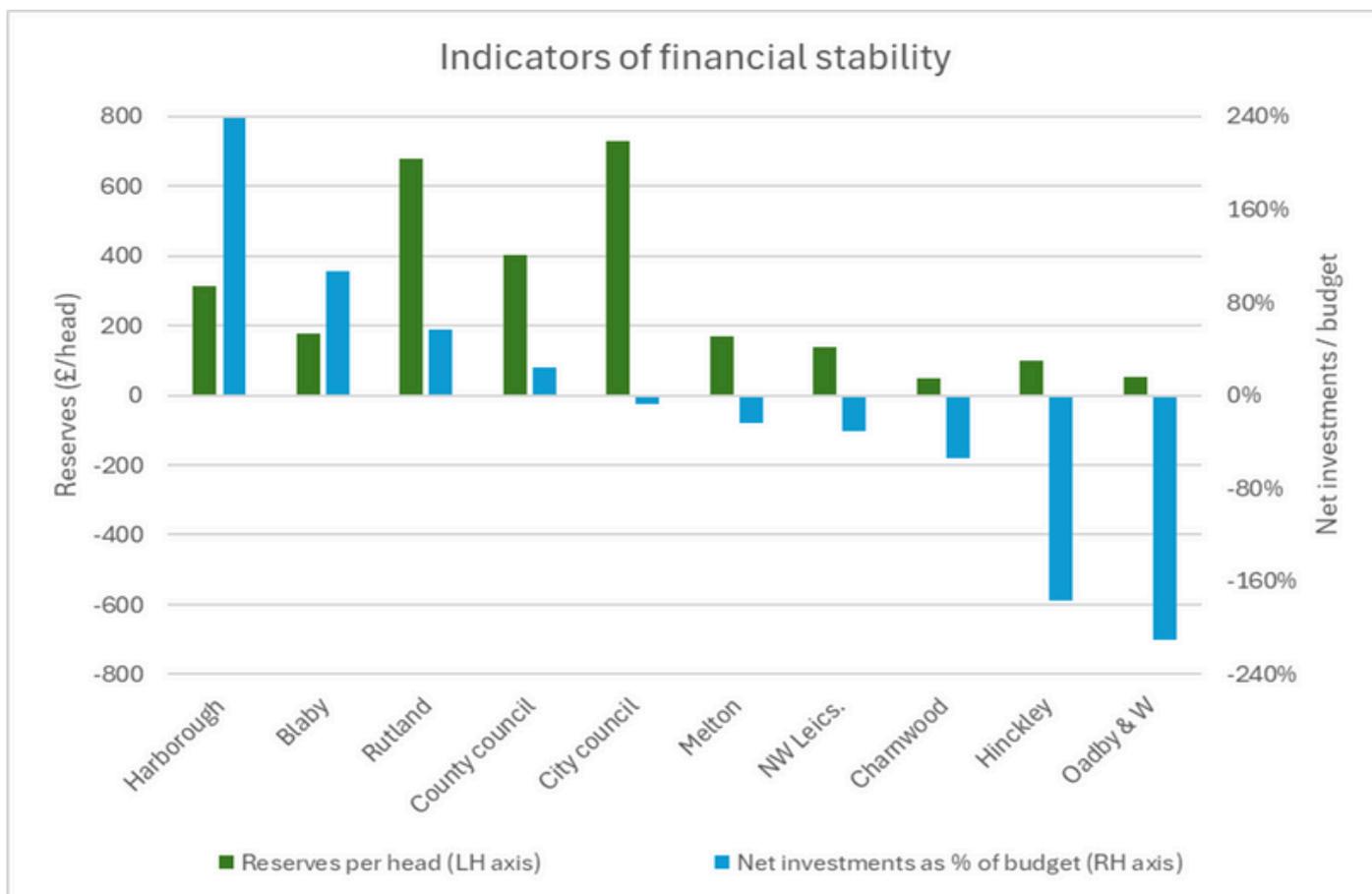
[Borrowing – as at 30/6/25, Gov.uk live tables]

[Net investment – Borrowing minus investments as at 30/6/25, live tables]

[Reserves – RO 2024/25 data for 31/3/25, 23/24 accounts used where data not available. Figures exclude HRA and schools reserves]

[NNDR – growth in local share over baseline]

The most salient statistics are shown graphically in the chart below. There are wide variations in the authorities' current financial sustainability, with the most sustainable towards the left of the chart and the least to the right. Those to the right have higher levels of debt and fewer reserves. Two have debt exceeding 100% of budget with comparatively low reserves.



### 3.3.3 Future financial sustainability

When budgets were set for 2025/26, most authorities were anticipating sizeable funding deficits by the end of their planning periods. Many anticipate running down reserves to support budgets. All authorities face uncertainty in forecasting their resources. Most of the authorities could be considered unsustainable in the medium term in their current form.

Local government reorganisation provides an opportunity to make significant transformation savings across the whole LLR area, whilst levelling out the resource base to support the positions of the new unitary councils.

### 3.3.4 Financial modelling

#### LGR options considered

The city and county councils jointly commissioned expert external consultancy 31Ten to model the outcomes of seven scenarios for reorganisation. The district councils and Rutland were offered the opportunity to participate in this exercise but decided not to do so.

The assumptions used for modelling work are attached as Appendix 4. Modelling took into account the classification of savings and costs proposed by the CIPFA financial model.

Of the seven scenarios modelled, four form the basis for comprehensive option appraisal in this final submission document. Three of the scenarios were discounted by the city council, as noted in Appendix 4, and these are not being submitted as preferred options by other councils.

## Focus and assumptions

The financial model considers the effects of reorganisation in respect of the following:

**(a) Annual savings.** Net savings were calculated with reference to savings achievable from aggregation (chiefly through fewer senior managers and councillors, from economies of scale in contracting and from IT consolidation); offsetting diseconomies of disaggregation where services currently provided by one authority would in future be split; and savings arising where the new models provide transformation opportunities.

**(b) Costs of transition.** When combined with expected annual savings, this enabled a payback period to be calculated, being the time after which the cost of transition would be fully recouped. On reviewing the financial modelling, transition costs were updated with input from the two councils to ensure they are prudent.

**(c) Cost of services per head** is shown for each option and is also broken down for each resulting unitary authority to indicate to what extent this is balanced.



**(d) The estimated future gap between recurrent expenditure and income of the authorities (the “budget gap”)** and the extent to which reorganisation reduces the scale of future savings required. This is based on the estimated impact of the Fair Funding Review and can only be indicative (particularly when the impact on individual new authorities is assessed): Current and future Governments may impact through future funding settlements.



The results of the modelling are subject to assumptions which are provided in Appendix 4.

In addition, we have been able to estimate the tax raising capacity of the average dwelling in the new authorities, which directly impacts financial resilience.

## Results

The following table provides a summary of the estimated financial outcomes for the four options that are appraised in this submission.

## LGR options – summary of financial modelling

Whole LLR area outcomes	City boundary expansion: option 1	City with three districts: option 2	Existing City/county & Rutland: option 3	Existing City/North/South: option 4
Net annual savings by year 4	£46m	£45m	£43m	£17m
One-off transition costs	£28m	£27m	£22m	£23m
Years to pay back transitional costs	1.7	1.7	1.5	2.7
Cost of services per head of population	£995	£995	£995	£1,020

Outcomes for new unitary councils	Expanded city	Part county/ Rutland	Existing city + 3 districts	Part county/ Rutland	Existing city	County	City	North	South
Balance of net annual savings by year 4	£28m	£18m	£32m	£13m	N/A	£43m	N/A	£9m	£9m
Tax base balance (000s) Band D equivalent*	192	232	218	206	110	315	110	159	156
Average tax valuation (where band D = 9.0)	7.4	8.4	7.6	8.3	6.8	8.4	6.8	8.3	8.4
Forecast budget gap without LGR	£72m	£33m	£79m	£25m	£61m	£44m	£61m	£25m	£19m
Forecast budget gap after LGR	£44m	£15m	£48m	£12m	£61m	<£1m	£61m	£16m	£10m
Population (000s)**	597	549	645	501	366	780	366	393	387
Cost of services per head of population	£1,015	£970	£990	£1,000	£1,200	£900	£1,200	£860	£1,005

\*This is taxbase before discounts due to some being impacted by decisions of new unitary authorities

\*\*populations based on 2024 estimates

## Summary of financial modelling

Following the standard appraisal framework used for this final submission, each of the four options is considered in summary from the table above and rated below:

-  Does not meet (R): Limited potential to deliver a balanced and sustainable financial outcome for the unitary authorities.
-  Partially meets (A): Some potential to deliver positive aspects in terms of balanced and sustainable financial outcomes for the unitary authorities
-  Meets (G): Potential to deliver a strong sustainable financial outcome for the unitary authorities

### Option 1 – City boundary expansion

- **Net savings** – this option achieves the greatest year 4 savings of all four options at £46m. Whilst only modestly in excess of options 2 and 3, it is more than double the savings of the three unitary option 4. These savings will be continuous, long after transitional costs have been recouped.
- **Transitional costs** – these are about the same as option 2 and higher than options 3 and 4, which reflects the inevitable additional cost of disaggregating upper tier services. Nonetheless, it achieves a quick pay-back period of less than two years, similar to options 2 and 3. These include an estimated sum of £6m-£9m to stand up transition project teams.
- **Budget gap** – this option better balances budgets with a much fairer distribution of efficiency savings between the new unitary councils. It substantially narrows the city’s budget gap under option 1 to £44m, compared with £61m under options 3 and 4. Both proposed unitary authorities move towards a more sustainable financial position.
- **Tax base** – the two proposed unitary authorities will have a more similar band D tax base than is currently the case and this will help substantially to rebalance funding. The expanded city area’s average tax will, however, continue to be lower than the second county/Rutland unitary, which is inevitable given the level of deprivation within the city’s central areas.
- **Cost per head of population** – the two unitary councils are broadly balanced in population terms and meet the Government’s guide of 500,000 +. Of all the options, this results in unitary authorities which are closest in size and more balanced in terms of cost per head of population of service delivery: a difference of £45 between unitary councils, compared with £300 to £340 difference under options 3 and 4.

G

## Option 2 – City with three districts

- **Net savings** – this option achieves year 4 savings that are similar to the highest savings achieved by option 1 and also to option 3.
- **Transitional costs** – these are about the same as option 1 and higher than options 3 and 4 reflecting the expected additional cost of disaggregating upper tier services. Nonetheless a quick pay-back of less than 2 years is achieved, similar to options 1 and 3.
- **Budget gap** – this option sees a fairer distribution across the whole area than options 3 and 4, and the city's budget gap is a little higher than option 1 at £48m.
- **Tax base** – this option has the most balanced tax base of all options and would help substantially to rebalance the tax base.
- **Cost per head of population** – both unitary councils exceed the Government's population guide of 500,000 + but are less balanced than option 1, although they have the most similar costs per head.

G

## Option 3 – Existing city/county & Rutland

- **Net savings** – this option achieves year 4 savings that are a little below the highest savings achieved in options 1 and 2. However, these all fall to the county/Rutland unitary area and do not support rebalancing across LLR.
- **Transitional costs** – these are the lowest of all the models due to the new authorities being based on current upper tier boundaries. No disaggregation costs arise from this model.
- **Budget gap** – a retained city council area would not benefit from reorganisation efficiencies. Hence, the city council retains a considerable forecast budget gap.
- **Tax base** – this option has a very imbalanced tax base between the two proposed unitary authorities.
- **Cost per head of population** – the two unitary councils are by far the most imbalanced in population terms with the county/Rutland unitary being substantially over the Government's 500,000 + guide and the retained city substantially under. By excluding the city from reorganisation, efficiencies would only benefit the county/Rutland area and not the whole of LLR. Compared with options 1 and 2, this option results in a very imbalanced cost per head of population with a difference of £300 per head between the city and county/Rutland unitary councils. The costs of services would be higher in the city area, with higher dependency on government grant due to the limited ability to raise funds via council tax.

R

#### Option 4 – City/North/South

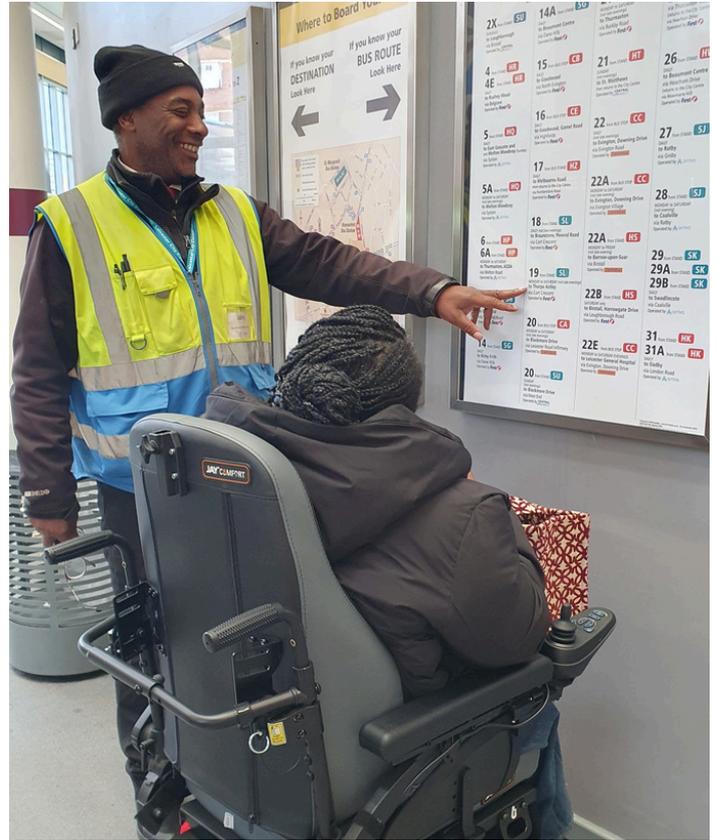
- **Net savings** – with three rather than two unitary authorities, this option achieves the lowest savings of all four options. These savings do not fall to the city unitary and therefore do not support rebalancing across LLR as a whole.
- **Transitional costs** – whilst this option has lower transition costs than options 1 and 2, it has a longer payback period of an additional year, due to the reduced savings.
- **Budget gap** – a retained city council area would not benefit from reorganisation efficiencies. Hence, the city council retains a considerable forecast budget gap.
- **Tax base** – this option has an imbalanced tax base, leaving the city as an outlier.
- **Cost per head of population** – unitary populations for this option would be broadly balanced, with all councils some way under the 500,000+ Government guide. Compared with options 1 and 2, this option results in a very imbalanced cost per head of population with a difference of £340 per head between the city and north unitary.

R

### 3.3.5 Rebalancing of resources

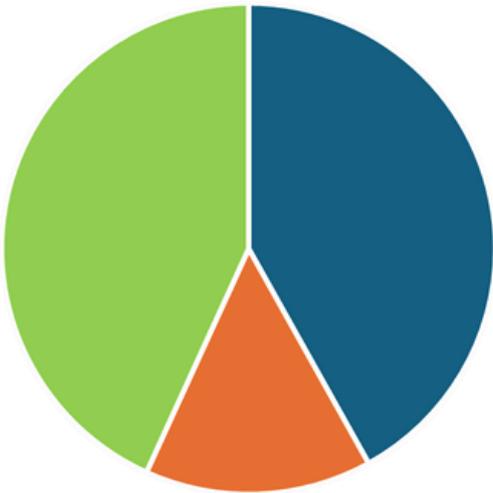
Reorganisation provides an opportunity to rebalance funding in each area, to avoid over-dependence on one funding stream. Analysis of existing budgets shows the city area is more heavily dependent on Government funding<sup>1</sup> (the green segment in the charts below), compared with the county and Rutland, which have a greater ability to raise funds from local taxes (council tax and business rates):

<sup>1</sup> Government funding includes RSG, top-up / tariff adjustments and other grants with core spending power. These are outside the direct control of the authority.

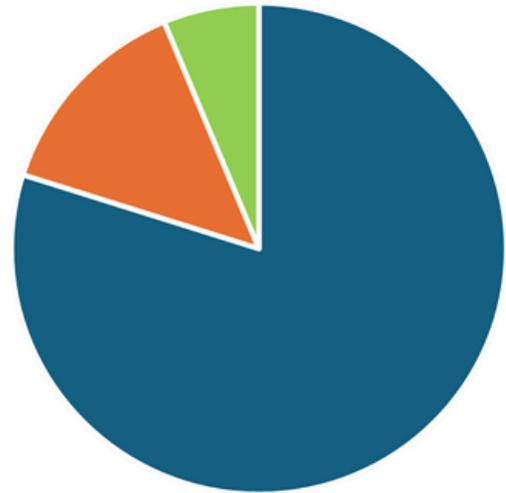


#### Funding sources – current councils

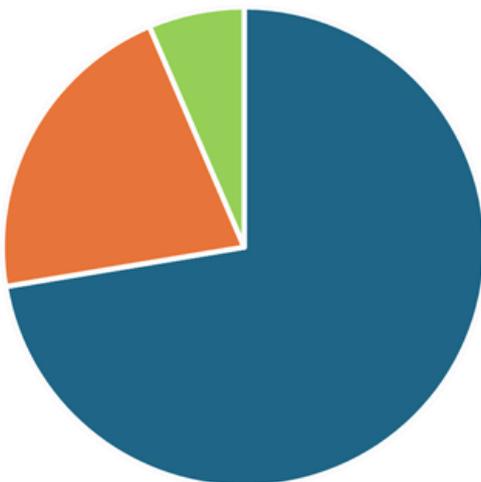
City



Rutland



Leicestershire

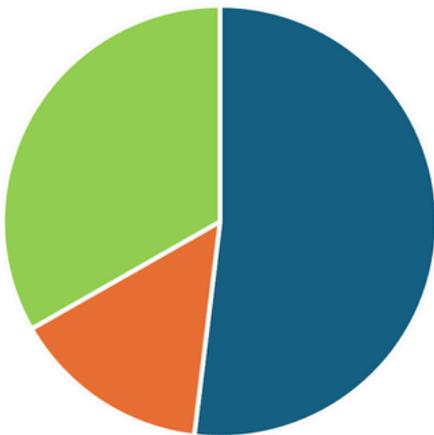


- Council tax
- Government funding
- Business rates

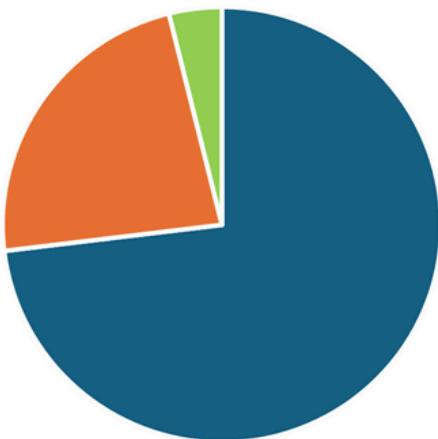
The charts below show that the city expansion model would have reduced this dependency on Government funding, had this reorganisation option been in place in 2025.

■ Council tax ■ Business rates ■ Government funding

Expanded city



Part Leicestershire County and Rutland



Future projection is difficult due to the Fair Funding Review, and the fact that new boundaries are expected to remain in place for the foreseeable future (and outlive any future review of resource distribution).

