
Local Government Reorganisation for Leicester, Leicestershire and Rutland

Full Council

Date of meeting: 20th November 2025

Lead director/officer: Andrew Smith

Useful information

- Ward(s) affected: All
- Report author: Andrew Smith, Director of Planning Development and Transportation
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- Report version number: 1

1. Summary

This report requests consideration and approval of the City Council's final local government reorganisation (LGR) proposals for submission to Government by its deadline of 28th November 2025

Comments are provided from a Special OSC held on 10th November where the emerging proposals were considered including the council's preferred option 1, 'City boundary expansion'.

The draft final LGR submission and appendices are attached to this report as Appendix 1 and 2.

2. Recommendations to Council:

Council is requested to:

- approve the City Council's final LGR proposals attached to this report for submission to Government by 28th November.
- note the required compliant base and preferred proposal approach outlined in this report and set out in the final LGR submission.
- delegate authority to the Chief Operating Officer, in consultation with the City Mayor, to make any final adjustments required following consideration at the Council meeting, and any other amendments required to complete the submission.

3. Detailed report

3.1 Context and background

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

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

The invitation required final proposals to be submitted by 28th November 2025.

The invitation from Government sets out the approach councils should take in considering submitting proposals to the Secretary of State. Principal authorities are able to submit, individually or jointly as a group, a single formal proposal for the whole of the invitation area. This should have regard to the criteria and guidance set out in the invitation and be supported by appropriate information and evidence.

Government Criteria

Government has set out six criteria that it will use to assess all proposals and decide which to take forward for statutory consultation:

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

Boundary changes

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

Devolution

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

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

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

3.2 Options for local government reorganisation for LLR

Council engagement

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

Following discussion with the upper tier councils, a joint position was submitted to Government on 10th January 2025 from the 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 5th February rejecting the county council's request along with a formal invitation to councils in the LLR area to submit LGR proposals.

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

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

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

Interim submissions

Interim proposals were submitted in March as requested by Government.

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

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

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

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

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

Leicestershire County Council now intend to submit a proposal as per their interim approach, excluding the city from change, but with Rutland included with Leicestershire to form one large unitary council.

The district councils and Rutland are expected to submit a proposal based on their interim submission, which also excludes the city area from change.

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

3.3 Final Submission - options appraisal and proposals

3.3.1 Options and summary of appraisal

The council's draft final submission is included as Appendix 1 and 2 of this report.

Four options have been considered as shown in the table below, which includes a plan, description of each unitary council proposed, and the population/balance of those councils estimated at 2028.

LGR Options for Leicester, Leicestershire and Rutland

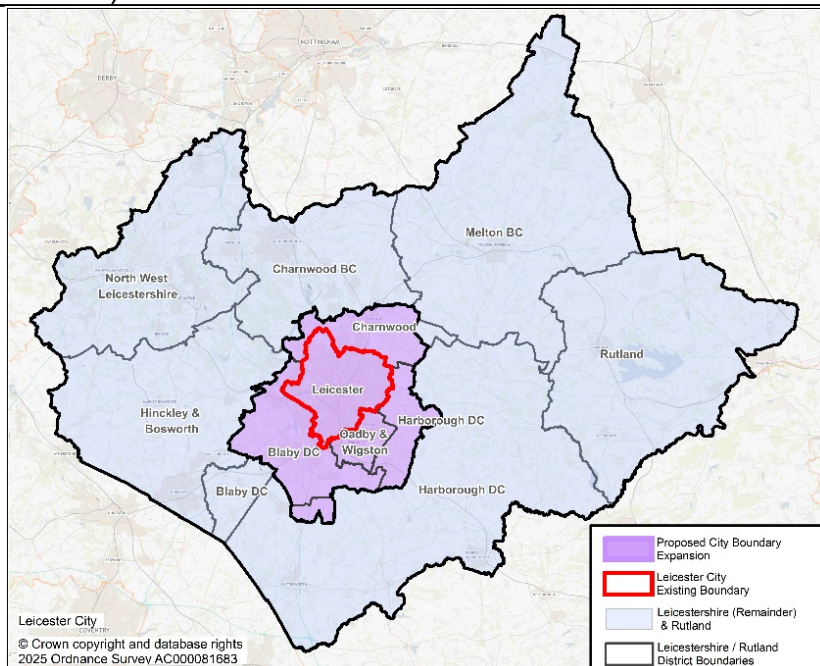
(Unitary populations - 2028 estimates)

