



Tuesday, 11 March 2025

Dear Sir/Madam

A meeting of the Council will be held on Wednesday, 19 March 2025 in the Council Chamber, Council Offices, Foster Avenue, Beeston NG9 1AB, commencing at 7.00 pm.

Should you require advice on declaring an interest in any item on the agenda, please contact the Monitoring Officer at your earliest convenience.

Yours faithfully

Chief Executive

To Councillors:

D Bagshaw	H Land
S A Bagshaw	D L MacRae
P J Bales	R D MacRae
L A Ball BEM	T J Marsh
R E Bofinger	G Marshall
M Brown	J W McGrath
R Bullock	W Mee
G Bunn	J M Owen
B C Carr	P J Owen
C Carr	S Paterson
S J Carr	D D Pringle
A Cooper	M Radulovic MBE
H L Crosby	H E Skinner
T A Cullen	P A Smith
S Dannheimer	V C Smith
H J Faccio	A W G A Stockwell
K A Harlow	C M Tideswell
G S Hills	D K Watts
S P Jeremiah	S Webb
S Kerry	E Williamson
H G Khaled MBE	E Winfield
A Kingdon	K Woodhead

## AGENDA

1. Apologies for Absence

To receive apologies.

2. Declarations of Interest (Pages 3 - 10)

Members are requested to declare the existence and nature of any disclosable pecuniary interest and/or other interest in any item on the agenda.

3. Local Government Reorganisation in Nottingham and Nottinghamshire (Pages 11 - 60)

To provide an overview of the government's requirement for plans for local government reorganisation to be developed in Nottingham and Nottinghamshire; to outline the work undertaken to respond to the requirements; and to note the content and intention to submit an interim plan for the area of Nottingham and Nottinghamshire, in line with government requirements.

4. Attendance at Meetings

The Local Government Act 1972 states that when a Councillor fails to attend any meeting for six consecutive months from the date of their last attendance, then, subject to certain exceptions, they cease to be a Member of the authority, unless the Council accepts a reason for the failure to attend before the six months expires. Councillor S A Bagshaw is currently unable to attend Council meetings and in the circumstances, it is put before Members to consider a dispensation under Section 85 (1) of the Local Government Act 1972 for the period of six months from 19 March 2025 before which forfeiture applies.

**Council is asked to CONSIDER a dispensation for Councillor S A Bagshaw for a period of six months from the date of this meeting and RESOLVE accordingly.**

## Report of the Monitoring Officer

### DECLARATIONS OF INTEREST

#### 1. Purpose of Report

Members are requested to declare the existence and nature of any disclosable pecuniary interest and/or other interest in any item on the agenda. The following information is extracted from the Code of Conduct, in addition to advice from the Monitoring Officer which will assist Members to consider any declarations of interest.

#### **Part 2 – Member Code of Conduct**

##### **General Obligations:**

#### **10. Interest**

10.1 You will register and disclose your interests in accordance with the provisions set out in Appendix A.

Section 29 of the Localism Act 2011 requires the Monitoring Officer to establish and maintain a register of interests of Members of the Council. The register is publically available and protects you by demonstrating openness and willingness to be held accountable. You are personally responsible for deciding whether or not you should disclose an interest in a meeting which allows the public, Council employees and fellow Councillors know which of your interests gives rise to a conflict of interest. If in doubt you should always seek advice from your Monitoring Officer.

**You should note that failure to register or disclose a disclosable pecuniary interest as defined in Appendix A of the Code of Conduct, is a criminal offence under the Localism Act 2011.**

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#### **Advice from the Monitoring Officer:**

On reading the agenda it is advised that you:

1. Consider whether you have any form of interest to declare as set out in the Code of Conduct.
2. Consider whether you have a declaration of any bias or predetermination to make as set out at the end of this document
3. Update Democratic Services and the Monitoring Officer and or Deputy Monitoring Officers of any declarations you have to make ahead of the meeting and take advice as required.
4. Use the Member Interest flowchart to consider whether you have an interest to declare and what action to take.
5. Update the Chair at the meeting of any interest declarations as follows:

‘I have an interest in Item xx of the agenda’

'The nature of my interest is ..... therefore the type of interest is  
DPI/ORI/NRI/BIAS/PREDETERMINATION  
'The action I will take is...'

This will help Officer record a more accurate record of the interest being declared and the actions taken. You will also be able to consider whether it is necessary to send a substitute Members in your place and to provide Democratic Services with notice of your substitute Members name.