However, on current boundaries, the city is expected to continue to be far more reliant on Government funding due to its higher level of deprivation and needs, and lower property valuations on which council tax revenues depend. Two of the four options (1 and 2) result in authorities with more equitable council tax distribution, essentially due to changing the mix of properties within the boundary of an expanded city authority. It is also expected that the spending needs of the new authorities would be more closely matched under these two scenarios, regardless of the outcome of any funding review.

### 3.3.6 Managing transitional costs

The modelling shows the transition costs occurring in the first two years, with the costs expected to be one-off. The most significant costs relate to redundancy, programme management and ICT. Leicester City Council intends to fund our share of implementation costs using the general capital receipts flexibility direction. The transition costs have been adjusted upwards from the original modelling as it was agreed with the county council that this would be more prudent.

### 3.3.7 Council tax harmonisation

Currently, council tax rates vary across the existing councils with a range of 21% between the highest and lowest Band D bills (before any discounts, premiums or exemptions).

These figures exclude police and fire elements of council tax, which are not affected by these proposals.

Under any unitary reorganisation option the new unitary authorities will need to decide how and over what period to harmonise council tax for their areas (within a seven-year limit). Until rates are harmonised in an area there will be a difference in the increases to council tax between the former district/unitary areas in each new authority.

For the purposes of the financial case, it has been assumed that council tax harmonisation will be implemented in Year 1 and therefore savings and costs have not been adjusted to account for any changes in council tax receipts. This has been calculated using an estimated alternative notional amount (ANA), which is the weighted average of the final combined band D charge of the outgoing councils in each predecessor area.

The estimated band D equivalent for each proposal if it was implemented in 2025/26 is shown in the table below. The percentage variance from the current authorities is also shown.

	City expansion		City with three districts		City/county and Rutland		City/North/South		
	Expanded city	County + Rutland	City + 3 districts	County + Rutland	City	County + Rutland	City	North	South
ANA (2025/26)	£1,964	£1,892	£1,953	£1,894	£2,021	£1,891	£2,021	£1,909	£1,872
Range between highest & lowest predecessor authorities	9%	21%	8%	21%	N/A	21%	N/A	20%	6%

## Finance and efficiency – key points

- The two strongest options that deliver the most significant improvement to local government finances across LLR are option 1 (city boundary expansion) and option 2 (city with three districts):
  - These are the only options where all unitary councils meet the Government's 500,000 + population guide, with option 1 delivering the most balanced populations.
  - They deliver the highest savings of £46m combined with the most balanced budget gap, tax base, cost per head of population and financial resources.
  - The transitional costs are higher, due to disaggregation, than options 3 and 4. However, given the high savings available, costs are paid back within a short period of under two years.
  - Options 1 and 2 would significantly improve financial equity over the whole LLR area: inclusion of the city council area in LGR would provide more scope for efficiencies and therefore shared savings.
  - They would put local government across LLR on the optimum path to financial sustainability, where the unitary authorities are the right size to achieve efficiencies, improve capacity and withstand financial shocks.

## 3.4 Prioritising delivery of high quality and sustainable public services to citizens (criteria 3)

### Government LGR criteria

1. Unitary structures must prioritise the delivery of high quality and sustainable public services to citizens.
  - a) Proposals should show how new structures will improve local government and service delivery and should avoid unnecessary fragmentation of services.
  - b) Opportunities to deliver public service reform should be identified, including where they will lead to better value for money.
  - c) Consideration should be given to the impacts for crucial services such as social care, children's services, SEND and homelessness, and for wider public services including for public safety.

### 3.4.1 Current public service challenges

The delivery of council services across LLR is facing unprecedented challenges, reflecting the national position for local government.

**Surging demand:** unprecedented demand especially for social care and children's services, including SEND provision, supported housing and temporary accommodation.

**Financial pressures and funding gaps:** significant funding shortfalls due to inflation and wage pressures, leading to increasing operational costs.

**Uncertain central government funding:** ongoing uncertainty on general and service specific funding is making medium-term financial planning challenging.

**The need to comply with new legislation:** environmental and procurement regulations, for example.

**Recruitment and retention issues:** Some service areas are facing severe recruitment challenges, such as social care, legal, planning and building control.

Local government reorganisation offers a route to simpler and more efficient unitary councils where savings can be reinvested to support services and economies of scale can assist with procuring better contracts and recruitment. It also provides the opportunity to align new councils with sensible and coherent geographies to deliver operational focus and therefore efficiency.

### Service fragmentation across LLR and within the built-up area

In Leicester, Leicestershire and Rutland services are fragmented and currently delivered by ten councils, under a combination of single tier unitary and two-tier council arrangements.

Across the built-up area that comprises the urban area of the city and its suburbs, there are currently seven councils delivering services: the unitary city council, five district/borough councils delivering lower tier services and the county council delivering upper tier services. This results in a complex, fragmented and illogical array of service arrangements, splitting delivery within local communities and streets:

- **waste collection** operated by six separate councils, often operating in the same streets and neighbourhoods
- **planning** services operated by six councils with separate local plans and planning committees, applying their own policies and procedures with inevitable inconsistencies within similar built-up areas
- **homelessness services and housing nomination rights** being operated across six councils with different policies and procedures, resulting in different service standards for people with similar needs
- **highways and transport** being split between two councils, resulting in a lack of joined-up policies and investment in maintenance and transport services used by people travelling in the same urban area
- **adult/children's social care** split between two councils with different policies and access to facilities, often falling arbitrarily across a boundary, splitting common neighbourhoods
- **special educational needs schools** split between two councils and not available equally across the urban area where there are limited opportunities to develop new schools
- **council tax collection** by six councils with separate systems applied.

### Customer experience

In light of the current fragmentation of service delivery, particularly across the built up-area, it is perhaps not surprising that many people are regularly confused about who delivers their services. Some 15% of those responding to the council's public consultation said they were unsure which council to contact for a service or issue (see Section 3.5 and Appendix 6). Across the urban area this could amount to over 90,000 people.

In the public survey, 82% agreed that councils should represent areas that share common issues – and that rural and urban areas face different issues.

It is also the case that people living outside the current city council area regularly use services provided by the council: for example, travelling on city roads and public transport into the city centre to shop and work; using leisure centres, visiting sports, leisure and cultural venues. This is clearly illustrated with travel and customer behaviour mapping in Section 3.2. From the public survey the overwhelming majority of respondents (85%) agreed or strongly agreed that councils should reflect how people live, work and travel across an area.

The opportunity through LGR is not only to simplify the councils in number and scale but also to establish authorities that operate within coherent geographies over areas with common characteristics, issues and challenges. Section 2 and Appendix 2 illustrate that the urban city/suburban core and the more rural areas have key differences including, for example, demography – age distribution and ethnic diversity, and also adult social care, SEND, housing and skills challenges.

Removing organisational complexity and using coherent geographies will dramatically simplify service delivery. As a result, it will improve the customer experience both in terms of improved services and awareness of who delivers their services.

### 3.4.2 Public services options appraisal

In order to assess the relative strengths and weaknesses of the LGR options for LLR, we developed an options appraisal which focuses particularly on the key services highlighted

in the Government’s LGR criteria: adult social care; SEND and education; children’s services; housing and homelessness; highways and transport; and public safety.

<b>LGR options for Leicester, Leicestershie and Rutland</b>			
<b>Option 1</b>	<b>Option 2</b>	<b>Option 3</b>	<b>Option 4</b>
<b>City boundary expansion</b>	<b>City with three districts</b>	<b>City/county &amp; Rutland</b>	<b>City/North/South</b>
<b>Unitary 1</b> City with boundary expansion	<b>Unitary 1</b> Existing city, Oadby & Wigston, Harborough and Blaby	<b>Unitary 1</b> Existing city	<b>Unitary 1</b> Existing city
<b>Unitary 2</b> Part Leicestershire county and Rutland	<b>Unitary 2</b> Hinckley & Bosworth, North West Leicestershire, Charnwood, Melton and Rutland	<b>Unitary 2</b> Leicestershire county and Rutland	<b>Unitary 2</b> North West Leicestershire, Charnwood, Melton and Rutland
			<b>Unitary 3</b> Oadby & Wigston, Harborough, Blaby and Hinckley & Bosworth

This section summarises evidence provided in Appendix 5, Public Services Options Appraisal, which draws on detailed analysis, where each service-area rating is evidenced objectively, alongside input from service directors, stakeholders and experts in the field.

The different options are considered in terms of the potential to improve service efficiency and delivery and for reform. The options subject to appraisal are set out in the table above for convenience.



The table below provides a summary appraisal of public service delivery for each option from commencement of the new unitary councils, together with longer-term transformation opportunities.

Each option is rated with regard to Government criteria to prioritise delivery of high quality and sustainable public services to citizens:

 Does not meet (R): Weak performance overall against criteria

 Partially meets (A): Some positive aspects against criteria

 Meets (G): Strong performance overall against criteria

Individual scores for each service area between 1 (Red) and 3 (Green) have been totalled and an average score given to allow overall ranking for the four options.

This reflects the detailed service-area assessments in Appendix 5, which explain and evidence the rationale for each score in line with the Government's published criteria.

Service area	Option 1	Rationale for score	Option 2	Rationale for score	Option 3	Rationale for score	Option 4	Rationale for score
<b>Adult social care (ASC)</b>	3	Coherent urban/rural footprint with commissioning at scale; enables consistent standards and provider leverage.	3	Expands city commissioning footprint with greater scale and leverage	2	Retains city scale and service fragmentation; concentration of urban pressures; imbalanced urban/rural unitary. Service continuity.	1	Most fragmented with three unitary councils and city boundary fragmenting urban area; weakest market leverage, higher statutory risk.
<b>SEND and education</b>	2	Coherent urban/rural footprint; statutory performance uplift.	2	Improves compliance baseline in south but still fragmented urban area and Charnwood built area excluded.	2	Retains city scale and service fragmentation; imbalanced councils; fragmented sufficiency planning/standards. Service continuity.	1	As above with statutory duties fragmented; compliance risk.
<b>Children's services</b>	2	Single safeguarding model across urban area; stronger sufficiency and market leverage.	2	Scale gains in south; still fragmented urban area and Charnwood built area excluded.	2	Retains city scale and service fragmentation; imbalanced councils; retains sufficiency gaps Service continuity.	1	As ASC with fragmented safeguarding capacity; weakest statutory resilience.
<b>Housing and homelessness</b>	3	Coherent urban footprint; consistent housing pathway; stronger landlord/compliance model; helps to fix regulatory weaknesses.	3	Consistent homelessness pathway across city and south; greater scope for housing provision across extended city area.	1	City fragmentation remains; inequity retained; city retains concentrated pressures.	1	Most fragmented approach. Urban pressures remain concentrated; fragmented policies and weak prevention.
<b>Highways and transport</b>	3	Coherent urban (travel-to-work area) and rural networks; policy consistency/coherence; efficiency gains.	2	Extends city scale south, but incoherent and fragmented policy/operational areas.	2	Retains incoherent city area splitting policies and operations; inefficient planning and spend. Service continuity.	1	Most fragmentation and least coherent for city area split three ways; lack of scale and efficiency.
<b>Neighbourhood and environmental services and public safety</b>	3	Coherent urban footprint; standardises licensing/enforcement; Waste collection scale and efficiency.	2	Scale gains in south but still fragmented operations for urban area: Charnwood built up area excluded.	2	Retains fragmented operations for urban area and entrenches inequity and duplication.	1	Most fragmented with three councils and also across urban area – waste contracts; weaker compliance/resilience.
<b>Totals</b>	<b>16</b>		<b>14</b>		<b>11</b>		<b>6</b>	
<b>Ranking</b>	<b>1<sup>st</sup></b>	Strongest platform for service coherence and equity. Most efficient/transformational.	<b>2<sup>nd</sup></b>	Expands city scale but still fragmented and lacking coherence. Some transformation benefits.	<b>3<sup>rd</sup></b>	Short-term service continuity but retains urban fragmentation/inequity. Limits transformation potential.	<b>4<sup>th</sup></b>	Most fragmented with higher risks. Least efficient. Limits transformation potential.

### **Option appraisal summary**

Comparing each of the options, option 1 (city boundary expansion) is ranked 1 and is evidently the strongest, and the most effective and efficient model for service delivery following LGR.

Option 1 shows the greatest potential for service efficiency and reform for key services, principally as it combines the lowest number of councils with a coherent urban and rural area unitary geography, allowing focus on common challenges and sustained transformation opportunities to deliver the highest quality services.

### **City boundary expansion – service delivery and transformation benefits**

The benefits for service delivery across LLR and the expanded city area are summarised over the following pages, with case studies to illustrate opportunities for reform.



## Adult social care

Option 1 brings the wider urban/suburban area into a single commissioning approach, reducing duplication, giving providers a consistent route into brokerage and

safeguarding, and scaling Leicester's established practice in areas such as reablement, where performance indicators show strong outcomes across a large population.

### Case study: ASC urgent community response

The city's adult social care department provides an urgent community response within two hours for people who draw on support, including those who have experienced a fall. This means that every call to the city's team is met quickly, avoiding unnecessary hospital admissions and giving people confidence that help will arrive. Technology such as fall detectors, personal alarms and door sensors for people with dementia complements this rapid response, keeping people safe at home. Each year around 6,000 people benefit from this service, with consistently positive feedback in Care Quality Commission assessments.



#### **The problem – longer wait time and pressure on families**

Outside the city, the urgent community response is less consistent. In the county, expectations often fall back on family members to respond when an alarm is raised, which risks leaving carers feeling overwhelmed, with the potential to lead to a breakdown of care. People who draw on support may wait longer, or call 999 services, and in moments of crisis families feel pressured to cope alone, particularly if they do not live nearby.

#### **The solution – expanding access through boundary change**

Reducing to two unitary authorities under option 1 would bring urgent community response under one clear system for the whole urban population, extending to nearby areas that currently wait longer for support. This would ensure all of Leicester's urban area benefits from the same rapid two-hour response, supported by technology and consistent care pathways. Staff would be able to work across a single urban footprint, removing duplication and allowing more efficient deployment of urgent response teams.

#### **The benefit – quicker care**

For people who draw on support, this reform means confidence that urgent help will reach them within two hours, wherever they live in the city's functional footprint. Families will feel less burdened, knowing support is on its way. For staff, a single system allows clearer accountability, more effective use of resources, and greater capacity to prevent hospital admissions by helping people stay safe at home.

## SEND and education

Option 1 aligns mainstream, special and alternative provision across the wider urban area, reducing duplication in home-to-school

transport, applying stronger statutory performance more consistently, and giving families clearer and faster routes to support.

### Case study: SEND support for children without EHCPs

The city council has a strong track record in SEND support, with a history of investment and well-established teams in every school. By contrast, county schools do not always have the same level of embedded SEND support, meaning provision can feel more fragmented.



#### **The problem – uneven access to support**

Imagine Tom, a 9-year-old who currently lives just outside the city in Oadby. At present, he does not fall into the catchment area of city schools, despite Oadby falling within the city built-up area. In the county, there are fewer specialist teams, not always linked to individual schools, and families may struggle to access the right support without an education, health and care plan (EHCP). While the county has made progress in strengthening its statutory offer, it does not have the same breadth of internal support models as the city. This leaves Tom and his family with limited options and a less consistent route to early intervention.

#### **The solution – expanding access through boundary change**

If the city's boundary expands, Tom would now fall within the city unitary authority and have access to city schools within his catchment area. This means he could benefit from consistent SEND support teams and a linked educational psychologist in every school, discretionary funding models that allow support without needing a statutory plan, and a wide range of services such as Internal Alternative Provision, Designated Specialist Provisions and SEND units. With specialist teams who understand the school's context and work closely with SENCOs, Tom would experience more joined-up support.

#### **The benefit – personalised care and better outcomes**

For Tom, the city boundary change means easier access to city schools with the right support provided. Tom would be able to move into a system with excellent personalised provision, where the SEND team have great knowledge about the school, its context and can really help to meet his needs. His parents would benefit from clearer points of contact and greater confidence in the process. Over time, this creates better long-term outcomes. Scaling the city's SEND model across the urban area ensures children like Tom receive personalised and more effective support.

## Children's services

Option 1 creates a more coherent footprint for safeguarding, early help and placements, improving sufficiency by growing fostering and

residential capacity closer to home and commissioning once with providers.

### Case study: Looked after children with education, health and care plans (EHCPs)

The city council has a well-established support service used daily by schools and families to support children with EHCPs. Demand for EHCPs continues to rise, and looked after children experience repeated disruption when support is fragmented across different authorities.

#### **The problem – fragmented responsibilities**

Imagine Isla, a 10-year-old looked after child. She attends a city school and currently lives within the city boundary. However, she may have to move to a new foster placement, just outside the council boundary, in Birstall. The county council would now have responsibility for her EHCP. The county may apply different criteria or require the plan to be rewritten, leading to weeks or months of delay. Even temporary placements trigger disruption, forcing changes to the EHCP, unsettling Isla's support. Carers, schools and social workers struggle with different systems, case management processes, and funding rules, depending on which side of the council administrative boundary Isla happens to be placed.

#### **The solution – aligning accountability with where support is delivered**

Expanding the city boundary to cover the whole built-up area of the city and its suburbs would substantially increase the chances of keeping more looked after children's EHCPs within the same authority. A coherent two-unitary model (urban and rural) would better reflect travel-to-learn patterns and unite SENCOs and caseworkers into a single authority. This allows the city's established SEND model to scale more effectively and helps to ensure looked after children with EHCPs do not face repeated transfer and re-assessment if their placement changes.

#### **The benefit – simpler, faster, fairer support for individuals**

Isla's EHCP is more likely to remain stable and consistent under one authority covering the whole urban area, aligned to her education setting, regardless of whether her foster placement is temporarily just outside the city boundary. She will experience more joined-up support with clearer accountability and stronger outcomes. Scaling city services across the urban area spreads good practice, ensures equitable access, reduces disruption, and secures better outcomes for looked after children.



## Housing and homelessness

Option 1 aligns pathways, tenancy standards and homelessness strategies across the expanded city, tackling concentrated pressures

with one strategy and extending Leicester's in-house landlord model to improve safety and sustainment of tenancies.

### Case study: Fair and consistent access to housing

Leicester currently faces far greater housing pressure than the surrounding districts. Over 600 families and 400 single people are in temporary accommodation, with some placed in B&Bs due to a shortage of affordable homes. Waiting times on the city's housing register average 17 months for a one-bedroom, 18 months for a two-bedroom, and 20 months for a three-bedroom property. In contrast, many district areas have significantly lower homelessness demand and higher proportions of council housing stock relative to need.

#### **The problem – place-based inequality**

This imbalance has created a place-based inequality for residents seeking a secure home. People in the city face longer waits and fewer options, while suitable homes just outside the boundary are harder to access as each authority runs its own register and homelessness strategy. As land for new development - including affordable housing - within the city becomes scarcer, this divide risks deepening, leaving more households reliant on temporary accommodation.

#### **The solution – creating a fair and joined-up housing system**

Expanding the city boundary could enable a homelessness and housing strategy across the two new authorities for urban and rural areas respectively, joining up areas with high demand with areas with greater stock. Ultimately, this could be a first step towards a more joined-up housing register and consistent allocation process across LLR. By matching applicants to the full range of homes across Leicester, Leicestershire and Rutland, residents would have a fairer, faster route to secure accommodation, regardless of their postcode.