Option 1: City Boundary Expansion (Preferred proposal)

Unitary 1: City with boundary expansion (Oadby and Wigston, pt Harborough Blaby, and Charnwood)
Population- **622K**

Unitary 2: Leicestershire County not in unitary 1 and Rutland
Population- **584k**

Balanced councils where both meet
Govt 500k+ guide



For detailed plans see Appendix 3 of the draft submission document and link

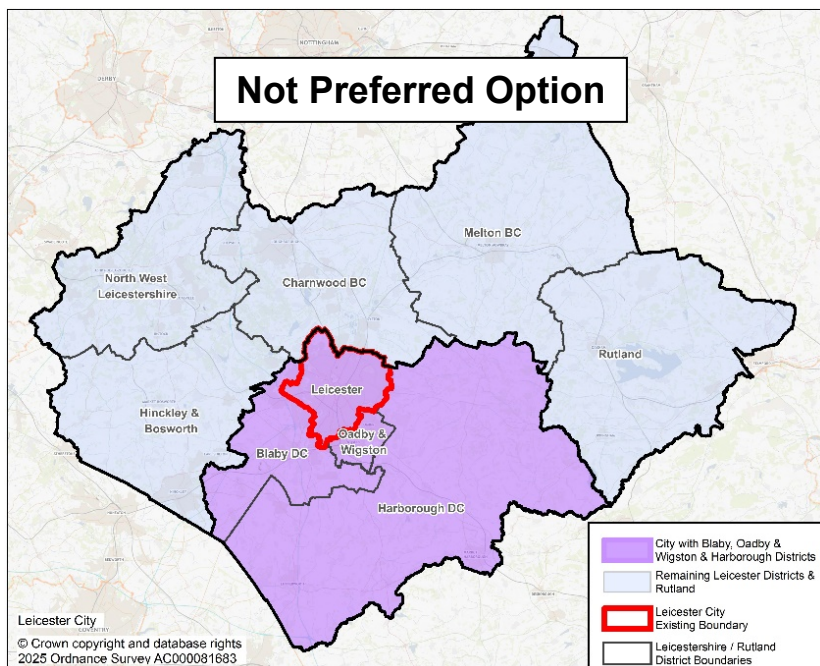
<https://www.leicester.gov.uk/media/paehtdwh/local-government-reorganisation-detailed-option-1-map.pdf>

Option 2: City with three Districts (Base proposal)

Unitary 1: Existing City, Oadby & Wigston, Harborough and Blaby
Population – 673k

Unitary 2: Hinckley & Bosworth, NW Leicestershire, Charnwood, Melton and Rutland
Population - 53k

Both meet Govt 500k+ guide - less balanced than city preferred option. City boundary includes extensive rural areas and not urban areas in Charnwood