**Note: If at the meeting you recognise one of the speakers and only then become aware of an interest you should declare your interest and take any necessary action**

6. Update your Member Interest Register of any registerable interests within 28days of becoming aware of the Interest.

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### **Ask yourself do you have any of the following interest to declare?**

#### **1. DISCLOSABLE PECUNIARY INTERESTS (DPIs)**

A "Disclosable Pecuniary Interest" is any interest described as such in the Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012 and includes an interest of yourself, or of your Spouse/Partner (if you are aware of your Partner's interest) that falls within the following categories: Employment, Trade, Profession, Sponsorship, Contracts, Land, Licences, Tenancies and Securities.

#### **2. OTHER REGISTERABLE INTERESTS (ORIs)**

An "Other Registerable Interest" is a personal interest in any business of your authority which relates to or is likely to affect:

- a) any body of which you are in general control or management and to which you are nominated or appointed by your authority; or
- b) any body
  - (i) exercising functions of a public nature
  - (ii) anybody directed to charitable purposes or
  - (iii) one of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union) of which you are a Member or in a position of general control or management.

#### **3. NON-REGISTRABLE INTERESTS (NRIs)**

"Non-Registrable Interests" are those that you are not required to register but need to be disclosed when a matter arises at a meeting which directly relates to your financial interest or wellbeing or a financial interest or wellbeing of a relative or close associate that is not a DPI.

A matter "directly relates" to one of your interests where the matter is directly about that interest. For example, the matter being discussed is an application about a particular property in which you or somebody associated with you has a financial interest.

A matter “affects” your interest where the matter is not directly about that interest but would still have clear implications for the interest. For example, the matter concerns a neighbouring property.

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## **Declarations and Participation in Meetings**

### **1. DISCLOSABLE PECUNIARY INTERESTS (DPIs)**

1.1 Where a matter arises at a meeting which **directly relates** to one of your Disclosable Pecuniary Interests which include both the interests of yourself and your partner then:

#### **Action to be taken**

- **you must disclose the nature of the interest** at the commencement of that consideration, or when the interest becomes apparent, whether or not such interest is registered in the Council’s register of interests of Member and Co-opted Members or for which you have made a pending notification. If it is a sensitive interest you do not have to disclose the nature of the interest, just that you have an interest
- **you must not participate in any discussion** of that particular business at the meeting, or if you become aware of a disclosable pecuniary interest during the meeting you must not participate further in any discussion of the business, including by speaking as a member of the public
- **you must not participate in any vote** or further vote taken on the matter at the meeting and
- **you must withdraw from the room** at this point to make clear to the public that you are not influencing the meeting in anyway and to protect you from the criminal sanctions that apply should you take part, unless you have been granted a Dispensation.

### **2. OTHER REGISTERABLE INTERESTS (ORIs)**

2.1 Where a matter arises at a meeting which **directly relates** to the financial interest or wellbeing of one of your Other Registerable Interests i.e. relating to a body you may be involved in:

- **you must disclose** the interest at the commencement of that consideration, or when the interest becomes apparent, whether or not such interest is registered in the Council’s register of interests of Member and Co-opted Members or for which you have made a pending notification. If it is a sensitive interest you do not have to disclose the nature of the interest, just that you have an interest
- **you must not take part in any discussion or vote** on the matter, but may speak on the matter only if members of the public are also allowed to speak at the meeting
- **you must withdraw from the room** unless you have been granted a Dispensation.

### 3. NON-REGISTRABLE INTERESTS (NRIs)

3.1 Where a matter arises at a meeting, which is not registrable but may become relevant when a particular item arises i.e. interests which relate to you and /or other people you are connected with (e.g. friends, relative or close associates) then:

- **you must** disclose the interest; if it is a sensitive interest you do not have to disclose the nature of the interest, just that you have an interest
  - **you must not take part in any discussion or vote**, but may speak on the matter only if members of the public are also allowed to speak at the meeting; and
  - **you must withdraw** from the room unless you have been granted a Dispensation.
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#### **Dispensation and Sensitive Interests**

A “Dispensation” is agreement that you may continue to participate in the decision-making process notwithstanding your interest as detailed at section 12 of the Code of the Conduct and the Appendix.