#### **The benefit – reduced waiting times and an equitable split**

A joined-up system would reduce waiting times across the board and provide a fairer balance of demand and available homes, making better use of existing stock, and preventing families entering temporary accommodation or even B&Bs. For residents, this means a simpler, more transparent process and a fair chance of finding a home that meets their needs.



## Highways and transport

Under option 1, the city could plan and manage transport improvements and maintenance across the travel-to-work area

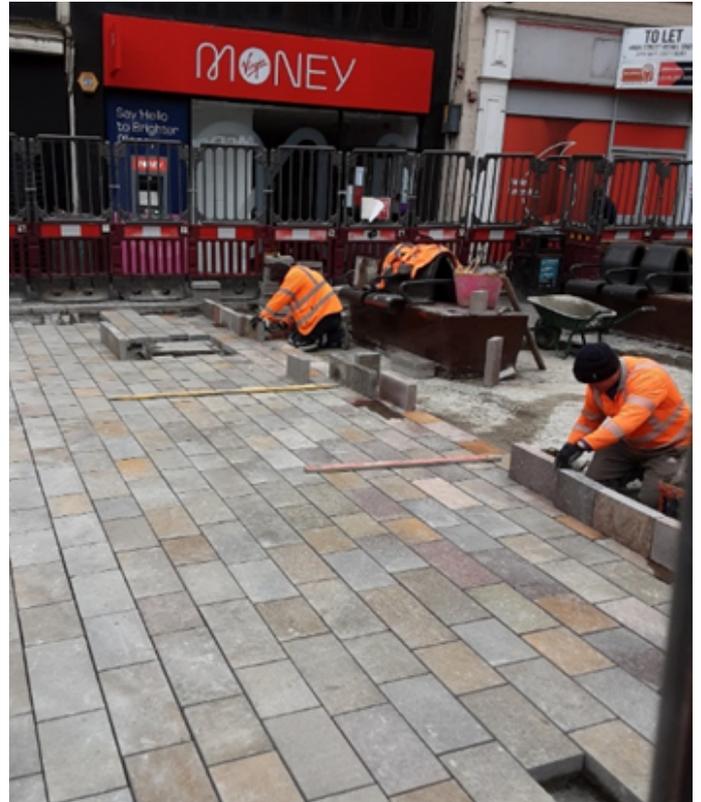
more coherently, applying consistent policies, coordinating works and scaling delivery capacity for schemes.

### Case study: Delivering high quality connected streets and spaces

As part of its award-winning Connecting Leicester programme, the city council has transformed the city centre, delivering high quality improvements to streets and creating new public spaces. Strategic highway routes across the city have been upgraded for all modes of transport. For example, public transport has been prioritised along the A50 Groby Road and A6 Abbey Lane, whilst safe, segregated cycle lanes now connect existing and new residential areas with major business centres at Beaumont Leys.

#### The problem – uncoordinated investment

However, the existing council boundary means that the city and county transport authorities are responsible either side of an arbitrary line that severs urban communities. This inevitably results in uncoordinated investment and improvements: highway maintenance, bus lanes and cycleways are truncated at the boundary and do not serve the contiguous built-up area along a corridor.



Examples of this are cycleways stopping at the boundary with the county at Birstall and maintenance being split across the boundary at Welford Road and London Road.



#### The solution – joined-up transport

The proposed expansion of the city boundary will enable delivery of joined-up transport services across the whole urban area and its suburbs – for example, along key commuter corridors – providing a consistent approach to transport connectivity with the city centre, universities, hospitals and business centres. It will also enable a unitary council outside the city area to focus its attention on the rural road network and improvements in towns and villages.

# Neighbourhood and environmental services

Option 1 removes anomalies across district boundaries, standardises licensing and

enforcement, and improves efficiency and equity in waste, cleansing, public safety and other visible services.

## Case study: Unified waste collections

The current city boundary cuts across some residential streets, meaning neighbours can have different bins, rules and contacts. On these streets, bin lorries stop at the boundary and another crew collects next door, which, paired with different collection regimes, creates inefficiency and confusion for residents.



### The problem – two systems for one street

A single street such as Scraftoft Lane straddles the city boundary, with half of the road in the county (Harborough district) operating under a different waste regime. Collection days, charges and recycling rules differ and missed-bin reports go to different councils. The council's 2025 waste collections survey found that residents feel confused and unsure about who to contact, whilst duplicated rounds add both costs and carbon emissions.

### The solution – one service across the urban footprint

Expanding the city boundary, alongside a second unitary for the rural county, would reduce responsibility to two clear authorities. Across the urban footprint, a single waste collection service would cover the whole street, providing a consistent approach for collection regimes, including waste bin content, driving economies of scale within the waste hierarchy. This approach enables one contract, rationalised depots and rounds, and facilitates delivery of national "Simpler Recycling" requirements (weekly food waste and a core set of recyclables from 2026). Providers in the urban area could scale a single, flexible model rather than run parallel systems.

### The benefit – coherence and clarity

A unified collection service for the whole urban area would bring greater clarity, value, fairness and sustainability. One urban regime and a single point of contact would remove mid-street anomalies and reduce confusion, while fewer duplicated rounds and larger, unified contracts would reduce overheads and make it easier to meet recycling efficiencies without adding unnecessary costs. Every household on the same street would receive the same service standard and materials list, carbon savings would come from the consistency of waste stream collections, enabling efficient bulking, shared outlets and streamlined processing of by-products. Combined with fewer truck miles and simpler recycling systems, this would reduce the environmental footprint. Household behaviours may also improve through the clarity gained, encouraging recycling, consistent conscious thinking around recycling, and engagement in the Food Waste Programme.

Option 2 (city and three districts) ranks second best in the options appraisal. Whilst this option would result in an improved city footprint and greater scale for service efficiency, it lacks a coherent geographical basis for service delivery, as it combines urban and rural areas. Also it does not include city suburbs to the north in Charnwood, thereby retaining the fragmented urban area resulting in less efficient service delivery.

Options 3 and 4 score considerably lower than options 1 and 2. This is largely down to the fragmentation impact of having more than two unitary councils and/or continuing the division of key public services across the urban area between multiple authorities. This undermines service effectiveness and efficiency due to a lack of focus and coordination across a coherent urban and rural unitary geography. Buying power and leverage would also be undermined with councils that are imbalanced and lack scale. The potential for public service transformation and reform is therefore limited.

### **Transition and transformation – impacts of aggregation/disaggregation**

The public services appraisal in this section considers the longer-term transformation benefits of each option, identifying option 1, city expansion, as the most transformative and having the greatest potential to deliver better value services.

Whilst some options have short-term benefits, as there is less disruption during transition, longer-term transformation benefits to service efficiency are more important. LGR should establish the best council structures to deliver the most sustainable high quality public services for many decades to come.

The impact and cost of aggregation and disaggregation during the transition phase will vary between the options.

- Option 1 involves aggregation of whole and part district services and partial disaggregation of county services into a new expanded city unitary council.
- Option 2 has the advantage of aggregating whole district services, albeit again with partial disaggregation of county services into a new expanded city unitary council.
- For options 1 and 2 the current unitary city council already operates upper and lower tier services at significant scale and will be able to more readily absorb part district and county council services.
- Option 3 is less disruptive during transition as, whilst it requires aggregation of whole district and Rutland services into wholly new services within one unitary council, there is no disaggregation of existing Leicestershire county services, and the city council remains as it is.
- Option 4 requires the aggregation of lower tier whole council services and disaggregates upper tier services into two wholly new councils. The city council would remain as it is.

The implications for efficiency savings and transitional costs for the four options are captured in Section 3.3. This notes that the pay-back period for transitional costs for all options can be achieved within a reasonably short timeframe – less than two years for options 1, 2 and 3 and less than three years for option 4.

Further details on how disaggregation would be effectively managed through transition, for the council's preferred option 1, are shown in Section 5. In particular this focusses on ensuring statutory duties and critical services continue on Day 1. Close partnership working with other councils and stakeholders, phasing in change and dual running of systems and services, as appropriate, is also noted.

## Delivering high quality, sustainable public services – key points

- There is strong justification for option 1, City boundary expansion, from the perspective of public service delivery:
  - It will deliver high quality and sustainable services to citizens over the long term as there is greater potential for transformation and reform.
  - It removes the fragmentation of services across ten LLR councils and aligns service delivery within two coherent unitary councils that are focused on urban and rural areas respectively, and which are more easily understood by people.
  - It delivers the minimum practicable number of two unitary councils that are balanced and meet the Government's 500,000+ population guide, reducing complexity and improving service efficiency in terms of scale (see Section 3.3).
  - Crucial services such as social care, children's services, SEND and homelessness, will be more effectively delivered by expanding the city boundary, which enables a stronger focus on common challenges and opportunities for public service reform.
  - Disaggregation during transition can be effectively managed to deliver sustainable efficiency benefits for the long term rather than perpetuating current inefficient council structures.

## 3.5 Local engagement (criteria 4)

### Government LGR criteria:

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.

- a) It is for councils to decide how best to engage locally in a meaningful and constructive way and this engagement activity should be evidenced in your proposal.
- b) Proposals should consider issues of local identity and cultural and historic importance.
- c) Proposals should include evidence of local engagement, an explanation of the views that have been put forward and how concerns will be addressed.

### Additional relevant guidance:

Local leaders to engage their Members of Parliament, and to ensure there is wide engagement with local partners and stakeholders, residents, workforce and their representatives, and businesses on a proposal.

The engagement that is undertaken should both inform the development of robust proposals and should also build a shared understanding of the improvements you expect to deliver through reorganisation.

The views of other public sector providers will be crucial. This will include the... Integrated Care Board, Police (Fire) and Crime Commissioner, Fire and Rescue Authority, local Higher Education and Further Education providers and the voluntary and third sector.

### 3.5.1 LLR councils – joint working

The provisions of the English Devolution and Community Empowerment Bill set out the Government's plan for devolution. It outlines plans for all of England to benefit from devolution, enabling the rebalancing of power from central government and allowing local leaders to set priorities and increase prosperity for local people.

Provisions in the Bill allow for the establishment of a new strategic authority, with a strong preference for an elected mayor who would have additional powers, access to long-term investment funding and a mandate to prepare a Local Growth Plan.

In their January 2025 joint submission to Government, leaders of the city, county and Rutland councils 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 5 February rejecting the county council's request to delay elections. A formal invite was also issued to all council leaders in the LLR area to develop a proposal for local government reorganisation.

A further engagement meeting was held with all councils on 6 March. Whilst it was accepted that at this stage three individual submissions would be made, there was acknowledgment that further engagement should take place after the interim submissions and in particular following the May county elections.

The outcome of those elections was that the county council moved from Conservative leadership to Reform, but in a minority administration.

Since then a number of meetings have taken place and correspondence exchanged between council leaders and the City Mayor and also officers, principally to consider the prospects of a convergence of views on boundary expansion in the spirit of the 10 January joint letter.

It has become clear that, despite the willingness of the city to consider expansion options, the district leaders have been unable to agree on the principle. Consequently, following a joint statement released by the districts/Rutland on 5 September, we understand that they will submit a proposal based on their interim submission, with no change to the city boundary.

It is also clear that the county leadership is not in a position to consider options on city boundary change, not least following a motion to oppose city expansion carried at a special council meeting on 30 July. Note that this motion was won 23 to 22 votes: just under 50% did not oppose city boundary expansion.

The county council will also submit a final proposal based on its interim proposal: retaining the city council as it currently is but with a unitary council covering the whole of Leicestershire and Rutland.

Regardless of the different final positions adopted by the LLR councils, there has been good collaboration during the process with

data being made available and shared across all councils, underpinned by a data sharing agreement.

The city and county councils have also conducted joint financial modelling of the options. This was offered to the district/Rutland group but was not taken up.

### **3.5.2 Local engagement**

Local engagement has been conducted separately by the three promoters.

A report of engagement prepared by the city council is attached to this submission as Appendix 6. This sets out feedback received in stakeholder meetings and correspondence, and the results of a public survey.

#### **Stakeholder engagement**



Ten stakeholder meetings were held involving around 100 participants. Representatives came from major public sector providers, including Leicestershire Fire and Rescue, University Hospitals Trust and the Integrated Care Board; higher and further education; parish councils; business support organisations and businesses of different sizes; trade unions; organisations representing the development industry including developers, housing associations, agents, consultants and landowners; sports and culture sectors; the voluntary sector; and public transport operators.

Several stakeholder groups expressed strong views in favour of city boundary expansion. One group – the parish councils – were strongly against. Many individuals did not specifically indicate one way or another – one stated that as their organisation worked with all authorities across LLR, it was not appropriate for them to choose between contrasting proposals. Nonetheless, all the meetings involved useful discussions, as participants provided feedback on their concerns, needs and desired outcomes, and in some cases previous experience of LGR in other areas.

“

*I'm happy First Bus go on record as supporting your proposal. I believe it makes the most sense in terms of ensuring greater coordination of services, enabling more simplified ticketing options and bus improvement measures. Critically, it is the option that best serves the travel patterns that are emerging across and around the current city boundary.*

”

**Zoe Hands, First Bus**



Common themes which emerged across the meetings were:

- Arguments for city expansion are strong and logical.
- Expansion brings clear benefits for the city – proposal needs to explain more how it benefits other areas.
- A desire to move quickly towards a mayoral strategic authority for LLR, in order to access funding.
- The fewer local authorities businesses/organisations have to work with, the better.
- An acknowledgement that some in the proposed expansion area have expressed opposition and how to address that.
- Misplaced negative impressions of the city contribute to opposition.
- Questions about the extent of proposed development.
- Questions over the future role of parish councils.
- Efficiency savings are good but questions on transition and implementation.

“

*The city boundary should encompass the contiguous built-up area of Leicester, as experienced on a daily basis by the residents of the area, plus sufficient surrounding land that it can meet its own needs (including development, infrastructure and open space) for decades to come...*

*LGR which doesn't see substantial growth of the city's boundary would be nothing short of a failure, and a huge missed opportunity. The proposed city boundaries published in the Interim submission dated March 2025 represents the very minimum by which I believe the city should expand...*

*LGR is a huge opportunity for Leicester, and the significant potential it can deliver must not be stifled by timid or unambitious thinking.”*

”

**Tom Collins, Mather Jamie**

### **Other stakeholder feedback**

The Police and Crime Commissioner for Leicester, Leicestershire and Rutland expressed a preference to keep things as they are, “*perhaps with some minor boundary changes*” – conceding on the principle. His strong view for the strategic authority is that it should cover the whole of LLR.

We also wrote to all 11 Members of Parliament representing constituencies in Leicester, Leicestershire and Rutland to ask for their thoughts.

Four MPs replied, all representing constituencies in the county, and all opposing the proposal to expand the city boundary. The primary reason given was that their residents valued their distinct county identities and did not want to become part of the city.

Two of the MPs supported the proposal for three unitary authorities (option 4) on the grounds that this would preserve local identities while allowing services to be delivered by a council close enough to understand residents’ needs.

City councillors have been briefed on LGR regularly through the process. A special meeting of the Overview Select Committee was held on 10 November where proposals were considered. Final consideration and sign off was through a meeting of Full Council on 20 November.

### **Public survey**

The council conducted an online public survey from 8 September to 6 October 2025. This was open to any interested individuals and organisations across the LLR area and was promoted to the general public and Leicester City Council staff.

The survey was intended to provide additional information that could help shape the council’s final submission. The full survey and responses are set out in Appendix 6.

#### **Key points:**

- 810 people responded.
- 91% of respondents were residents.
- The majority (61%) live in the proposed city expansion area and 28% live in the current city area.
- 54% consider themselves to live in either an urban area or suburb.
- 85% agree that councils should reflect how people live, work and travel across an area.
- 82% agree that councils should represent areas that share common issues
- The proportion of people who work in the city is very similar for residents of the city (44%) and residents of the proposed expansion zone (41%).
- 42% raised concerns about the proposal to expand the city boundary.
- “Efficient public services” was named as the top priority for the new councils.
- The least important issue was “boundaries that are easy to understand”.
- 15% of respondents had been unsure which council to contact for a service or issue.

Unsurprisingly, the majority of respondents (61%) live in the areas which are proposed for inclusion in the city – this is the group that will see the most significant change.

The proposal for city expansion was not popular with many people who said that they felt part of the county and saw no need for change.

Despite this, residents of the proposed expansion zone showed a strong connection to the city in other ways: 41% of them work in Leicester – almost as high a proportion as that of city residents (44%).

“

*I strongly support the city council boundary being extended. Having a city council whose authority does not extend to the limits of the city itself is plainly nonsense and needs to be corrected.*

”

**Public contribution**

One of the things, we wanted to learn was how people view the place they live in. The generally understood definition of a city is a dense urban area plus its suburbs. It is interesting to note that 40% of respondents who live in the proposed expansion area describe where they live as either urban or suburban, recognising that they are effectively “city” dwellers, regardless of which council currently provides their services.

The survey findings confirmed our view that a sensible city boundary should encompass the built-up area of Leicester and its suburbs. The overwhelming majority of respondents (85%) agreed or strongly agreed that councils should reflect how people live, work and travel across an area. And we know from the survey and other travel to work and customer mapping, (see Section 3.2) that people in the proposed expansion area have a strong connection to Leicester through both work and leisure.

A similar number of people (82%) agreed that councils should represent areas that share common issues – and that rural and urban areas face different issues.

“

*The city’s borders should reflect the conurbation of Leicester, not the old borders from 100 years ago when there were green spaces between the villages and city. We can’t turn the clock back now. For Leicester to compete for more money from the government, the population of the city has to be higher.*

”

**Public contribution**

These survey findings provide a particularly strong view which recognises the distinction between the urban/suburban and rural neighbourhoods, and proposes a coherent unitary council arrangement for each respective area. This has helped to inform the councils’ final preferred proposal.

15% of respondents have been unsure which council to contact for a service or issue. That represents a significant number of people. If we look purely at those who have responded from within the proposed expansion area, that could be around 30,000 people who have been uncertain which authority is delivering their local services.

People’s most important priority for the new councils was the delivery of “efficient public services”. This is crucial to the case put forward for boundary change and city expansion. Section 3.4 explains in detail how the council’s preferred proposal would deliver better and higher quality services, with greater associated efficiencies compared with all other options.

“

*The subtext of the boundaries making geographic sense is that there is an unfair imbalance in tax contributions – the better off outlying areas of the city effectively using city services are 'acting' as if they were part of the city whilst not contributing to them and therefore taking from the contributions from the less well-off citizens – this is a rare opportunity to address this imbalance.*

”

**Public contribution**

The second most important priority named by respondents was saving money and long-term financial stability. Section 3.3 sets out financial considerations for the council’s LGR options, with the council’s preferred option proving to be the most efficient, saving most money annually and providing the best path to financial stability for the whole LLR area.

To address people’s concerns about identity and local influence on decision making, we need to re-emphasise the continued role of parish councils and develop a clear approach to neighbourhood governance for each unitary. This will help to reassure people on how their areas can retain a unique sense of identity within a larger whole.

Many people (42%) were opposed to city expansion or expressed concerns about it. Common reasons cited were pressure on resources and services, a loss of local identity and the development of land. This is perhaps not surprising given the majority of respondents were from the proposed city expansion area.

There is clearly much work to do ahead of – and during – any transition period to engage with residents and better communicate how these changes will lead to savings, more effective services and economic benefits across the region.