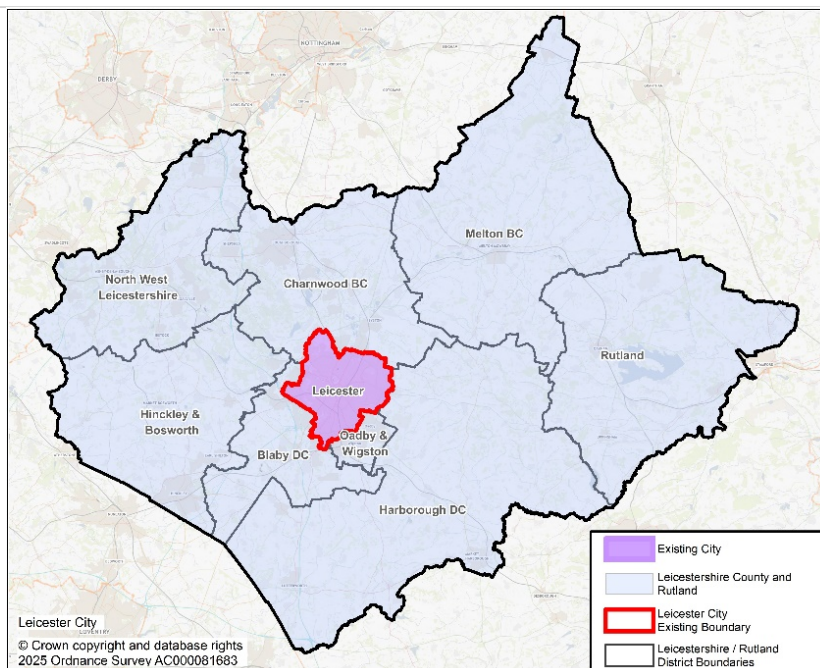


Option 3: City/County & Rutland (Leicestershire County Council proposal)

Unitary 1: Existing city council unchanged
Population - 392k

Unitary 2: Leicestershire County and Rutland
Population – 814k

Very imbalanced councils with substantial variance from Gov't guide population of 500k +



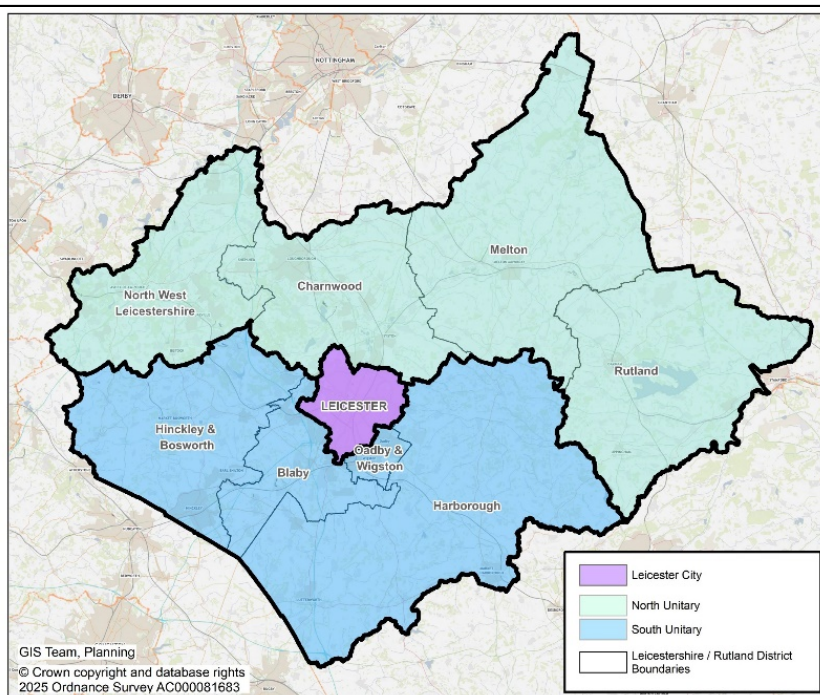
Option 4: City/North/South (Districts and Rutland proposal)

Unitary 1: Existing city council unchanged
Population 392k

Unitary 2 - North: North-West Leicestershire, Charnwood, Melton and Rutland
Population 413k

Unitary 3 South: Oadby & Wigston, Harborough, Blaby and Hinckley & Bosworth
Population 401k

All councils well below Gov't guide population of 500k + but balanced



A detailed options appraisal against each of the Government criteria is set out in the submission – See Section 3, with a summary in Section 3.8.

A summary of the options appraisal is provided in the tables below.