## How engagement has influenced our final submission

Feedback received	How we have addressed
<p>To clarify how boundary expansion benefits both the city and the wider LLR area.</p>	<p>The city's preferred proposal has been made clearer through Section 4.3.6. This sets out the benefits for people across LLR and also includes a number of case studies to bring this to life.</p>
<p>Businesses and public sector organisations said that they would like to reduce complexity by dealing with fewer councils, and to stick to the LLR footprint for both the unitary councils and mayoral strategic authorities.</p>	<p>All options being appraised now include the whole of the LLR area – see section 3.1.</p>
<p>A number of stakeholders and survey respondents noted the importance of aligning new unitary councils with their natural urban and rural catchments.</p>	<p>We have strengthened explanation of the council's preferred option: the coherence of two unitary councils aligned with urban/suburban and rural areas. See Section 3.</p>
<p>Parish councils raised concerns about their position, their role in any new neighbourhood governance arrangements, the legality of splitting parishes and their role during transition.</p>	<p>Section 3.7 outlines the role of parishes, which would be retained in their current form and included in any governance review to build stronger community engagement at the local level.</p> <p>Legal advice has been taken on splitting districts, which confirmed the Secretary of State has powers to change parish boundaries as part of the LGR process.</p> <p>Detailed plans in Appendix 3 show the proposed parish boundary changes and the very limited impact these will have. Only 0-37 people would be affected in each of the six parish areas that would be split over the city/county boundary under option 1.</p> <p>Section 5 (implementation) refers to the role of key stakeholders during the transition phase.</p>

<p>Concerns over loss of identity expressed in the survey and with parish council stakeholders.</p>	<p>Section 3.7 of this proposal (community engagement) makes clear that parish councils would continue in their current form, retaining the local identity of villages and city suburbs.</p> <p>Leicester, Leicestershire and Rutland all have strong identities that would be retained under the council's preferred option. This would reinforce the identity of the urban city and the rural county. Ceremonial rights, including those for the counties, will be retained (see Section 3.7).</p>
<p>Uncertainty over current service delivery.</p>	<p>By simplifying the current ten authorities to two unitary councils – and with these representing coherent and recognisable urban and rural areas – residents, businesses and other organisations should be clear on who is providing their services (see section 3.4).</p>
<p>Concerns over the balance of development opportunities for the proposed city expansion area and second unitary area.</p>	<p>Section 3.2 clarifies that the council's preferred option would deliver a much more balanced outcome on future development sites than the current position or other options.</p>
<p>Concerns over how the councils will effectively manage the transition phase of LGR to minimise disruption: for example, on the VCSE sector.</p>	<p>Section 5 (implementation) has been strengthened to show in detail how the various stages of transition and transformation would take place alongside the Government's timeline for LGR.</p>
<p>Clarity sought on unitary governance and mayoral positions.</p>	<p>Section 3.7 makes clear that should LGR proceed, the unitary councils would operate with a leader and cabinet model: the role of a city mayor would not feature. An MSA would include an elected mayor.</p>
<p>Use common data sets.</p>	<p>Common data sets have been shared between all councils in LLR.</p>

## Engagement by other councils

The district and Rutland councils also conducted public surveys. It is worth noting that their survey conducted early in the year provided five top messages, one of which suggested some level of support for appropriate city boundary change:

“Enthusiasm to get the future boundaries with Leicester to a level that suited both the city and its wider geography”.

Leicestershire County Council asked for public feedback on their proposal in October 2025.



## Engagement – key points

- Extensive, meaningful and constructive engagement has been conducted with stakeholders and public in line with Government guidance.
- Stakeholders generally consider the council’s preferred city boundary expansion proposal (option 1) to be sensible for the long-term future of the city and the wider LLR area.
- Engagement survey has confirmed that there is opposition to the council’s preferred option from people living in the proposed city expansion area.
- Nevertheless, an overwhelming majority of people believed that councils should reflect how people live, work and travel across an area and that councils should represent rural or urban areas that share common issues. The council’s preferred Option 1 proposes a coherent arrangement of two unitary councils to represent these areas.
- A significant number of survey respondents were unsure which council to contact for a service or issue – reflecting the current complex arrangement of councils. The council’s preferred option would simplify this for service users across the LLR area.
- A number of important issues were raised through engagement and these have been addressed in this final submission to Government.

## 3.6 Supporting devolution (criteria 5)

### Government LGR criteria

New unitary structures must support devolution arrangements.

Where no CA or CCA is already established or agreed then the proposal should set out how it will help unlock devolution.

Proposals should ensure there are sensible population size ratios between local authorities and any strategic authority, with timelines that work for both priorities.

Additional Government guidance:

Consider alignment of other public sector providers alongside the best way to structure local government in your area, including Integrated Care Board, Police (Fire) and Crime Commissioner, Fire and Rescue Authority, local Higher Education and Further Education providers, and the voluntary and third sector.

Strategic authorities would by default have specified 'competencies' with oversight of the following areas:

- housing and strategic planning, including development of a new spatial development strategy (SDS) and intervention in planning applications of strategic importance; mayoral development corporations and mayoral development orders and mayoral community infrastructure levy; regeneration, housing delivery and management of strategic place partnership with Homes England
- lead on strategic transport, including public transport; manage key route network and prepare the Local Transport Plan (LTP) in alignment with local growth plans
- economic development, including preparation of Local Growth Plan, working with local government pensions schemes; skills and employment support including management of Adult Skills Fund (ASF), development of a Get Britain Working Plan and 16-19 education strategies and careers provision
- new health inequality and public safety responsibilities
- alignment of police and crime commissioner and fire and rescue authority functions.

### 3.6.1 English devolution proposals

The provisions of the English Devolution and Community Empowerment Bill set out the Government's plan for devolution. It outlines plans for all of England to benefit from devolution, enabling the rebalancing of power from central government so that local leaders can take back control and increase prosperity for local people.

Provisions in the Bill allow for the establishment of a new strategic authority, with a strong preference for an elected mayor that would have additional powers, access to long-term investment funding and a mandate to prepare a Local Growth Plan.

The invitation from Government to develop proposals for a strategic authority will be considered in parallel with the LGR process, such that devolution can happen coterminous with LGR.



### 3.6.2 Devolution for Leicester, Leicestershire and Rutland

Devolution alongside LGR has enormous potential to unlock economic growth across the LLR area, bringing new powers, flexibilities and funding. The opportunity to develop strategic planning, transport and economic policy across a sensible geography has the potential to accelerate development and housebuilding, business growth and job creation in priority sectors.

As part of the work to develop interim LGR submissions earlier in 2025, there was strong alignment with all local authorities across LLR for the establishment of a mayoral strategic authority (MSA). For the city council this was contingent upon the need to expand the city boundaries to meet other LGR criteria.

LLR has an appropriate scale to support an MSA at c.1.2m population (2028 projection). It also covers a sensible and contiguous geography within a functional economic area. The geography will ensure effective delivery of spatial development strategies, local transport plans and Get Britain Working plans, for which there is already a high degree of cross-LLR working established or underway.

An MSA for the area would have a clear identity and be aligned with LGR options and other public sector boundaries as noted in this section.

There is also good support for an MSA expressed through the stakeholder engagement carried out by the council (Section 3.5).

### 3.6.3 LGR options appraisal

This submission considers four potential LGR options shown in the tables below.

We considered the following factors relating to LGR alignment with devolution:

- population size ratios between unitary authorities and an MSA
- alignment of common LGR and MSA functions to unlock devolution and economic growth
- alignment with other public sector providers.
- regional partnership working
- timelines for LGR and devolution.

#### Population size ratios between unitary authorities and an MSA

The table below compares, for each option, the ratio/balance between the populations of the proposed unitary councils and the MSA. This is set in the context of the Government's guiding principle of achieving a population of at least 500,000 per unitary council. It also considers the level of efficiency/simplicity of governance, and therefore decision making, across the unitary councils working with the MSA.

The total population projection of the MSA area covering LLR in 2028 would be approximately 1.2 million.

Following the appraisal framework used throughout this submission each option is rated as follows:

-  Does not meet (R): Does not achieve a balanced population ratio and offers less efficient governance
-  Partially meets (A): Some positive aspects in terms of balanced population ratio and efficiency of governance.
-  Meets (G): Achieves balanced population ration and more efficient governance.

LGR option	Unitary population (000s) (2028 projections)	Balance of population between unitaries & MSA Efficiency of governance	RAG
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**Option 1 – City boundary expansion**

<b>Unitary 1</b> City with boundary expansion	619	<ul style="list-style-type: none"> <li>Populations broadly balanced and both achieve Government target of 500,000+ population</li> </ul>	G
<b>Unitary 2</b> Part Leicestershire county and Rutland	583	<ul style="list-style-type: none"> <li>Most efficient/simple governance of the options with two unitary councils of similar size working with the MSA to reach and approve decisions</li> </ul>	

**Option 2 – City with three districts**

<b>Unitary 1</b> Existing city, Oadby and Wigston, Harborough, and Blaby	673	<ul style="list-style-type: none"> <li>Populations imbalanced but both achieve Government target of 500,000+ population</li> </ul>	A
<b>Unitary 2</b> Hinckley and Bosworth, North West Leicestershire, Charnwood, Melton and Rutland	528	<ul style="list-style-type: none"> <li>Simple governance with two unitary councils albeit with significant imbalance between the size of authorities</li> </ul>	

**Option 3 – City/county and Rutland**

<b>Unitary 1</b> Existing city	395	<ul style="list-style-type: none"> <li>Populations not balanced: ratio of approximately 2:1 – one unitary well above and one significantly below the Government target of 500,000+ population</li> </ul>	R
<b>Unitary 2</b> Leicestershire county and Rutland	807  85	<ul style="list-style-type: none"> <li>Simple governance with two unitary councils working with the MSA to reach and approve decisions. However, there is a substantial imbalance between the size of authorities</li> </ul>	

**Option 4 — City/North/South**

<p><b>Unitary 1</b> Existing city</p>	<p>395</p>	<ul style="list-style-type: none"> <li>• Populations broadly balanced but all fall well below the Government target of 500,000+ population</li> <li>• Least efficient/simple governance of the options, with three unitary councils, instead of two, working with the MSA to reach and approve decisions</li> </ul>	<p>R</p>
<p><b>Unitary 2</b> North West Leicestershire, Charnwood, Melton and Rutland</p>	<p>409</p>		
<p><b>Unitary 3</b> Oadby and Wigston, Harborough, Blaby, Hinckley and Bosworth</p>	<p>398</p>		

Summary of appraisal:

- Only option 1 delivers a broadly balanced population ratio for two unitary councils within the MSA, with both achieving the Government target of 500,000 + population. This option also delivers the simplest governance, where unitary populations are balanced, making for more balanced representation and effective decision making.
- Options 1 and 2 are the only options where all unitary authorities exceed the Government’s 500,000+ population guide.
- Options 1, 2 and 3 comprise two unitary councils instead of three under option 4, resulting in simpler and more streamlined governance arrangements to reach and make decisions involving the unitary councils and the MSA.

## Alignment of LGR and MSA to unlock devolution and economic growth

The table below sets out the extent to which each LGR option can align with the responsibilities of an MSA to maximise the benefits of devolution and unlock economic growth. It considers the potential merits that each option would have in terms of interaction between unitary councils and the MSA for the principal areas of responsibility that the latter will have, including, for example, planning, housing and transport.

Following the consistent appraisal framework used for this submission, each option is rated as follows:

-  Does not meet (R): Lowest level of alignment of unitary councils and MSA
-  Partially meets (A): Some alignment of unitary councils and MSA
-  Meets (G): Highest level of alignment of unitary councils and MSA

LGR option	Alignment of unitary councils and MSA	RAG
<p><b>Option 1 – City boundary expansion</b></p> <p><b>Unitary 1</b> City with boundary expansion</p> <p><b>Unitary 2</b> Part Leicestershire county and Rutland</p>	<ul style="list-style-type: none"> <li>Coherent geographies for Unitary 1, covering whole urban city area, and Unitary 2, covering rural areas and market towns – would provide clearer and simpler focus for an MSA working with councils to prepare strategic planning, housing and transport documents focused on areas with similar challenges and opportunities.</li> <li>Spatial development strategies would set out policy focus for respective unitary councils facing different housing, employment and retail challenges.</li> <li>Local transport plans would set out policy focus for urban travel to work area, and rural areas/market towns facing different transport challenges, such as public transport, cycling and parking.</li> <li>Would resolve complexity around “unmet housing need” for the city between unitary councils and MSA, due to substantial expansion areas for the city.</li> </ul>	G
<p><b>Option 2 – City with three districts</b></p> <p>Existing city, Oadby and Wigston, Harborough and Blaby</p> <p><b>Unitary 2</b> Hinckley and Bosworth, North West Leicestershire Charnwood, Melton and Rutland</p>	<ul style="list-style-type: none"> <li>Incoherent geographies for two unitary councils that do not align with areas that have similar challenges and issues. This would create a more complex environment for an MSA working with councils to prepare strategic planning, housing and transport documents.</li> <li>Spatial development strategies and local transport plans would have to set out policy focus for respective unitary councils, both comprising diverse urban and rural housing, transport, employment and retail challenges.</li> <li>Would potentially reduce complexity around unmet housing need between unitary councils and MSA.</li> </ul>	R

<b>Option 3 – City/county and Rutland</b>	<ul style="list-style-type: none"> <li>• Incoherent geographies for two unitary councils that do not align with areas that have similar challenges and issues. Would create a more complex environment for an MSA working with councils to prepare strategic planning, housing and transport documents.</li> <li>• Spatial development strategies would have to set out a more complex policy position for unitary councils. In particular, future development outside the city would require two authorities to work across borders with the MSA on planning and transport concerns to deliver new homes and land for jobs, thereby increasing complexity and frustrating economic growth.</li> <li>• Complexity around unmet housing need would remain between councils and MSA, due to constrained city boundaries.</li> <li>• Local Transport Plan – would have to work with and set out policy focus for respective unitary councils comprising diverse transport challenges, cutting across urban and rural areas: for example, splitting urban public transport operations between two authorities.</li> </ul>	<p style="text-align: center; color: white; font-size: 2em;">R</p>
<b>Unitary 1</b> Existing city	<b>Unitary 2</b> Leicestershire county and Rutland	
<b>Option 4 – City/North/South</b>	<ul style="list-style-type: none"> <li>• Incoherent geographies for three unitary councils that do not align with areas that have similar challenges and issues. Would create a more complex environment for an MSA working with councils to prepare strategic planning, housing and transport documents.</li> <li>• Spatial development strategies would have to set out a more complex policy focus for three unitary councils. In particular, future expansion of the city would require three authorities to work across borders with the MSA on planning and transport concerns to deliver new homes and land for jobs, increasing complexity and frustrating economic growth.</li> <li>• Complexity around unmet housing need would remain between councils and MSA, due to constrained city boundaries.</li> <li>• Local Transport Plan – would have to work with and set out policy focus for three unitary councils comprising diverse transport challenges, cutting across urban and rural areas: for example, splitting urban public transport operations between three authorities.</li> </ul>	<p style="text-align: center; color: white; font-size: 2em;">R</p>
<b>Unitary 1</b> Existing city	<b>Unitary 2</b> North West Leicestershire, Charnwood, Melton and Rutland	
<b>Unitary 3</b> Oadby and Wigston, Harborough, Blaby, Hinckley and Bosworth		

## Summary of appraisal:

- Option 1 provides the most coherent and effective arrangement for new unitary councils to work closely with an MSA to maximise devolution and unlock and accelerate economic development. It recognises the geographical differences between urban and rural areas and, as such, would result in a simpler and more focused approach when the MSA and unitary councils work together to prepare policy documents and allocate resources and for planning, housing and transport.
- Options 2 comprises incoherent urban and rural geographies with more complexity and a lack of focus for the two unitary councils that would lie across urban and rural geographies.
- Options 3 and 4 would result in more complex working arrangements and therefore be less effective. The lack of a coherent geography, and in particular the continued separation of the city from existing urban areas and potential expansion land would inevitably make planning, housing and transport delivery less joined up.

## Alignment with other public sector providers

There is a strong history and alignment of public bodies working across Leicester, Leicestershire and Rutland which underlines the case for establishing an MSA on this footprint.

Relevant bodies and arrangements that currently operate across LLR include:

- Police and Crime Commissioner
- Combined Fire Authority
- Integrated Care Board and related Leicester, Leicestershire and Rutland Health and Wellbeing Partnership. (Note the ICB is currently subject to a review with new ICB clusters announced)
- Leicester University Hospitals Trust
- Connect to Work and Get Britain Working initiatives
- LLR Road Safety Partnership

- LLR Area Traffic Control agreements
- LLR Local Resilience Forum
- Area traffic modelling for LLR
- Statutory Records Office partnership
- Voluntary Action LeicesterShire
- Civic partnership between De Montfort University, Loughborough University, University of Leicester, and Leicester, Leicestershire and Rutland
- Strategic Growth Members Advisory Board – currently operates across Leicester and Leicestershire councils but more recently Rutland Council has been represented at officer level boards

Currently the ten existing local authorities across LLR engage with all or some of these bodies to support public service delivery. There would be very substantial benefits through the simplification of local government, resulting in a much smaller number of unitary authorities and an MSA engaging with these bodies. Options proposing two unitary authorities would optimise engagement. Option 1 would further assist in streamlining engagement as it would align urban areas and rural areas/market towns into separate unitary councils, allowing a focus on their different challenges.

## Regional partnership working

The city council and other local authorities across LLR have a long-standing track record of working in partnership with regional bodies and initiatives to secure funding and deliver services for residents, businesses and visitors.



A number of examples of existing regional working arrangements can be built on moving to an MSA for LLR: Strategic Growth Plan; Transport for the East Midlands; Midlands Connect; East Midlands Freeport; Trent Regional Flood and Coastal Committee; Midlands Highway Alliance.

An early priority will be to establish strong regional connections with existing bodies and also nearby elected mayors and combined county authorities – East Midlands Combined County Authority and Greater Lincolnshire Combined County Authority.

There will be opportunities to draw from the experiences of nearby combined county authorities in terms of their establishment and ongoing transformation.

### **Timelines that work for both LGR and devolution**

The current timeframes outlined by Government for LGR would see shadow elections in May 2027 followed by the new authorities commencing on 1 April 2028.

Whilst we await the next stage of devolution and an invitation from Government to make proposals, work will continue to consider the opportunities outlined in the Bill and the structure and approach an MSA could take for LLR. We are very confident that development work to establish an MSA can be carried out at pace and in parallel with the LGR timetable to deliver the city council's preferred LGR option.

Unlike other areas that have seen devolution first and are now considering LGR, this area has the distinct advantage of being able to plan both together to ensure, from inception, full integration/alignment of relevant strategic functions between the new unitary councils and the MSA.

The simplicity and balance, in terms of population, size and governance, offered by the city council's preferred option will assist greatly in enabling the development and implementation of both LGR and devolution at pace and to timetable.

## **Supporting devolution – key points**

- All proposed LGR options support the establishment of a mayoral strategic authority (MSA) which would align with other public sector providers such as the ICB, PCC and fire service.
- City boundary expansion (option 1) delivers a sensible and most balanced population ratio for two unitary councils within the MSA, where both achieve the Government target of 500,000+ population.
- Option 1 and 2 deliver the simplest governance arrangement with only two unitary councils of broadly similar sizes operating with the MSA, thereby making for more balance representation and simpler and more effective decision making to unlock economic growth for LLR.
- Option 1 provides the most coherent and effective arrangement for new unitary councils to work closely with an MSA. The proposal for city boundary expansion recognises the geographical differences between predominantly urban and rural areas which will allow better strategic and operational focus to unlock and accelerate growth.
- LGR and devolution can be delivered to the same Government timeline.

## 3.7 Enabling stronger community engagement (criteria 6)

### Government LGR criteria

New unitary structures should enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment.

- Proposals will need to explain plans to make sure that communities are engaged.
- Where there are already arrangements in place it should be explained how these will enable strong community engagement.

### Additional guidance:

Include early views as to the councillor numbers that will ensure both effective democratic representation for all parts of the area ...in line with the Local Government Boundary Commission for England guidance. Indicate how governance, participation and local voice will be addressed to strengthen local engagement, and democratic decision-making. Also set out plans for neighbourhood-based governance, the impact on parish councils, and the role of formal neighbourhood partnerships and area committees.

### 3.7.1 English devolution proposals

#### Current governance in LLR

Leicester City Council is a single tier unitary council delivering all local authority services. It has an elected City Mayor, supported by an executive team of deputy and assistant city mayors.

Rutland County Council is also a single tier unitary council delivering all local authority services, albeit on a much smaller scale than the city council. It has a leader and cabinet model of governance.

The county council and district/borough councils provide two tier local government. With the exception of Oadby and Wigston, which has a committee decision making system, each has a leader and cabinet model of governance.

Each council has its own democratic services function organising council meetings, scrutiny arrangements and elections. They also have their own regulatory member committees, including planning and licensing, and all will have member working groups – for example, to steer preparation of their local plans.

Currently there is no combined authority for the area, although there are a number of sub-regional governance bodies that cover different geographies. These include bodies providing public services across the whole of Leicester, Leicestershire and Rutland, such as the LLR Integrated Care Board, Leicestershire Police and the Leicestershire Fire and Rescue Service.

Complex partnership arrangements operate across the LLR area and it is thought there are well over 100 partnership arrangements across different geographies, drawing together various representatives from multiple local councils.

Partnerships include, for example, the Leicester and Leicestershire Strategic Growth Partnership comprising ten councils (city, county and districts/boroughs), guided by a Members Advisory Group, the LLR Health and Wellbeing Partnership (city, county and Rutland councils, NHS and charities) and the LLR Safeguarding Children Partnership (representing the three upper tier local authorities). The Leicester and Leicestershire Business and Skills Partnership (successor body to the Leicester and Leicestershire Enterprise Partnership) represents the constituent local authorities and business and voluntary sector interests. Community safety partnerships have been established for each council area by the police and local authorities.

Parish and town councils operate across Leicestershire and Rutland. Some on the edge of the city council boundary would be affected by the city expansion proposals.

### **Governance proposals following reorganisation**

The structure of governance for new unitary arrangements across Leicester, Leicestershire and Rutland should consider how the councils will engage with their communities, neighbourhoods and partners, but equally how the councils will work with a proposed mayoral strategic authority (MSA) to unlock economic growth.

The MSA would provide strategic level governance through an elected mayor and executive team, with responsibility for matters such as planning and transport, as set out in set out in the English Devolution and Community Empowerment Bill. An options appraisal for how LGR can support devolution is provided in Section 3.6.

Government is seeking to simplify governance for new unitary councils such that they would all operate with a leader and cabinet model in accordance with Part 1A of the Local Government Act 2000 (LGA) and proposals set out in the English Devolution and Community Empowerment Bill. This would remove potential confusion between elected mayors operating at unitary council and MSA level.

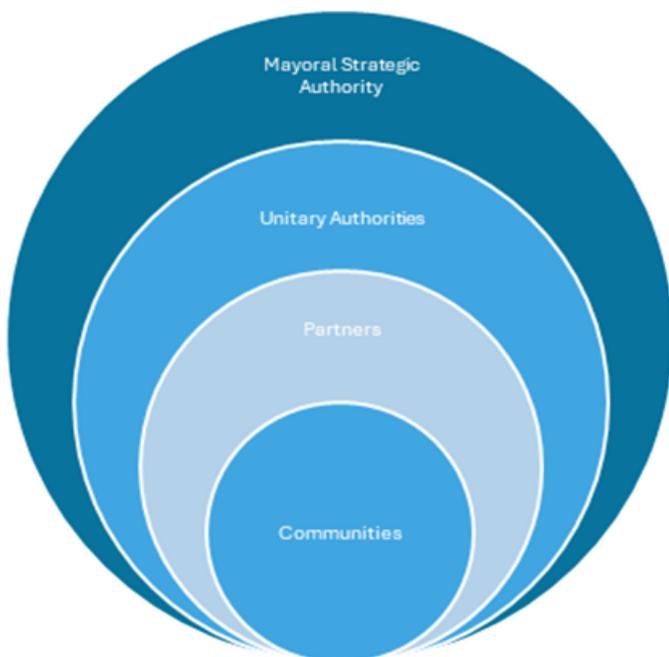
Each of the LGR options being considered would feature common governance approaches with a devolved mayoral strategic authority, unitary councils with cabinet and leader model, and strengthened neighbourhood level governance.

The detail of each of these levels of governance will be subject to review during the transition process set out in Section 5, and also as part of devolution processes.

For unitary councils this would included detailed consideration of executive member/portfolio leader roles, arrangements for scrutiny and regulatory committees (such as planning and licensing) and schemes of delegation.

At neighbourhood level, proposals in the English Devolution and Community Empowerment Bill introduce a requirement on all local authorities in England to establish effective neighbourhood governance.

Our intention would be to evolve the city council's existing model of ward community meetings into neighbourhood area committees. This will be subject to further regulations and/or guidance issued by Government.



### Neighbourhood area committees: benefits

- Communities have a stronger voice in local decisions.
- Residents can raise the issues that matter most to them.
- Ward councillors can drive forward the priorities of their communities.
- The council can properly engage with and seek the active participation of all residents and community organisations on any topic of local interest.
- Committees can work with local partners and stakeholders to ensure services are joined up and operating effectively in line with the needs of local communities.

A neighbourhood governance review will be carried out during the LGR transition phase (see Section 5) to consider the specific form of representation from local stakeholders, parish councils and other partners across the public, private and voluntary sectors. It will also consider the operation and focus for neighbourhood governance to ensure that local people and organisations have a strong voice feeding into the new unitary authorities.

Work is already underway across LLR to develop a neighbourhood model of care that will consider care and health related issues at a neighbourhood level and what structures and governance may be most effective. A case study is provided in Section 4.3. This will be taken into account through the neighbourhood governance review.

### Parish councils

A stakeholder session was attended by over 40 representatives from parishes potentially affected by the proposed city boundary expansion proposal. Together we discussed a number of key issues concerning the impact of the boundary proposal and how this might affect parishes during the transition phase and post-LGR.

We gave reassurance that, under city council proposals, parish council bodies would remain. Furthermore, the proposals set out in this section for a review of neighbourhood level governance would consider the participation of parish councils and other stakeholders in any local committee structures.



In order to set a sensible boundary under the city expansion proposal, we have carefully considered a number of factors, including future city growth potential, minimising any impact on parish villages and their populations and the use of firm physical boundaries (see Section 3.2).

Six parishes would be split by the proposed expanded city boundary. These are shown on plans in Appendix 3: Dunton Bassett, Ashby Magna, Gaulby, Kings Norton, Houghton on the Hill and Rothley. In each case the vast majority of the parish population would lie outside the proposed city boundary with a small number of people falling within the proposed boundary. This varies from 0 to 37 people in any one parish.

In respect of Rothley Parish, it is understood that Charnwood Borough Council is progressing a parish boundary change to recognise the area of the new Broadnook development. This would bring part of Rothley Parish into a new parish for Broadnook. It's understood the changes proposed by Charnwood would align with the proposed expanded city boundary in this area.

As part of the LGR process to establish new unitary authorities, the Secretary of State has powers, under the Local Government and Public Involvement in Health Act 2007, to make changes to parish boundaries, either leaving areas unparished or joining areas to other parishes.

As set out in Section 5 there would be ongoing engagement with parish councils through the transition phase of LGR.

### **Continuation of ceremonial rights**

The Government has indicated that "...there is no intention that the priorities set out in the English Devolution White Paper will impact on the ceremonial counties or the important roles that Lord Lieutenants and High Sheriffs play as the Monarch's representatives in those counties, and ceremonial counties will be retained. Where local government reorganisation might affect ceremonial privileges, we will work with local leaders to ensure that areas retain their ceremonial rights and privileges".

### **Councillor numbers**

Guidance provided by Government and briefing sessions with the Local Government Boundary Commission for England (LGBCE) indicate that, proposals at this stage of the process should give an initial view on councillor numbers. A strong case is required for councillor numbers under 33 and over 99, for any unitary council.



Currently, the total number of councillors for the LLR area (city, county, districts and Rutland) is 384 (excluding parishes).

All LGR options under consideration in this submission would deliver significant cost savings by reducing councillor numbers and associated member expenses. Financial modelling is set out in Section 3.3 and Appendix 4.

We considered a range of scenarios for potential councillor numbers for the council's preferred option. These have been tested against the LGBCE guidance for determining councillor numbers: governance and decision making, accountability and scrutiny, and representation. Comparators have been identified from urban unitary local authorities with extended boundaries. We have estimated committee positions and compared with the existing ratio of members to committee positions.

The following scenarios have been tested for the proposed expanded city area:

**63 councillors** would give an elector-to-councillor ratio of around 7,200:1, aligning with the current ratio at Birmingham City Council, for example. The average committee workload would be 2.3 seats per councillor, heavier than today's level. This option would leave Leicester with a higher ratio of electors per councillor than comparable urban unitary councils, and the increased committee load could reduce capacity for community representation. However, with opportunities to improve member casework systems and other increased officer support, 63 might represent the lower range of viability.

**71 councillors** would reduce the elector-to-councillor ratio to 5,630:1, comparable to Leeds City Council, for example. The committee workload ratio would remain close to the current level at 2.1 seats per councillor. This option balances efficient governance with sustainable scrutiny arrangements and a reasonable level of representation. This option represents a balanced and credible number of councillors.

**88 councillors** would produce an elector-to-councillor ratio of 4,670:1, almost identical to the current Leicester figure of 4,631:1. Committee workload would fall to 1.7 seats per councillor, easing pressure on individual members and allowing greater scope for specialisation in scrutiny and regulatory functions. This scenario provides the strongest representational capacity, which is particularly significant given Leicester's rapid population growth, high levels of deprivation and diverse communities, which translate into more intensive casework, greater member involvement in community liaison, and higher demands for accessible local representation. As such, maintaining a lower elector-to-councillor ratio than more affluent or demographically homogenous areas is justified to ensure that councillors can sustain effective engagement and scrutiny across diverse and high-need communities.

The options for 71 or 88 councillors for an expanded city area provide a stronger balance between governance, scrutiny, and representation. Of these, 71 councillors would maintain today's workload ratio while offering credibility with comparators, whereas 88 councillors would maintain Leicester's current representational balance and provide additional resilience for scrutiny and partnership work.



With regard to a second unitary council outside the expanded city, electorate ratios should reflect the geographic and demographic diversity across Leicestershire and Rutland. These areas combine dispersed rural settlements alongside growing market towns and commuter communities, each with differing service needs and local identities. Rural distance and variation in accessibility increase the demand on councillors for community presence and casework, particularly in wards where public transport and digital connectivity are limited, as well as an older age profile.

It is estimated a councillor range of between 70 and 82 for the proposed second unitary would help to ensure local accountability across dispersed populations, and balance efficiency with democratic reach. This would give each county councillor an electorate ratio of between 4,750:1 and 4,000:1 which we believe would be an appropriate level to address the requirements of the second unitary area and deliver strong local representation in the area. This is similar to the neighbouring West Northamptonshire Council (Local Government Boundary Commission for England final report recommended a ratio of 3,936:1 in 2021 rising to 4283:1 in 2028), which has a similar demographic profile to Leicestershire (age, ethnic background, and town, hinterland and rural profile).

Looking across LLR as a whole, our preferred two unitary council proposal suggests an estimated total of between 141 to 170 councillors, broadly balanced between the two preferred unitary councils.

Notwithstanding the substantial reduction of councillors, and with an eye to Government advice and comparator areas, we believe that councillor numbers within the range outlined above would allow the community to be properly represented and enable the councils to discharge their functions and responsibilities effectively.

For shadow elections in 2027, electoral boundaries for unitary authorities under the councils preferred LGR proposal for LLR can be considered based on a combination of existing city wards and county divisions with any necessary adjustments required. Following elections to the new councils the Local Government Boundary for England would conduct a more detailed review to set future electoral boundaries.

## Stronger community engagement – key points

- All LGR options being promoted include the establishment, through devolution, of a mayoral strategic authority for LLR.
- Unitary councils would operate with a leader and cabinet form of governance.
- The city council is committed to put in place strong and effective local governance. Following Government advice this would be through Neighbourhood Area Committees. A neighbourhood governance review would consider the best form of representation from local stakeholders.
- Parish council bodies would remain as they are with only very minor changes to achieve sensible new city boundaries.
- For the council's preferred option, as a guide and basis for further detailed work, the aim would be to ensure balanced representation and workload with between 71 and 88 councillors for an expanded city and between 70 and 82 for the second unitary authority, providing balance across the LLR area.

### 3.8 Summary of options appraisal

This section summarises sections 3.2 to 3.7, appraising of each of the four LGR options against Government criteria and showing comparative outcomes.

LGR options for Leicester, Leicestershire and Rutland			
Option 1	Option 2	Option 3	Option 4
<b>City boundary expansion</b>	<b>City with three districts</b>	<b>City/county &amp; Rutland</b>	<b>City/North/South</b>
<b>Unitary 1</b> City with bespoke boundary expansion	<b>Unitary 1</b> Existing city, Oadby & Wigston, Harborough and Blaby	<b>Unitary 1</b> Existing city	<b>Unitary 1</b> Existing city
<b>Unitary 2</b> Part Leicestershire county and Rutland	<b>Unitary 2</b> Hinckley & Bosworth, Charnwood, Melton, North West Leicestershire and Rutland	<b>Unitary 2</b> Leicestershire county and Rutland	<b>Unitary 2</b> North West Leicestershire, Charnwood, Melton and Rutland
			<b>Unitary 3</b> Oadby & Wigston, Harborough, Blaby, Hinckley & Bosworth

A colour RAG rating is given for each of the six criteria for each option.

Each option is RAG rated as follows:

-  Does not meet (R): does not meet criteria nor perform well
-  Partially meets (A): some positive aspects
-  Meets (G): meets criteria/performs strongly

Summary of options appraisal and outcomes		Option			
Government headline LGR criteria		1	2	3	4
<p>1. A proposal should seek to achieve for the whole of the area concerned the establishment of a single tier of local government.</p>	<p>All LGR options achieve a single tier of local government for LLR.</p> <p>The city expansion proposal (Option 1) achieves the most positive outcomes:</p> <ul style="list-style-type: none"> <li>establishes two unitary councils based on coherent geography that would deliver a strong focus on urban and rural areas and their respective challenges and issues, resulting in better outcomes for the LLR area as a whole</li> <li>recognises the true physical extent of the built-up area of the city, which is also defined by the way people travel and use facilities</li> <li>creates the most sensible economic areas with the most balanced unitary councils in terms of population, deprivation levels, development opportunities and financial cost/benefit outcomes (see criteria 3)</li> <li>by better balancing development opportunities and simplifying local planning arrangements it supports long-term city expansion to increase supply of housing and employment land to meet local needs.</li> </ul> <p>Option 2 achieves many of the positive outcomes above but falls short of option 1. It would not establish a sensible and coherent geography as it does not include the whole built-up area of the city. Neither does it recognise distinct urban and rural areas and the way people live their daily lives.</p> <p>Options 3 and 4 achieve the poorer outcomes as they do not result in balanced economic areas or a sensible geography. They retain the current city boundary, do not support land for future city housing and employment, and they ignore the true urban-rural distinction and how people live their daily lives.</p>	G	A	R	R

Summary of options appraisal and outcomes		Option			
Government headline LGR criteria		1	2	3	4
2. Unitary local government must be the right size to achieve efficiencies, improve capacity and withstand financial shocks.	<p>The two strongest options that deliver the most significant improvement to local government finances across LLR are Option 1 and Option 2. These options:</p> <ul style="list-style-type: none"> <li>• are the only ones where all unitary councils meet the Government's 500,000+ population guide, with Option 1 delivering the most balanced populations</li> <li>• deliver the highest savings combined with the most balanced budget gap, tax base, cost per head of population and financial resources, compared with options 3 and 4</li> <li>• have higher transitional costs, due to disaggregation, than options 3 and 4 but, given the high savings available, can pay back within a short period of under two years</li> <li>• unlike options 3 and 4, would significantly improve financial equity over the whole LLR area – inclusion of the city council area in LGR would provide more scope for potential efficiencies and therefore shared savings available</li> <li>• would put local government across LLR on the optimum path to financial sustainability, where the unitary authorities are the right size to achieve efficiencies, improve capacity and withstand financial shocks.</li> </ul>	G	G	R	R

Summary of options appraisal and outcomes		Option			
Government headline LGR criteria		1	2	3	4
3. Unitary structures must prioritise the delivery of high quality and sustainable public services to citizens.	<p>Option 1 is the strongest in terms of delivery of high quality and sustainable public services, because there is greater potential for transformation and reform:</p> <ul style="list-style-type: none"> <li>removes the fragmentation of services across LLR councils and better aligns service delivery within two coherent urban and rural focused unitary councils. These will be more efficient, effective and easily understood by people</li> <li>removes the fragmentation of services across the wider urban area and enables a strong joined-up 'one city' focus on challenges and opportunities for public service reform</li> <li>crucial services such as social care, children's services, SEND and homelessness will be most effectively delivered by expanding the city boundary, enabling a stronger focus on common challenges and reform opportunities within a coherent urban and rural context.</li> </ul> <p>Option 2 allows greater service efficiency through scale of operation, but lacks a coherent geography and only partly removes fragmentation of service delivery across the built-up area.</p> <p>Options 3 and 4 retain, at differing levels, fragmentation and therefore more complex service delivery across the urban area.</p> <p>Whilst Option 3 in particular has short-term benefits, as there is less disruption through disaggregation of services, Option 1 delivers the best longer-term sustainable outcomes for efficient service delivery, cost and best value.</p>	G	A	R	R

Summary of options appraisal and outcomes		Option			
Government headline LGR criteria		1	2	3	4
4. 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.	<p>Despite initial support from upper tier authorities, Leicester City Council has been unable to secure support from others for a single proposal involving a sensible extension of the city boundary.</p> <p>All councils have conducted meaningful engagement with the public, therefore all options are rated green.</p> <p>During engagement with the city council, stakeholders generally considered the council's preferred proposal for city expansion (option 1) to be sensible for the long-term future of the city and the wider LLR area. Option 2 shares many of these benefits as it removes the current city boundary constraint, unlike options 3 and 4.</p> <p>Public engagement has confirmed that there is opposition to the council's preferred option from people living in the proposed city expansion area. Many parish councillors operating in this area echoed that view.</p> <p>Nevertheless, an overwhelming majority of people surveyed believed that councils should reflect how people live, work and travel across an area and that councils should represent rural or urban areas that share common issues. Option 1, unlike other options, proposes a coherent arrangement of two unitary councils to represent these distinct areas.</p> <p>A significant number of survey respondents were unsure which council to contact for a service or issue – reflecting the current complex arrangement of councils, particularly across the wider built-up area. Option 1 would remove this complexity, particularly for service users across the urban area.</p> <p>Unlike option 1, all other options would retain multiple council responsibility across parts of the urban area – option 4 would be most complex, with options 3 and 2 having decreasing levels of complexity.</p>	G	G	G	G