	Option 1 City boundary expansion	Option 2 City with three districts	Option 3 City/ County & Rutland	Option 4 City/ North/ South
Government Criteria				
1. Single tier of local government with balanced economic areas/sensible and geography	<p>Achieves single tier.</p> <p>Sensible and coherent economic areas and geography – includes full extent of city urban area, better balances councils and provides strongest council focus aligned to urban and rural areas for LLR.</p> <p>Balanced development opportunities across LLR with land for city expansion.</p>	<p>Achieves single tier.</p> <p>Generally balanced economic areas but continues to split urban area with weaker focus on coherent urban and rural areas.</p> <p>More balanced development opportunities across LLR with land for city expansion.</p>	<p>Achieves single tier.</p> <p>Excludes city/retains the current boundary, does not achieve balanced economic areas and coherent geography as splits city urban area between two councils.</p> <p>Least balanced development opportunities across LLR with constraints on city growth retained.</p>	<p>Achieves single tier.</p> <p>Excludes city/retains the current city boundary, does not achieve balanced economic areas and least coherent geography as splits urban area between three councils.</p> <p>Less balanced development opportunities across LLR with constraints for city growth retained.</p>
2. Right size to achieve efficiencies	<p>Two balanced councils meet Government's 500k + population guide.</p> <p>Highest savings for LLR of £46m, with more balanced budget gap, tax base, cost per head of services and financial resources.</p> <p>Transitional costs £28m - pay back within two years.</p>	<p>Two councils meet Government's 500k + population guide but less balanced.</p> <p>Second highest savings for LLR of £45m, with more balanced budget gap, tax base, cost per head of services and financial resources.</p> <p>Transitional costs £27m - pay back within two years.</p>	<p>One council well below and one substantially above Government's 500k + population guide and very imbalanced.</p> <p>Third highest savings for LLR of £43m with imbalanced budget gap, tax base, cost per head of services and financial resources.</p> <p>Transitional costs £27m - pay back within two years.</p>	<p>Three balanced councils but all well below Government's 500k + population guide.</p> <p>Lowest savings for LLR of £17m with imbalanced budget gap, tax base, cost per head of services and financial resources.</p> <p>Transitional costs £27m - pay back within three years.</p>

	Option 1 City boundary expansion	Option 2 City with three districts	Option 3 City/ County & Rutland	Option 4 City/ North/ South
3. Delivery of high-quality public services	Replaces fragmented council services across LLR and city urban area with two simple city and rural focused unitary councils that can deliver more efficient joined up services and are easily understood.	Council services to some extent fragmented across LLR, splitting urban and rural areas - less efficient services and less easily understood.	Council services fragmented and split across city urban area - less efficient services and confusing to public.	Council services most fragmented with three councils split across city urban area – least efficient service delivery and most confusing to public.
4.Collaboration and local views	All council data sharing. Joint finance modelling with Leic's county. Stakeholder support for expanded city. Public recognised urban and rural areas have own issues.	All council data sharing. Joint finance modelling with Leic's county. Stakeholder support for expanded city.	All council data sharing. Joint finance modelling with Leic's county. Public opposition to expanded city mainly from those in proposed expansion area.	All council data sharing. Public opposition to expanded city mainly from those in proposed expansion area.
5. Stronger community engagement	Neighbourhood Area Committees strengthen local engagement. Parishes retained.	Neighbourhood Area Committees strengthen local engagement. Parishes retained.	Neighbourhood Area Committees strengthen local engagement. Parishes retained.	Neighbourhood Area Committees strengthen local engagement. Parishes retained.
6. Supports devolution	Two councils have balanced representation at Mayoral Strategic Authority.	Two councils but some imbalance in representation at Mayoral Strategic Authority.	Two councils will be very imbalanced in terms of representation at Mayoral Strategic Authority.	Three councils with balanced representation at Mayoral Strategic Authority.

3.3.2 Options appraisal conclusion

The draft submission concludes that Option 1 'City boundary expansion' should be the council's preferred option and that Option 2 'City with three districts' can form a compliant base proposal which is explained further below. Options 3 and 4 do not adequately address the Government's criteria.