Summary of options appraisal and outcomes		Option			
Government headline LGR criteria		1	2	3	4
5. New unitary structures must support devolution arrangements.	<p>All proposed LGR options support the establishment of a mayoral strategic authority (MSA) which would align with other public sector providers such as ICB, PCC and the fire service.</p> <p>Options 1 and 2 deliver the most balanced population ratio for two unitary councils within the MSA, where both achieve the Government target of 500,000+ population.</p> <p>Option 1 and 2 deliver the simplest governance arrangement with only two unitary councils of broadly similar sizes operating with the MSA, thereby delivering balanced representation and making for simpler and more effective decision making to unlock economic growth for LLR.</p> <p>Option 1 provides the most coherent and effective arrangement for new unitary councils to work closely with an MSA. The proposal to expand the city boundary recognises the geographical differences between predominantly urban and rural areas, which will allow better strategic and operational public service alignment to unlock and accelerate growth.</p> <p>LGR and devolution can be delivered to the same Government timeline.</p>	G	G	G	G

Summary of options appraisal and outcomes		Option			
Government headline LGR criteria		1	2	3	4
6. New unitary structures should enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment.	<p>Under all options unitary councils would operate with a leader and cabinet form of governance.</p> <p>Leicester City Council is committed to put in place strong and effective local governance. Following Government advice this could be through Neighbourhood Area Committees. A neighbourhood governance review would consider the best form of representation from local stakeholders.</p> <p>Parish councils would remain largely as they are, with only very minor changes to achieve sensible new city boundaries.</p> <p>The proposed neighbourhood governance arrangements noted above could be applied to all options. However all options, except Option 1, would retain the current fragmented responsibility across the urban area. This has the potential to split natural neighbourhood areas and undermine sensible local governance structures.</p> <p>Under the council's preferred Option 1, as a guide and basis for further detailed work, the aim would be to ensure balanced representation and workload with between 71 and 88 councillors for an expanded city and between 70 and 82 for the second unitary authority.</p>	G	A	A	A

## Conclusions

In terms of performance against the Government criteria and delivery of associated outcomes:

- **Option 1 performs the best against Government criteria and offers a strong geographical, public service and financial justification for city boundary change. This option is therefore the council's preferred proposal.**
- **Option 2 has substantial strengths over options 3 and 4 but does not perform as well across all Government criteria as Option 1. This option can provide a sound and compliant 'base proposal' as set out in Section 4.**
- **Options 3 and 4 do not perform well against the Government's criteria and as such should not be considered by Government as sustainable and credible LGR propositions.**

## 4.0 The council's base and preferred proposals

### 4.1 Approach to boundary change

Both the invitation from Government to submit LGR proposals and subsequent MHCLG advice confirmed that proposals preferably should be formed using whole districts as building blocks. It also stated that authorities may request detailed boundary change.

Where boundary change is sought, this must be presented as a "base proposal" comprising whole districts, with a request for the Secretary of State to make modifications to achieve the preferred proposal, supported by strong justifications in terms of public service and financial sustainability.

This section outlines the approach being taken by the council, setting out the base proposal and preferred proposal, and why the latter delivers better outcomes.

We have included case studies to illustrate the benefits of the preferred proposal for the whole LLR area.

### 4.2 Base proposal – option 2

#### 4.2.1 Compliance statement

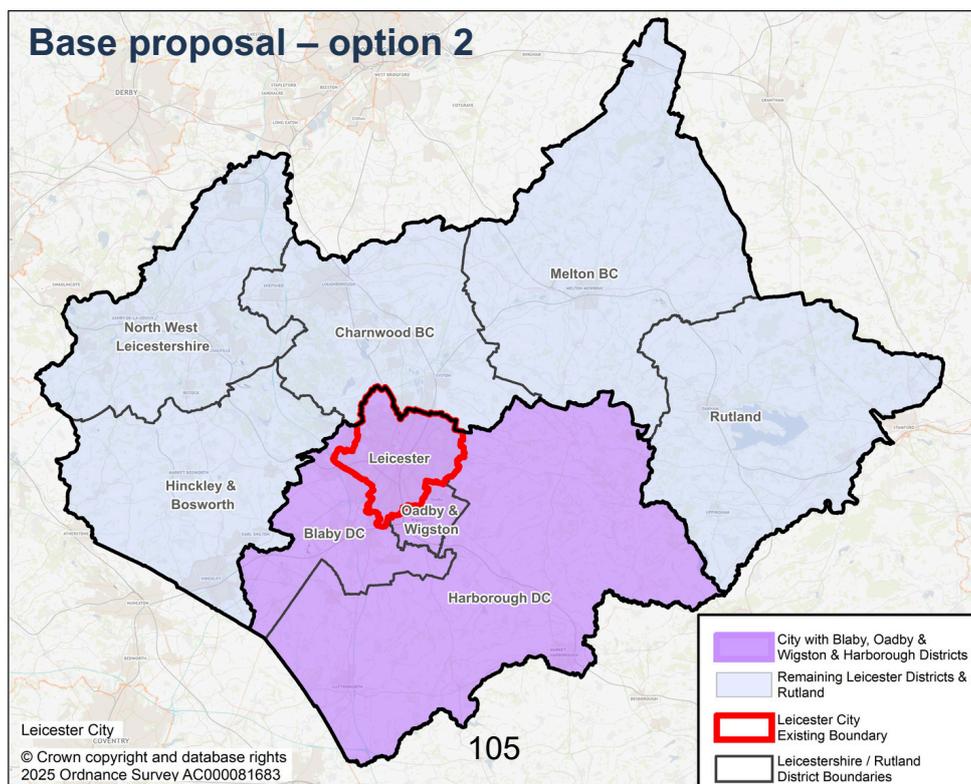
This section sets out Leicester City Council's base proposal which it is formally submitting to Government as a compliant proposal using whole districts. It is prepared in accordance with Part 1 of the Local Government and Public Involvement in Health Act 2007 and the February 2025 Government invitation to the LLR area to submit LGR proposals.

#### 4.2.2 Description of base proposal

Option 2 described below and shown on the plan is the base proposal for the purposes of this submission and comprises two proposed unitary councils:

**Unitary 1** – the existing city council area with Harborough, Oadby and Wigston, and Blaby.

**Unitary 2** - Hinckley and Bosworth, North West Leicestershire, Charnwood, Melton and Rutland.



### 4.2.3 Summary of option appraisal for 'base proposal'

Section 3 provides a full appraisal of all options against Government criteria, summarised in Section 3.8.

The options appraisal shows that the council's base proposal (option 2) significantly outperforms options 3 and 4 against Government criteria and guidance.

In summary, option 2 provides a good and compliant base proposal as it:

- recognises that the city has outgrown its boundaries and that significant parts of these built-up areas are contained within the three adjoining districts to the south
- provides substantial areas for future housing and employment land, particularly within Harborough and Blaby districts
- comprises both unitary authorities above the Government's 500,000+ population guide
- delivers year 4 savings that are similar to the highest savings achieved by option 1, providing good potential to share enhanced efficiencies across LLR
- delivers a more equitable financial outcome for the proposed two unitary councils, with a narrowed budget gap, good balance in terms of cost of services per head and the most balanced tax base of all options
- has higher transitional costs, due to disaggregation, than options 3 and 4 but, given the high savings available, can pay back within two years
- brings most of the urban area and suburbs (excluding parts of Charnwood) under one council, delivering more efficient and effective services than options which retain the current city boundary

- supports and delivers governance benefits, including a devolved mayoral strategic authority to help unlock economic growth and neighbourhood level committees to support close community engagement.

## 4.3 Preferred proposal – option 1

### 4.3.1 Formal request for modification by the Secretary of State

The council's preferred proposal, option 1, has significant advantages over the base proposal and better meets the Government criteria and guidance.

We formally request that the Secretary of State use their available powers of modification, applied to the base proposal, to make the changes required to effect the council's preferred proposal.

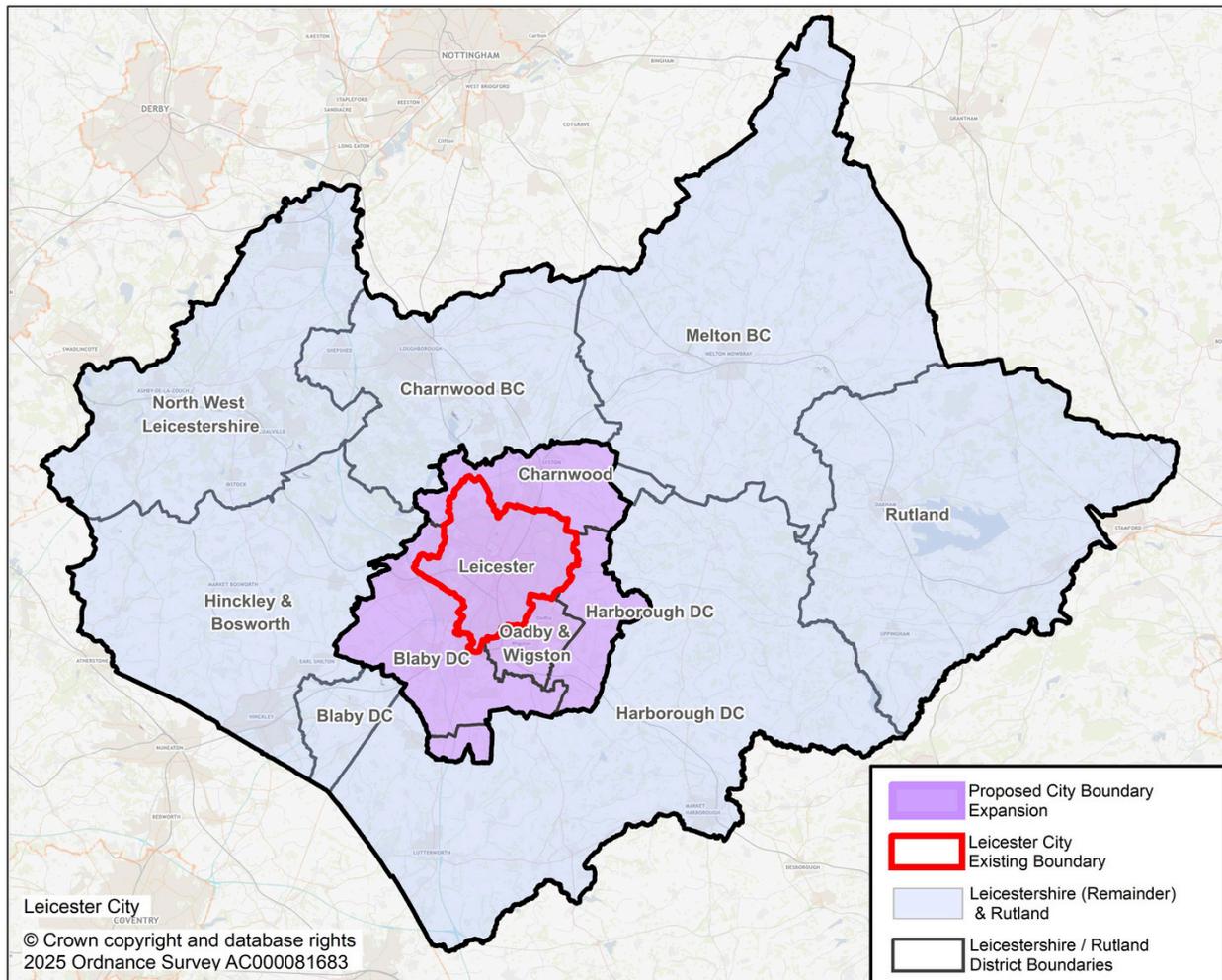
The council further requests that Government consults on this preferred proposal.



### 4.3.2 Description of preferred proposal

Option 1, shown on the map, is the preferred proposal for the purposes of this submission and comprises two unitary councils as follows:

- Unitary 1 – an expanded city council area including Oadby and Wigston, and parts of Charnwood, Harborough, and Blaby districts.
- Unitary 2 – Hinckley and Bosworth, North West Leicestershire and Melton districts, Rutland County and those parts of Charnwood, Harborough, and Blaby districts not included in the city expansion area.



A detailed boundary plan is included in Appendix 3 and can be found at:

<https://www.leicester.gov.uk/media/paehtdwh/local-government-reorganisation-detailed-option-1-map.pdf>

### 4.3.3 Summary of option appraisal against Government criteria

Section 3 provides a full appraisal of all options against Government criteria and this is summarised in Section 3.8.

The options appraisal shows that the council's preferred proposal provides a strong justification for city boundary change and performs better than the base proposal when considered against Government criteria and delivery of outcomes.

In summary the council's preferred proposal is better than the base proposal as it:

- fully resolves the longstanding constrained and illogical city boundary: unlike option 2 it also includes parts of Charnwood that naturally form part of the built-up area of the city and its suburbs, for example Birstall, Syston and Anstey
- comprises a more sensible geography than option 2, with two coherent unitary councils that people will understand: firstly the urban area, and secondly for rural areas with market towns. Option 2 does not achieve this because it includes rural parts of Harborough and Blaby that are markedly different in character from the city and its suburbs
- reflects the way people travel, use facilities and live their lives across this area. Option 2 includes large tracts of countryside in Harborough and Blaby that extend well beyond this natural travel catchment
- people living in the rural parts of Harborough – for example significant settlements such as Market Harborough and Lutterworth – are not closely connected to the city due to their remoteness
- provides a good balance of development opportunities across LLR, and land within an expanded city to meet future housing and employment needs
- ensures both unitary councils exceed the Government's 500,000+ population guide and they are better balanced than option 2
- provides the highest savings at year 4 of £46m, offering the best potential to share enhanced efficiencies across LLR
- delivers an equitable financial outcome for the proposed two unitary councils with the best combination of a narrowed budget gap, good balance in terms of cost of services per head and a balanced tax base
- has higher transitional costs, due to disaggregation, than options 3 and 4 but, given the high savings available, like option 2, can pay back within 2 years
- creates two sensible urban and rural focused unitary areas within which services such as public transport, planning, highways maintenance and social care, can be delivered in a more joined up, and efficient manner. Option 2 would not achieve this as public services for the two councils would continue to operate over both urban and extensive rural areas, adding to complexity, inefficiency and cost
- supports strong governance benefits including a devolved mayoral strategic authority to help unlock economic growth and neighbourhood level committees to support close community engagement with partners. Better alignment of councils with urban and rural areas would help with more focussed strategic engagement with an MSA.

#### **4.3.4 Delivering benefits for people across LLR**

This section sets out some examples, with case studies, of the positive difference people across LLR can expect to see through the council's preferred proposal.

##### **High quality service delivery focussed on the different needs of people living within the urban and rural unitary councils**

City areas and rural areas face different challenges and their needs require tailored approaches to service delivery. This was recognised in our public survey where 82% agreed that councils should represent areas that share common issues.

The proposed unitary councils and their staff would be able to refocus and concentrate on addressing these different issues, improving service delivery across the region.

##### **Transport**

In public transport and highway maintenance, urban and rural areas present quite different challenges. The case study in Section 3.2.4 shows how highway infrastructure can be better delivered and joined up across the whole urban area. For example, cycleways and highway maintenance should be provided along whole road corridors to the edge of the urban area, to serve all residents.

They should not stop part way due to administrative boundaries and different council attitudes to sustainable transport.

Rural bus services have to serve very specific needs and should be designed to support residents in less densely populated villages and market towns. Conversely, urban bus services respond to the needs of more densely populated areas reflected in the city travel catchment shown in Section 3.2.

Currently the city and county council's separate bus operations and their two bus operator enhanced partnerships make no sense – they arbitrarily split urban and rural bus catchments. Unifying these to their respective urban and rural geographies will help unlock more effective partnership working and better bus services across the whole of LLR. This can build on the exemplar status of the city council's enhanced partnership work, as illustrated in the case study below.

## Case study: High quality public transport

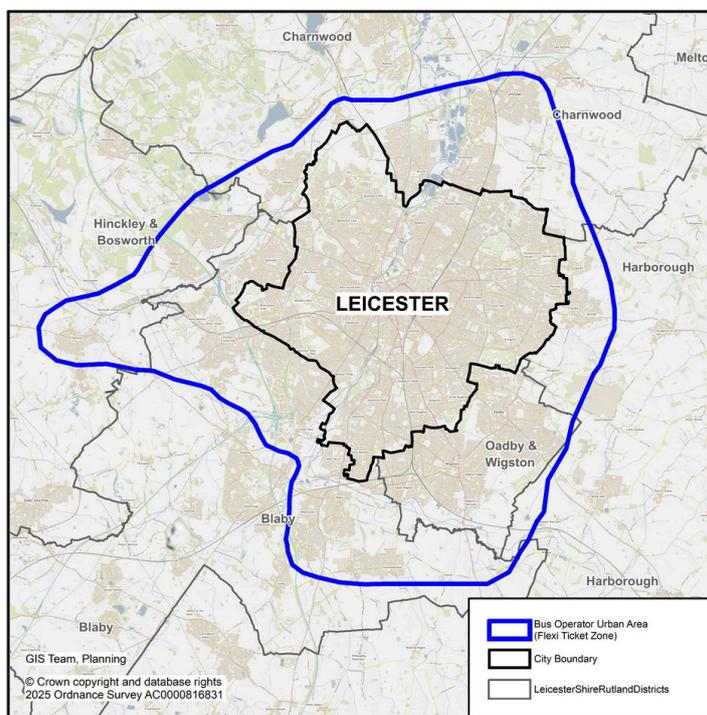
Leicester City Council has worked closely with local bus operators to establish one of the most advanced enhanced partnership (EP) arrangements in the country. This has overseen conversion of most city buses to electric, extensive bus priority measures to deliver more reliable services, new bus stations and stops, and best-in-class fare capping, leading to best value tickets.

Bus services do not recognise council boundaries and the natural commercial operating area, largely defined by the flexi-ticket zone, spans the whole built-up area of the city and its suburbs.



At the moment this is split between two EPs for the city and county council areas, which has inevitably led to disjointed planning and investment by the operators and councils.

The council's preferred LGR proposal for an extended city boundary would establish an urban unitary council focused on joined-up service planning and investment across a coherent commercial bus operating catchment. A second unitary would focus on services for rural areas and market towns. Proposed devolution to a mayoral strategic authority would provide strategic planning and, where required, integration across the whole LLR area.



The flooding case study in Section 2.1 shows how the council has to take into account wider water catchment areas just outside the current city boundary when it considers mitigation measures to reduce flooding within the city. The proposed council arrangements would bring these areas within the scope of an expanded city unitary council, allowing more effective strategic flooding planning and scheme delivery.

### **Simpler, joined-up and better value public services**

The current city council boundary is illogical, splitting streets and communities. As a result service delivery is inefficient in terms of the way these services are able to operate and their cost.