3.3.3 Base proposal

(Section 4.2 provides legal comments)

The invitation from Government to submit LGR proposals, and subsequent MHCLG and separate legal advice, confirms that to be legally compliant, in accordance with the 2007 Act, proposals should initially be formed using whole districts as building blocks. Local authority proposals may however request detailed boundary change with justification.

A legally compliant base proposal comprising whole districts, has been identified which includes the current city council area with Oadby and Wigston, Harborough and Blaby districts.

As part of the final submission a request will be made to the Secretary of State to use their powers of modification to approve changes to the base proposal to achieve the council's preferred option - 'City boundary expansion' - which better meets Government criteria.

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

3.3.4 The City Council's preferred proposal - 'City boundary expansion'

Leicester City Council has heavily constrained boundaries that were largely established around 100 years ago. Like a number of other councils (Leicester, Nottingham, Derby and Bristol) this was not addressed during local government reorganisation in 1973, or in 1997 when the city became a unitary authority.

The boundaries have become increasingly 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 to residents and very inefficient.

Land is heavily constrained for housing and jobs and the city is reliant on council areas outside its control to absorb the city's housing and employment land needs.

Comparator cities that benefitted from boundary expansion in the 1980's, such as Leeds, Bradford and Sheffield, have considerably more space for development and greenspace – these are less than a third as densely populated as Leicester

The city council is also heavily constrained by a low tax base compared with Leicestershire County and Rutland areas. If retained this would add further pressure on the future financial sustainability of the city council.

This is a once in a generation opportunity to reorganise local government across the whole of LLR for the long term. To exclude the city and retain its existing boundaries, as proposed by other councils, would perpetuate the longstanding constraints highlighted above and in the submission. Furthermore, it would turn its back on a one-off opportunity to comprehensively redesign service delivery across LLR which would ensure greater efficiency savings to reinvest in the whole area and more balanced financial sustainability for the new councils.

There is strong and evidenced justification for the preferred proposal which best addresses Government criteria. As noted in the options appraisal table above, this proposal:

- achieves a single tier of local government with a plan for the whole of LLR
- delivers the most sensible and balanced economic and geographical approach, with two councils focussed on urban and rural unitary areas respectively
- provides a better balance of development land across LLR to meet the city's growing need for housing and employment land
- meets Government guidelines for populations of 500,000 or more for unitary councils with two council populations that are most balanced
- delivers highest savings benefiting the whole of LLR combined with best balanced councils in terms of budget gap, tax base and cost per head of services
- replaces fragmented council service delivery across LLR and the city urban area with two simple councils where services can be delivered most efficiently and that are easily understood by people
- acknowledges stakeholder support for city expansion and public comments that councils should represent urban and rural areas that share common issues and better reflect how people travel in the area
- strengthens neighbourhood engagement to ensure local representation
- best supports devolution and a Mayoral Strategic Authority to unlock and drive economic growth across the whole of LLR

3.3.5 Stakeholder engagement and public consultation

Local engagement and consultation has been conducted throughout the LGR process that commenced in February. This has focussed on what stakeholders and people believe to be most important to them in terms of LGR. The emerging options have been shared as they have developed through the interim and subsequent stages.

Details of engagement and consultation can be found in Section 3.5 of the final submission.

Stakeholders - Engaged c100 - public bodies, voluntary sector, businesses, leisure and sports, unions and parish councils.

- Stakeholders generally considered the council's preferred city boundary expansion proposal to be sensible for the long-term future of the city and the wider LLR area

Public survey 810 responses - 91% were residents

- 85% strongly agree or agree that councils should reflect how people live, work and travel across the area.
- 82% strongly agree or agree that urban and rural communities face different issues. To be most effective, councils should represent areas that share common issues.
- 46% ranked efficient services as the most important when thinking about the future of their local council
- 42% raised concerns about proposals for city expansion
- 15% have been unsure which council to contact for a service or issue.