A good example is shown in the case study on waste collections in Section 3.2. Joining up waste collections within the proposed urban and rural unitary council areas would increase scale and buying power, allowing reinvestment in better quality services for local people. It would also remove the current confusing and complex arrangements for collection found within individual streets and neighbourhoods across the wider urban area.

Neighbourhood services such as libraries, sports and leisure facilities would also be better joined up, particularly across the denser urban area where demand from residents is the highest.

We know from evidence of people's travel behaviour in Section 3.2.3 that people come from outside the current city boundary to use city leisure services, but do not contribute taxes towards their upkeep. The two case studies below illustrate how exemplar city library and sports services can be more efficiently delivered to serve residents across the whole urban area, providing better access for all and ensuring residents across this area are contributing taxes to sustain facilities they use.



## Case study: Active Leicester

Leicester's sport and leisure offer plays a vital role in improving residents' health and well-being. The in-house model – Active Leicester – provides a consistent, accessible, and community-centred approach, serving tens of thousands of residents who use the city's leisure centres every week.



### The problem

Many residents living just beyond the current city boundaries but within the wider urban area regularly use city leisure centres. 30% of active leisure members are non-city residents. Each neighbouring district has different pricing, management, and investment models for its sports and leisure services. This duplication can create confusion for residents, inefficiencies in provision, and inconsistent health outcomes. Additionally, the city suffers a severe shortage of outdoor space to develop cricket, so exports its demand just outside the city boundary, limiting growth and opportunities for people to be active, particularly in women's and junior cricket. The inconsistent health outcomes created by this patchwork of services can restrict collaboration and prevent a coherent, city-wide approach to tackling inactivity and health inequalities.

### The solution

The LGR proposal to create an expanded unitary authority has potential to deploy a single, in-house model and implement an Active Wellbeing System (AWS) across the natural built-up urban area. The extended city boundaries would bring further green spaces and playing pitches under the city council's direct control, resolving the fragmentation that currently limits planning for new facilities. This unified structure will enhance the development of an AWS, an integrated model that moves beyond traditional leisure delivery to adopt a place-based and preventative approach.

### The benefits

LGR will strengthen the city's capacity to plan, fund and deliver an integrated sport, health, and well-being system, supporting our goal of "Turning the Tide on Inactivity". An improved AWS will provide suitable conditions to enable residents to become more active, targeting those that need the most support, thereby tackling inequalities in participation and addressing wider health inequalities. This reorganisation allows Active Leicester to lead in supporting healthier lifestyles for every "city" resident, helping embed physical activity into everyday life, supporting prevention and reducing demand on reactive services.

## Case study: Neighbourhoods and libraries

Residents living in Leicestershire, but within the wider urban built-up area of the city, lack a central library resource and rely on Leicester central library for access to a broad range and depth of book stock. There is also a disparity between the model of direct council delivery of library services in the city, and a mixed model of direct and community managed libraries in the county.



### **The problem – two separate library services**

Analysis of the city library service undertaken in 2023 showed that around 10% of people using the service live outside the city, with the majority of those living in postcodes in the proposed city expansion area. Many residents living outside the council boundary visit the city for work, study or pleasure and rely on the city library service for access to specific books and reading events. Currently this is an entirely separate service to their local library service, requiring duplicated systems and support services, two separate library cards and accounts. Community libraries in the proposed expansion area do not have access to the city/central library catalogue and ordering service, necessitating a trip to a city library to collect books.

### **The solution – one service across the whole urban footprint**

A single library service delivered across the whole built-up footprint would simplify access to services for those outside the current city boundary. The two services operate different delivery models, as a number of libraries in the county are community managed. The city already supports community run centres, and can scale up to support additional community-managed facilities.

### **The benefit – ease of access**

Books and resources would be more easily available across the area. Residents would benefit from one library card and account and a collection of specialist books from their local library, without the need to drive to the Central Library or other city library. There are also financial benefits from a unified library service across the urban footprint.

### Clarity over who runs services

With ten councils operating across LLR and seven of these operating services across the city urban area and its suburbs, it is no wonder people are confused as to who runs and delivers their services.

As the council's public survey confirmed in Section 3.5, significant numbers of people are unsure which councils currently deliver their services.

The city council regularly redirects people requesting services to other councils: for example, to clarify who collects their waste (see case study in Section 3.2), offers planning advice, maintains their streets and provides social care.

The council's preferred LGR proposal provides the simplest solution. With just two unitary councils operating within more sensible urban and rural geographies people will be clear that not only is one council delivering all of their services, but that these sensibly relate to the area in which they live.

At the neighbourhood level, new arrangements would better connect the council and its elected councillors to local people and partners. This will strengthen opportunities for people to get involved in the business of the council and service delivery.

The city council is developing its thinking on joined-up neighbourhood health and care models of governance. The case study below illustrates that aligning this to actual neighbourhoods rather than arbitrary administrative boundaries will streamline decisions and enable coordinated public services that are more easily understood and accessible for local people. This model is transferable across the whole of LLR.



## Case study: Joined-up neighbourhood governance for health and care

Leicester City Council has long invested in neighbourhood level governance. Its ward committees are intended as bridges between residents and decision makers, and local health and care partners are beginning to explore rolling out neighbourhood models of care. These initiatives reflect national ambitions, including in the NHS Long Term Plan, for neighbourhoods to deliver joined-up care, and align with the wider LLR vision of strengthening care and engagement at community level.



### **The problem – fragmented responsibilities**

Neighbourhood health models may face challenges when services operate across two different local authority footprints. Communities such as Braunstone are currently split by the city boundary, meaning local plans cut through natural neighbourhoods rather than reflecting how people actually live, work and access care. Primary care practices and community health teams often serve both city and county residents, but adult social care is managed separately by each council. This creates complexity for staff and confusion for families.

Building consistent relationships and joint services becomes harder when accountability and processes differ either side of the boundary.

### **The solution – creating greater clarity through LGR**

Expanding the city boundary, alongside a second rural unitary, would make it easier to align neighbourhood health and care models to genuine neighbourhoods rather than arbitrary administrative lines. For the urban footprint, one authority would oversee all neighbourhood services across urban communities that de facto function as one city. This would streamline decisions, remove duplication, and allow councils, the NHS and voluntary groups to work to the same areas.

### **The benefit – consistent, connected services**

For residents, this would mean simpler, more accessible neighbourhood-based services, where health and care are joined up around sensible communities. Families would no longer face confusion and difficulties navigating support when their community is split between authorities. For staff, one footprint would reduce duplication, strengthen partnerships, and enable neighbourhoods to become the foundation for prevention and well-being, as the NHS Long Term Plan intends.

### **Fairer access, more equitable services**

The current complex split in service responsibility across the urban area results in different service standards and policies, often applied within the same streets and neighbourhoods.

Housing support services are facing extreme pressures in the city due to a shortage of affordable homes. This involves extensive use of temporary accommodation and some B&Bs.

City residents face longer waits and have fewer housing options. Suitable homes just outside the boundary are harder to access, with each authority having its own housing register and homelessness strategy. The case study in Section 3.4.2 shows how housing support can be joined up across the urban area to better match housing demand with available stock, helping to deliver fairer access to those in need.

People across an extended urban area would benefit from a continuous and consistent relationship with one adult social care department.

The case study below shows the potential benefits in terms of commissioning services across the whole urban area for adults with culturally diverse care needs. A new city unitary council could expand existing services, enabling more people to stay in their natural community as well as delivering better care that is integrated with other city services, including primary care, hospitals and community services, providing smoother handovers and less duplication.



## Case study: Culturally responsive residential care

The city has a stronger and more diverse range of adult social care provision than the surrounding county, particularly in meeting cultural needs. Homes such as Asra House and Gokul Vrandavan offer tailored food, multilingual staff and faith facilities, setting a benchmark for culturally responsive care. This means residents just outside the city boundary, albeit in the adjoining urban areas, may face fewer local options and less continuity when entering care.



### **The problem – limited culturally appropriate care**

An older adult living just beyond the current city boundary needs residential care. As there are fewer culturally appropriate care home options in the county, they may need to be placed out of area. This is particularly true in the proposed city expansion areas, where there is a high proportion of South Asian residents.

Being placed out of area can disrupt continuity of care, resulting in less joined-up support between GPs, hospitals and care providers.

Additionally, situations arise where the placing authority retains the majority of legal duties in relation to care and support, whereas the hosting authority is responsible for the safeguarding duties of the Care Act. Work therefore becomes fragmented as staff who are not responsible for the care and support of the individual become involved in safeguarding activities.

### **The solution – expanding access through boundary change**

People in an extended urban area would benefit from having a continuous and consistent relationship with one ASC department. Leicester is experienced in commissioning services for people with culturally diverse needs and would be well placed to expand its services. This would lead to more people being able to stay in their natural community. Their care would also be more integrated with other city services, including primary care, hospitals, and community services, providing smoother handovers and less duplication. The city's experience in providing this specialist provision allows it to take on these urban cases, allowing the county to focus on their respective challenges with rurality.

### **The benefit - choice, continuity, and dignity**

The person needing care would hear consistent communication from professionals, with fewer changes between providers, and greater continuity of care. Most importantly, they may feel more at ease, with their specific requirements being met. For providers, working with one commissioner across the urban footprint would simplify arrangements.

### **Delivering homes and jobs for local people**

Currently planning services are spread across nine councils in LLR. All local plans are at different stages and variable standards and approaches apply to new development proposals and planning applications. Strategic planning has been challenging and it has taken ten years to prepare a Strategic Growth Plan for Leicester and Leicestershire.

The complexity of current council administrative and political arrangements has inevitably held back the pace of delivery of much needed homes and jobs.

The council's preferred proposal would establish the simplest and most effective arrangements to support new development, with just two unitary planning authorities working alongside a mayoral strategic authority, leading on strategic matters.

The case study on the Waterside scheme in Section 3.2 illustrates the effectiveness of having a single council overseeing major development rather than this being split amongst two or more councils.

Expertise that has been developed at the city council to deal with major strategic development sites is not available in the smaller districts and Rutland. Deploying this across the expanded urban area would see more effective and accelerated delivery of new homes, including much needed affordable housing, and employment site development, creating new jobs for local people.

It is also the case that the unitary authority covering rural areas and market towns would be able to focus attention on development in these areas and other freestanding development sites.

Section 3.2.2 shows that the council's proposals would see a much better balance of strategic sites for future development across the two unitary areas, with Leicestershire still retaining a significant majority of these sites.

The establishment of a mayoral strategic authority will also bring new funding and powers to the LLR area to deliver more homes, jobs and better transport infrastructure. This will be delivered more easily with the simple two unitary arrangement.

### **Financial benefits support service delivery**

By excluding the city entirely from LGR, efficiencies would only benefit the county/Rutland area, and not the whole of LLR. The existing financial imbalance would grow and city services would be under even greater pressure, impacting on city residents, many of whom are in greater need.

The council's LGR proposals provides the best pathway to more sustainable long-term finances for local councils that will benefit people across LLR.

The council's proposal is the most sustainable financially, delivering the highest savings (£46m per annum) and with both unitary councils at the right size (500,000+) to deliver the best efficiencies in line with Government guidance. They would also be the most balanced in terms of cost per head, tax base and the resulting budget gaps for the new councils.

Taken together this provides the best opportunity for the new unitary councils to make and recycle efficiency savings to help manage and better balance pressures on frontline services such as social care, homelessness and SEND.

## 5.0 Implementation

### 5.1 Principles

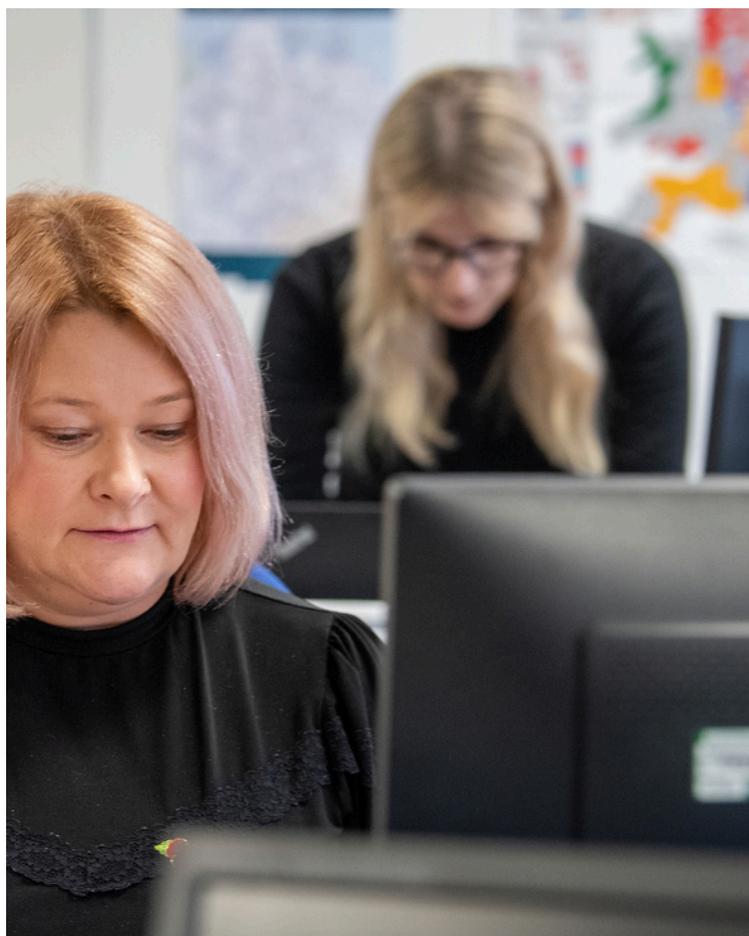
This section sets out the principles that will underpin transition and transformation across Leicester, Leicestershire and Rutland. It provides the bridge between the options appraisal – which identifies the preferred proposal (option 1, ‘City boundary expansion’) as the most coherent and sustainable model – and the practical roadmap for how that model can be delivered through transition for vesting day (Day 1) and transformed positively over the longer term.

The implementation plan ensures that the programme is both credible and achievable, while signalling the standards against which progress will be judged. In shaping these principles, the council has built on experience and lessons learned from other reorganisation programmes.

The estimated costs of transition and savings benefits through transformation are set out in Section 3.3. This section outlines implementation processes to ensure that cost is managed and efficiency savings opportunities are maximised.

The following principles will be applied for transition and transformation:

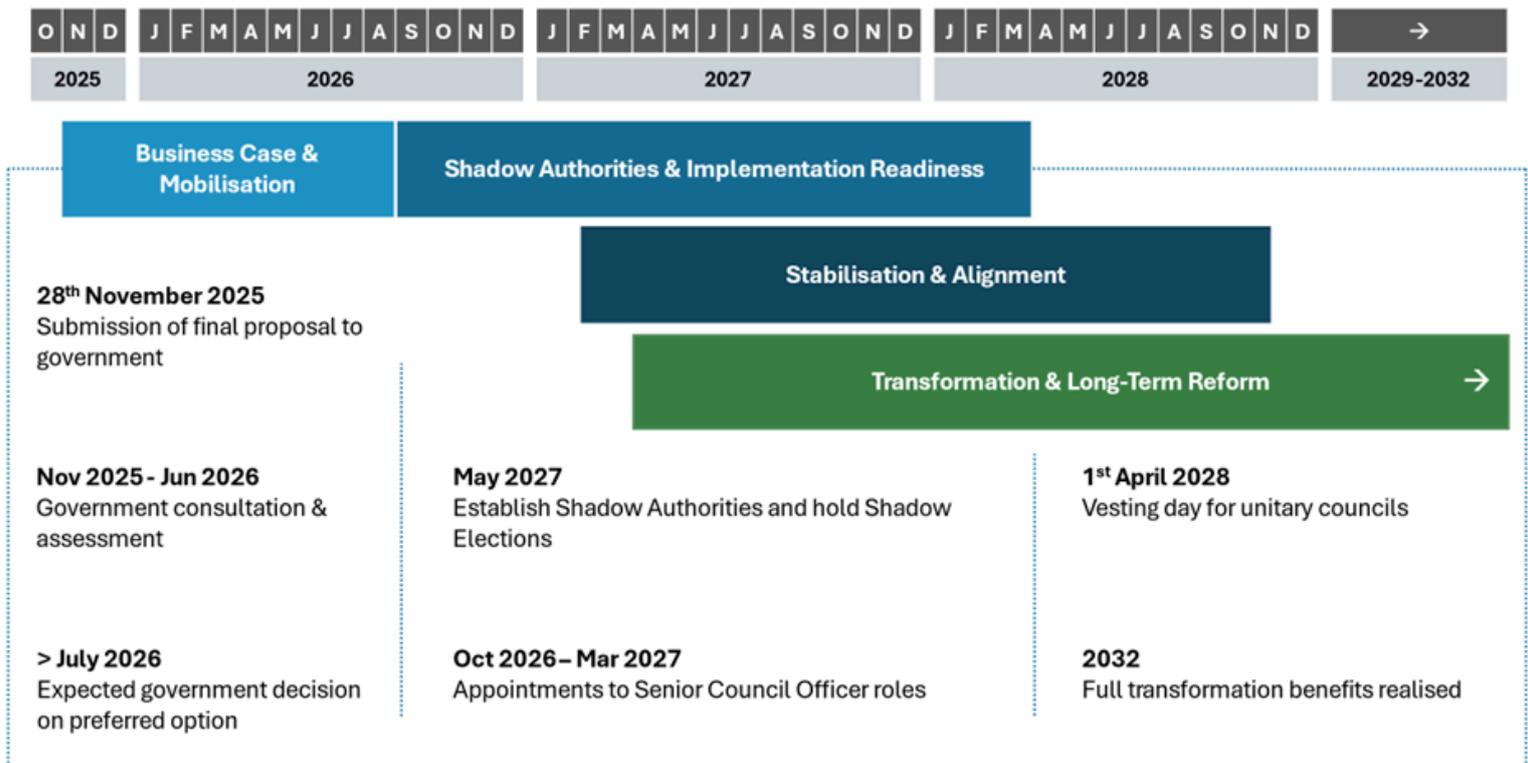
- **Continuity of service delivery:** residents remain at the centre of our plans, with uninterrupted access to essential services from Day 1 of the new unitary councils.
- **Collaboration:** close cooperation across local authorities, partners, and communities, sharing resources, expertise, and lessons learned. This reduces complexity and ensures the strongest foundations for service continuity.
- **Workforce and culture:** staff well-being and retention are supported through a people-first approach. A one-team culture will be nurtured across and between the new authorities to underpin sustainable change.
- **Partnership:** to strengthen alignment with partners such as the NHS Integrated Care Board (ICB), police, fire, universities and colleges, and the voluntary and community sector. This ensures coherence across functional geographies and enables coordinated outcomes.
- **Governance:** new governance arrangements for the new unitary councils will take into account effective democratic representation and accountability, and enable strong community engagement.



- **Local design for local people:** services will be designed and delivered in partnership with local people, ensuring capacity and long-term sustainability.
- **Accountability and risk management:** clear governance, robust risk oversight, and transparent decision making will safeguard delivery and enable efficiency and resilience.
- **Financial sustainability:** managing transition costs and realising/reinvesting transformation savings will be integral to programme management decisions to deliver long-term financial resilience and value for money. Transition costs are to be funded locally as noted in Section 3.3.
- **Transformation by design:** the new arrangements are not only about stabilising services for Day 1; they will also create a platform for transformation, equalisation of standards, and continuous improvement over the coming years.
- **Devolution ready:** delivery of LGR across LLR will be aligned with the creation of a mayoral strategic authority, laying the foundations for devolution as the logical next step. Activity will run in parallel to ensure structures, governance, and decision making are designed from the outset to be ready for devolution.
- **EIA considerations:** statutory impact assessments will be undertaken throughout transition and transformation to ensure compliance and to support inclusive outcomes.

## 5.2 High level roadmap

The diagram below sets out the key phases and milestones for local government reorganisation for LLR:



## 5.3 Transition – detailed phases

The transition plan for the council's preferred proposal is structured around four phases: business case and mobilisation, shadow authorities and implementation readiness, stabilisation and alignment, and long-term transformation. Each phase builds momentum and reduces risk, ensuring that the new authorities are safe and legal on Day 1, while protecting essential services for residents.

### Phase one: Business case and mobilisation (November 2025-August 2026)

Purpose: to prepare and submit the LGR case to government defining the requirements of the programme, establish programme structures, set budgets and secure resources, and to begin early mobilisation.

#### Key activities

- Submit the final proposal to Government by 28 November 2025 deadline.
- Support government consultation and assessment during the first half of 2026.
- Establish the (LGR) programme management office (PMO) to provide oversight, direction, coherent internal communications and support in building adequate capacity.
- Map contracts, systems, assets and workforce to create a reliable baseline for planning.
- Engage with residents, staff, trade unions, and partners to raise awareness and build cooperation.
- Develop detailed cost profile and budget for transition and transformation activities
- Agree and scope key services for Day 1.
- Scope out aggregation and disaggregation programmes
- Ensure continuity and business as usual for existing services.
- Identify key partners and partnership working programmes e.g. social care, education and health partners
- Conduct EIA as required.

### Phase two: Shadow authorities and implementation readiness

(September 2025-March 2028)

Once the Government confirms its decision, momentum from mobilisation will carry directly into transition planning, with governance arrangements put in place to ensure appropriate representation of councils. This phase marks the start of detailed planning activity to prepare services and systems for vesting day on 1 April 2028 (Day 1).

Purpose: to ensure statutory Day 1 readiness, embed governance, prepare services for safe transfer, and stand up the shadow authority to support transition and enable transformation.

#### Key activities

- Establish shadow authorities and hold elections (Autumn 2026-May 2027).
- Work with Local Government Boundary Commission for England on electoral arrangements as required in readiness for the shadow authority elections.
- Draft constitutions and governance frameworks, working with local stakeholders and partners e.g. NHS/ICB.
- Commence work on community neighbourhood governance review.
- Develop a provisional plan for integration with mayoral strategic authority.
- Shadow authorities lead detailed planning so the new unitary councils are fully prepared for Day 1.
- Detailed plan for disaggregation of county services and aggregation of district services to protect continuity.
- Design leadership structures and HR transition plans, including TUPE arrangements.
- Appoint senior officers (late 2026-2027) to provide leadership capacity.
- identify services that require a phased approach and/or dual running of systems beyond Day1.

- Confirm ICT arrangements, with dual-running to reduce migration risks.
- Map contracts and prepare novation processes to safeguard delivery.
- Refresh business continuity plans to ensure resilience through transition.
- Increase engagement with staff and trade unions to reinforce confidence and build a one-team culture.
- Ensure continuity and business as usual for existing services.
- Conduct EIA as required.

### Phase three: Stabilisation and alignment (February 2027-October 2028)

Purpose: To deliver Day 1 safely and legally, consolidate operations, and align systems, structures and governance across the new footprint, while embedding a shared culture, values and identity to unite staff and residents behind the new authority.

#### Key activities

- Launch induction and organisational development programmes to embed a shared culture.
- Align resident contact, service delivery, and support functions across the new footprint.
- Implement estate and ICT strategies, ensuring systems function as intended.
- Begin transformation programmes in each authority, setting the foundation for change.
- Ensure continuity and business as usual for services.
- Manage risk while maintaining service delivery.
- Maintain clear communications with residents, stakeholders and partners, reassuring them that services are safe and signalling the start of improvement.
- Begin to embed a shared culture and identity through staff onboarding, leadership visibility and branding initiatives that promote a clear mission, values and behaviours across the new authority.

- Develop integration with emerging MSA to ensure clarity of responsibility and effective joint working.
- Conduct EIA as required.

### Phase four: Transformation (April 2026-April 2032)

This phase starts once shadow authorities are in place and a senior leadership has been appointed. It runs alongside transition activity and extends well beyond Day 1, underlining the scale of change required and the importance of embedding transformation over time.

Purpose: to deliver sustained improvement and efficiency through structured transformation programmes, beginning during the shadow authority period and continuing from Day 1 towards 2032.

#### Key activities

- Redesign services to drive equity, efficiency and sustainability across the two new unitary councils.
- Harmonise policies, standards and approaches across the new authorities.
- Implement digital transformation and embed modern operating models.
- Expand prevention and early intervention strategies to reduce demand.
- Unlock efficiencies across commissioning for social care, education, housing, transport and neighbourhood services.
- Begin and embed new community governance arrangements.
- Establish close working arrangements with new devolved MSA to ensure clarity of responsibility and effective joint working.
- Work with LGBCE to consider future detailed boundary and electoral review as required post Day 1.
- Conduct EIA as required.

## 5.4 Transition and transformation workstreams

This section provides more detail on the critical earlier phases of the roadmap set out above, particularly the period of shadow authority formation and transition readiness. It sets out the detailed workstreams that underpin this phase and makes clear how high-level milestones will be delivered in practice.

These workstreams ensure that the new unitary authorities are fully prepared for Day 1 in terms of statutory compliance, while creating the platform for long-term transformation. They provide the framework for shadow authorities to operate, ensuring continuity of service, staff protection and clear accountability during transition.

A dedicated enterprise programme management office (PMO) will oversee these workstreams, coordinating delivery across services and managing interdependencies. Subject matter experts will be seconded from existing councils, supported by targeted external expertise where necessary, to ensure capacity and specialist knowledge throughout transition.

Purpose: together these workstreams provide the operational engine for implementation. They ensure that by April 2028 services are safe, legal, and resilient, staff are protected, residents experience seamless continuity, and the new authorities are positioned for long-term transformation.

An estimated sum of £6m-£9m has been identified to stand up transition project teams.

Workstream	Scope	Outcomes
<b>Service delivery and operating model</b>	Integration planning across core services including adult social care, children’s services, SEND, housing, planning, transport public health and neighbourhoods. Align contracts, commissioning, and policies wherever practical before Day 1.	Day 1 statutory compliance across all services; consistent operating models that protect residents and staff.
<b>Legal, democratic and governance</b>	Draft new constitutions, establish shadow councils, prepare electoral arrangements including any work required with Local Government Boundary Commission for England, conduct community governance review and ensure statutory frameworks are in place. Integration with a new mayoral strategic authority.	Legally sound governance arrangements operational from Day 1, with clarity for members and officers.
<b>Finance and commercial</b>	Manage the financial transition, update the medium-term financial strategy to reflect future direction of travel, set draft budgets, and establish a fund to enable transformation beyond Day 1.	Balanced budgets approved, financial resilience secured, and resources ring-fenced for transformation.
<b>Communications and engagement</b>	Develop and deliver a comprehensive communication and engagement strategy with staff, members, residents and partners. Prepare a “Business as usual on Day 1” campaign.	Residents reassured, staff confident in new structures, and stakeholders engaged in shaping transformation.

<b>Workforce, HR and culture</b>	Plan TUPE and HR processes, provide no-detriment guarantees, prepare thorough inductions to embed a one-team culture.	Staff transferred safely, employment protections in place, and cultural alignment fostered across the new authorities
<b>ICT, digital, systems and data</b>	Review existing assets, design dual-running and migration plans, and safeguard critical systems and data.	Continuity of digital services, secure migration of data, and readiness for future digital transformation.
<b>Procurement and contracts</b>	Map and review all contracts, design novation and harmonisation roadmaps, and engage early with suppliers.	Contract continuity maintained, risks of disruption minimised and opportunities identified for efficiency.
<b>Property and estates</b>	Baseline all assets and develop an asset strategy, considering rationalisation and reuse plans; ensure accommodation for new leadership and teams.	Fit-for-purpose estate aligned to the new authority's needs, supporting efficient service delivery.

## 5.4.1 Lessons from other local government reorganisations

The proposed implementation approach in Leicester, Leicestershire and Rutland is grounded in the lessons of other local government reorganisations. We have examined both successes and pitfalls from Cumbria, Cheshire, Northamptonshire, Buckinghamshire and Bournemouth Christchurch and Poole, ensuring that the programme builds on proven experience.

These insights have directly shaped the design of the workstreams set out above, ensuring they reflect real-world experience and are robust from the outset. The experiences of other councils consistently highlight the importance of:

- early governance and mobilisation of programme management office (PMO)
- ICT readiness and decisive service harmonisation
- disciplined programme management and rigorous oversight of benefits
- treating transformation as a sustained, multi-year endeavour.

By embedding these lessons directly into our workstreams, the programme strengthens confidence in delivery, avoids repeating past mistakes and demonstrates alignment with national best practice.

The graphic below summarises key lessons from recent reorganisations, illustrating why these factors are critical to delivering a safe Day 1 and a successful long-term transformation.



## 5.5 Managing disaggregation/ aggregation and securing continuity from Day 1

This section demonstrates that critical public services will be safe, legal and uninterrupted from vesting day in April 2028 (Day 1). It builds on the implementation workstreams by providing greater detail on the most challenging aspects of disaggregation/aggregation and transition, showing how these risks will be managed and mitigated. The purpose is to reassure government, residents, and staff that while implementation will take time, essential service delivery will be protected from Day 1 - bins will be collected, care provided and local offices open for business.

Approach:

- Statutory services have been mapped and assessed for criticality.
- Continuity risks linked to disaggregation have been identified early.
- For each area, mitigation strategies have been developed, ensuring safety while

These are early risks and mitigations identified through interviews with service directors and subject matter experts. They represent our initial views, which will be refined as further planning develops.

The following table brings together three perspectives for each service area:

- Day 1 continuity – the statutory minimum that must be achieved to ensure safety and legality.
- Key challenges – the risks created by disaggregation/aggregation or transition that could compromise this continuity.
- Mitigations – the actions and safeguards that will be in place to satisfy government that services will remain safe, legal, and uninterrupted.

Service area	Day 1 continuity	Key challenges	Mitigations
<b>Adult social care</b>	<ul style="list-style-type: none"> <li>• Statutory care packages</li> <li>• Safeguarding duties</li> <li>• Hospital discharges continue without disruption</li> </ul>	<ul style="list-style-type: none"> <li>• Splitting commissioning arrangements</li> <li>• Tariff differences between city and county</li> <li>• Risk of workforce disruption</li> </ul>	<p>Contracts are expected to be novated and extended to give providers certainty and to prevent service gaps, while dual ICT systems are expected to be maintained during transition to ensure safeguarding records remain secure.</p> <p>Tariffs will be aligned gradually to avoid market shock, and consistent engagement with providers will build confidence around continuity.</p>
<b>Children's services</b>	<ul style="list-style-type: none"> <li>• Safeguarding thresholds</li> <li>• Looked after children placements</li> <li>• Statutory court orders continue</li> </ul>	<ul style="list-style-type: none"> <li>• Different ICT systems</li> <li>• Differing Ofsted baselines</li> <li>• Risk to workforce morale</li> <li>• Unclear roles in transition</li> </ul>	<p>ICT and business systems will run in parallel so no safeguarding responsibilities are undermined, while shadow leadership teams will clarify accountability from the outset. A unified QA framework will help ensure standards are consistent across the footprint, and staff reassurances will be provided to protect morale and prevent disruption, with clear commitments to minimise any detriment during transition.</p>

SEND and education	<ul style="list-style-type: none"> <li>• EHCP statutory timelines</li> <li>• Admissions</li> <li>• School transport</li> </ul>	<ul style="list-style-type: none"> <li>• ICT transition challenges</li> <li>• Complexity of academy and LA governance</li> <li>• Risk of dual accountability in early phases</li> </ul>	Parallel ICT systems will prevent disruption to statutory EHCPs, governance arrangements will be held steady to avoid confusion for parents and schools, and staged policy and contract alignment will provide certainty while longer-term transformation is developed.
Housing and homelessness	<ul style="list-style-type: none"> <li>• Homelessness duty</li> <li>• Temporary accommodation leases</li> <li>• Allocations frameworks remain compliant</li> </ul>	<ul style="list-style-type: none"> <li>• Allocation policy differences</li> <li>• Inherited ICT systems</li> <li>• HRA debt apportionment</li> <li>• Maintenance backlog</li> </ul>	Temporary accommodation leases will be secured so vulnerable households are not displaced, allocation policies will be held steady to prevent confusion, and staged HRA settlements will manage financial risk. Early stock reviews will help address compliance issues quickly, to ensure safety for tenants and reduce financial exposure.
Highways and transport	<ul style="list-style-type: none"> <li>• Winter gritting</li> <li>• Safety inspections</li> <li>• School transport routes continue as normal</li> </ul>	<ul style="list-style-type: none"> <li>• Different asset systems</li> <li>• Depot rationalisation</li> <li>• Pressure on public transport capacity</li> </ul>	Safety inspections and gritting are expected to continue on existing schedules, supported by parallel systems that protect statutory reporting. Depot redesign will be phased to avoid disruption, and forward planning for public/school transport sufficiency will provide reassurance for parents and commuters.
Neighbourhood and environmental services	<ul style="list-style-type: none"> <li>• Waste collection</li> <li>• Licensing</li> <li>• Enforcement</li> </ul>	<ul style="list-style-type: none"> <li>• Realigning waste contracts</li> <li>• Different licensing regimes</li> <li>• Risk of resident confusion over service changes</li> </ul>	Existing contracts will be honoured so that bin rounds and enforcement carry on without disruption. Residents will receive clear communications emphasising that “services stay the same,” and licensing harmonisation will be phased to avoid sudden change for businesses and communities.

## 5.6 Overarching challenges

Continuity depends not only on individual service areas but also on system-wide risks that require coordinated management. ICT and data systems are expected to run in parallel initially, ensuring that safeguarding records and statutory reporting remain secure while harmonisation progresses. Safe transfer of staff through TUPE will be supported by proposed staff assurances and retention measures, alongside a strong organisational development programme that embeds a “one team” culture, giving staff confidence and protecting service stability.

Depots, offices, schools, libraries, and housing stock will be mapped and rationalised, with interim use of existing facilities helping to ensure continuity while longer-term estate strategies deliver efficiency. Clear and consistent communications will reassure residents that “nothing changes on Day 1,” while staff, providers and communities are kept fully informed to reduce anxiety and build trust.

### Summary:

- Continuity is expected to be secured through measures that directly protect residents and staff, including dual ICT systems, contract novation, TUPE protections and transparent communications.
- These mitigations are designed to provide government with assurance that statutory duties will be met, and residents will experience minimal disruption to essential services.
- Disaggregation is one of the most difficult challenges, but early planning, governance oversight and practical mitigations show that safety and continuity are achievable.

Focus on disaggregation and continuity is not an end state – it is the foundation for transformation delivering longer term efficiency benefits for all councils.

### Transformation pathways

The continuity and disaggregation/aggregation assessment has demonstrated how essential statutory services will remain safe and legal from Day 1.

The next stage is to show how those same services will evolve through the transition and transformation phases set out in the roadmap. This section links directly to the earlier phases of the high-level plan; continuity provides the base, alignment in the early years reduces fragmentation, while transformation is the stage where sustained benefits are unlocked.

This is the forward-looking and ambitious part of the journey. It demonstrates that reorganisation is not an end but a springboard for stronger, fairer and more efficient services.

This section highlights themes where the council’s preferred proposal (Option 1) can achieve the greatest benefits for residents, businesses and partners. It makes clear that further detailed design will follow through structured transformation programmes led by the new unitary councils.

### Approach

Below, we highlight broad themes and cross-cutting areas where reorganisation creates opportunities to go further. These themes provide a sense of what can be achieved, while recognising that structured programmes and leadership will be needed to turn potential into reality.

## Themes for transformation

- Adult social care and health integration: once tariffs and brokerage are aligned, a single commissioning model can grow reablement, supported living and neighbourhood teams, working more closely with health partners.
- Children and families: alignment of practice models enables a stronger single system for fostering placements and early help. Transformation means more local homes for children and tailored outreach hubs, reducing reliance on out-of-area provision.
- SEND and education: with statutory compliance secure and admissions clarified, transformation is about coherent sufficiency planning and stronger inclusion hubs, ensuring fairer access and better outcomes for all children.
- Housing and communities: a single homelessness pathway and aligned landlord functions lay the groundwork. Transformation focuses on expanded prevention and stronger links between housing delivery and local economic growth.
- Highways and Transport: safe continuity of highways and transport is the baseline, but the real shift comes from integration; harmonised asset management, active travel corridors, and rationalised depots.
- Neighbourhood services: benefit from a single waste and recycling model and consistent regulatory standards.

## 5.7 Achievability and risk

To deliver the full potential of transformation benefits set out above, the programme must demonstrate that it is achievable and that the risks are understood and managed. This section provides reassurance that the scale and pace of change, the alignment of stakeholders, and the clarity of governance have all been considered, and that structured mitigations are embedded in the roadmap. The message is clear: services will be safe on Day 1, risks will be actively managed and the foundations for long-term transformation are secure.

Risk area and challenge	Mitigation	Why this matters
Scale and pace of change – a significant volume of change is required within a compressed timeframe, creating a risk of disruption.	Strong programme management, phased planning, and a structured roadmap that directs effort to the most critical paths.	Demonstrates that even under pressure, delivery will remain controlled, reducing the likelihood of disruption and maintaining service stability.
Stakeholder alignment – councils, partners and communities may have differing priorities, risking delays or conflict.	Early and continuous engagement, joint communications and alignment forums during the shadow authority stage to build consensus.	Reassures that local voices will be respected and included while ensuring the programme keeps moving forward together.
Decision making and governance – unclear roles, responsibilities, or slow decisions could stall implementation.	An Implementation Executive with clear delegated powers, supported by governance boards and defined officer/member roles.	Provides confidence that decisions will be timely, accountable, and transparent during the most sensitive periods of change.

<p>Performance – risk of service disruption or reduced performance during transition</p>	<p>Additional monitoring and reporting will be in place to track performance indicators across all critical services. Targeted support will be directed where performance dips are detected, with rapid escalation routes through programme governance.</p>	<p>Provides assurance that service quality and continuity will be maintained for residents and staff throughout the transition period.</p>
<p>Staffing – risk of morale, turnover or capacity challenges during organisational change</p>	<p>Clear communication, well-being support and engagement sessions will be maintained to reduce uncertainty. Workforce planning and retention measures will ensure sufficient capacity, supported by consistent HR processes across authorities.</p>	<p>Builds confidence that staff remain motivated and supported, reducing disruption and safeguarding delivery capability.</p>
<p>Finance – risk of cost pressures, shortfalls, or debt-related uncertainty during implementation</p>	<p>Programme-level financial controls and forecasting will monitor costs against baseline budgets. Regular reviews and external audit will identify emerging pressures early, with escalation to governance boards for mitigation.</p>	<p>Demonstrates prudent financial management and ensures the new authority remains on a sustainable footing during transition.</p>



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