MPs – Comments have been requested from all LLR MPs. Four written responses had been received at the time of writing all opposing city expansion.

The plan has been amended and improved as a result of engagement undertaken as set out in Section 3.5 of the final submission.

3.4 Special OSC

A special OSC meeting was held on 10th November. The following provides a summary of comments and responses made to a presentation given by the City Mayor:

- Questions regarding the £46m savings figure for the council's preferred proposal and how this is derived from efficiencies. The removal of a layer of government was noted alongside efficiencies achieved through organisational and service redesign.
- Concerns were expressed over the level of public opposition to city expansion and the challenge of bringing people on board with the new proposed councils. It was noted this was a common issue with reorganisation which will need to be addressed through the transition process.
- Questions were asked regarding the base proposal and how the districts were chosen. The Government's required legal process was explained. The base proposal was described as the best fit to build the preferred proposal on but had significant drawbacks.
- Travel patterns were discussed, noting that whilst people move in and out of the city the dominant movement was to city facilities. It was noted that people recognised the different issues facing urban and rural areas and travel patterns within them.
- Clarity was requested on the City Mayor role under the proposals. It was noted that Government rules require a return to a cabinet and leader model as part of local government reorganisation.
- It was noted that the delineation of the current city boundaries was irregular and that the preferred option would provide a more coherent arrangement.
- Questions were raised about the role and establishment of a strategic authority. It was noted that LGR and devolution are separate processes and that the council will have the opportunity to influence devolution when proposals are sought by Government at a future stage. There has been general agreement across all councils that a Mayoral Strategic Authority is the preferred devolution model on the LLR footprint.
- The timetable for LGR was noted and that the final submission will be circulated for consideration at Full Council on 20th November.

3.5 Conclusions

In conclusion there is strong evidenced justification for the 'City boundary expansion' Option 1, which best addresses Government LGR criteria for the whole of Leicester, Leicestershire and Rutland.

Furthermore Option 2 'City and three districts' can provide a statutory compliant base proposal which is able to be modified by the Secretary of State to achieve Option 1.

Full council is requested to approve the final submission appended to this report.

Final proposals are required to be submitted to Government by the deadline of 28th November.

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

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

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

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

4.1 Financial Implications

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

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

The joint financial modelling shows that the city council's proposal generates the highest levels of savings across the LLR area, although not dissimilar to the city with three districts (option 2) and the County Council proposal (option 3). The transition costs are higher for a city expansion, but the payback is still forecast to be less than two years and can be funded using the general capital receipts flexibility.

The modelling shows that without an expansion of the City Council boundary the financial benefits of Local Government Reorganisation are not shared across the LLR region.

Full details of the assumptions used for the financial modelling are provided in the final proposal and accompanying appendices.

Signed: Amy Oliver

Dated: 7/11/2025

4.2 Legal Implications

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

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

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

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

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

Signed: Vanessa Maher-Smith

Dated: 06.11.25

4.3 Equalities Implications

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

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

An initial Equality Impact Assessment (EIA) has been conducted, which outlines the high-level equality implications of the reorganisation. As detailed delivery plans evolve,

further equality analysis will be undertaken. This ensures that Members and Officers maintain due regard for equality and inclusion throughout the LGR transition, specifically assessing the impact on service delivery and staffing. The LGR EIA is a very good blueprint for EIAs across the Authority due to the thorough analysis and rigour which has been applied to the analysis from the inception of the LGR process, and which will continue during the lifecycle of the transformation.

Signed: Aloma Onyema

Dated: 04.11.25

4.4 Climate Emergency Implications

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

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

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

Signed: Phil Ball, Sustainability Officer, Ext 372246

Dated: 03.11.2025

4.5 Other Implications –

N/A

5. Background information and other papers:

Web links are provided to background information in the report.

6. Summary of appendices:

Appendix 1- Local Government Reorganisation for LLR – Final Proposal

Appendix 2 - Local Government Reorganisation for LLR – Final Proposal Appendices