A “Sensitive Interest” is as an interest which, if disclosed, could lead to the Member, or a person connected with the Member, being subject to violence or intimidation. In any case where this Code of Conduct requires to you to disclose an interest (subject to the agreement of the Monitoring Officer in accordance with paragraph 2.4 of this Appendix regarding registration of interests), you do not have to disclose the nature of the interest, if it is a Sensitive Interest in such circumstances you just have to disclose that you have a Sensitive Interest under S32(2) of the Localism Act 2011. You must update the Monitoring Officer when the interest is no longer sensitive, so that the interest can be recorded, made available for inspection and published.

#### **BIAS and PREDETERMINATION**

The following are not explicitly covered in the code of conduct but are important legal concepts to ensure that decisions are taken solely in the public interest and not to further any private interests.

The risk in both cases is that the decision maker does not approach the decision with an objective, open mind.

This makes the local authority’s decision challengeable (and may also be a breach of the Code of Conduct by the Councillor).

Please seek advice from the Monitoring Officer or Deputy Monitoring Officers, if you need assistance ahead of the meeting.

## **BIAS**

Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias. If you have been involved in an issue in such a manner or to such an extent that the public are likely to perceive you to be biased in your judgement of the public interest:

- a) you should not take part in the decision-making process
- b) you should state that your position in this matter prohibits you from taking part
- c) you should leave the room.

## **PREDETERMINATION**

Where a decision maker has completely made up his/her mind before the decision is taken or that the public are likely to perceive you to be predetermined due to comments or statements you have made:

- a) you should not take part in the decision-making process
- b) you should state that your position in this matter prohibits you from taking part
- c) you should leave the room.

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## Registerable Interests

These are interests that you are required to register in accordance with the Code of Conduct. They are interests that you would know about in advance of an item coming up (e.g. land you own) and you should have included them when filling in your register of interests.

What type of Registerable Interest do you have in this matter?

### Disclosable Pecuniary Interests

These are any interests that are described as DPIs under the Code of Conduct and include both the interests of yourself and of your partner.

### Other Registerable Interests

These are personal interests that relate to certain types of bodies that you may be involved in as set out in the Code of Conduct.

Does the matter directly relate to one of your Disclosable Pecuniary Interests?

No

Does the matter directly relate to the financial interest or wellbeing of one of your Other Registerable Interests?

No

Does the matter affect a financial interest or the wellbeing of yourself or of a friend, relative or close associate?

No

Yes

Yes

Yes

Yes

Yes

No

Yes

Is the financial interest or wellbeing affected to a greater extent than the financial interests or wellbeing of the majority of inhabitants?

No

Would a reasonable member of the public knowing all the facts believe that it would affect your view of the wider public interest?

No

You must:

- Disclose the interest;
- Not speak on the matter;
- Not participate in any discussion or vote; and
- Not remain in the room unless you have a Dispensation

You must:

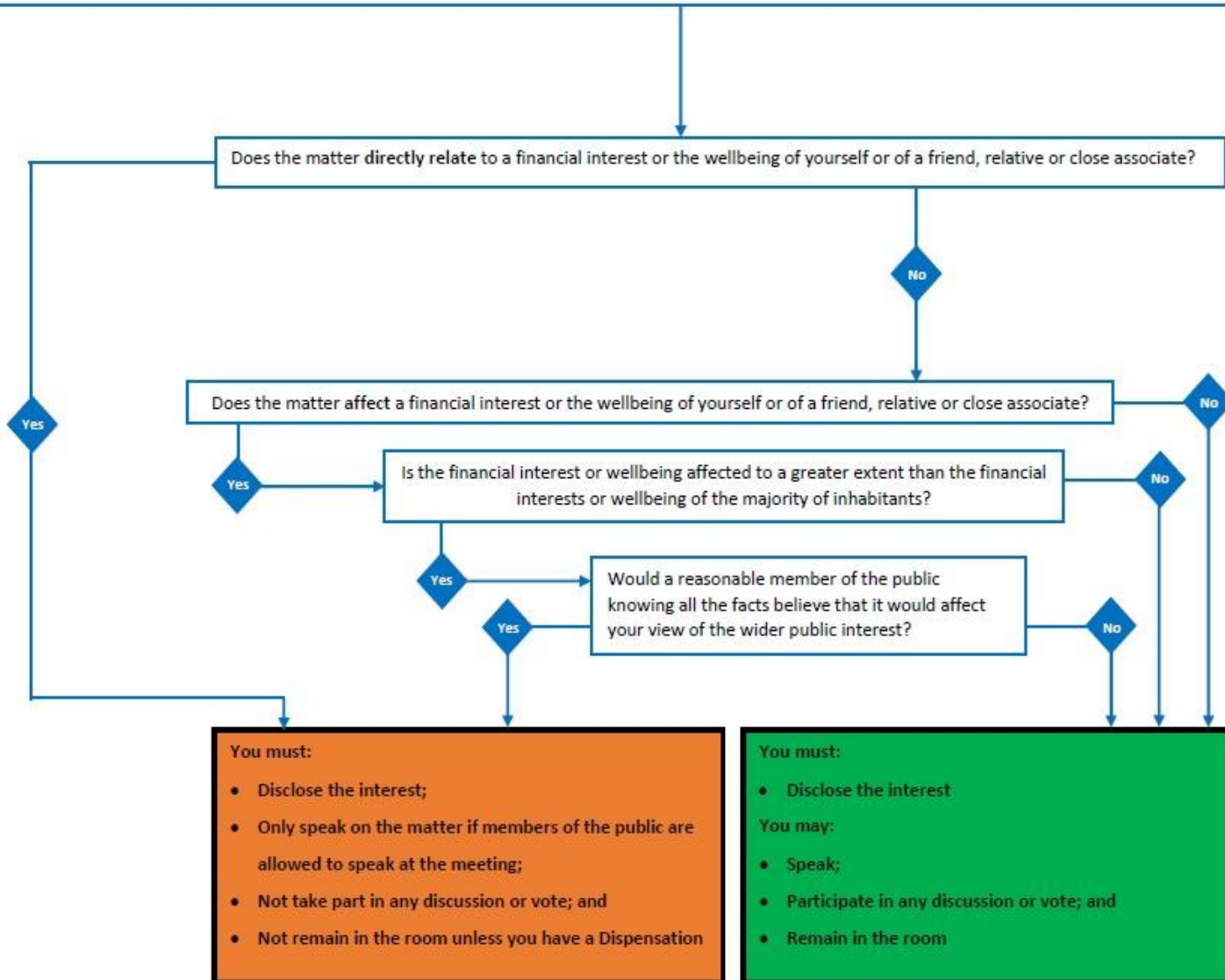
- Disclose the interest;
- Only speak on the matter if members of the public are allowed to speak at the meeting;
- Not take part in any discussion or vote; and
- Not remain in the room unless you have a Dispensation

You must:

- Disclose the interest
- You may:
- Speak;
  - Participate in any discussion or vote; and
  - Remain in the room

## Non-Registerable Interests

These are interests that you are not required to register but may become relevant when a particular item arises. These are usually interests that relate to other people you are connected with (e.g. friends, relatives or close associates) but can include your own interests where you would not have been expected to register them.



## Report of the Chief Executive

### Local Government Reorganisation in Nottingham and Nottinghamshire

#### 1. Purpose of Report

To provide an overview of the government's requirement for plans for local government reorganisation to be developed in Nottingham and Nottinghamshire; to outline the work undertaken to respond to the requirements; and to note the content and intention to submit an interim plan for the area of Nottingham and Nottinghamshire, in line with government requirements.

#### 2. Recommendation

**Council is asked to CONSIDER the following recommendations and RESOLVE accordingly:**

1. That Council notes the content and intention to submit the interim plan for local government reorganisation in Nottingham and Nottinghamshire to government by 21 March 2025
2. That Council consider the statement of risks and concerns set out in appendix 4 and agree to endorse or amend this to accompany the submission of the interim plan on behalf of Broxtowe
3. Provide delegated authority to the Deputy Chief Executive and Section 151 Officer to set aside an earmarked reserve of £150,000 or more from an anticipated General Fund underspend in 2024/25 for the purposes of funding the cost of Local Government Reorganisation in the event of central government capacity funding being delayed and/or not sufficient.

#### 3. Detail

3.1 On 16 December 2024, the Government published the [English Devolution White Paper](#). The White Paper aims to devolve greater powers to regions and local areas to improve public services and drive economic growth through:

- Widening and broadening devolution so that all areas of England have a devolution settlement;
- Deepening devolution through the development of a stronger set of powers and resources available to local areas through the new Devolution Framework;
- Progressing local-government reorganisation in two-tier areas to support a move to simpler structures, unlock further devolution and deliver sustainable public services.

- 3.2 The White Paper describes a new architecture of streamlined government, with the following tiers and functions:
- National government – responsible for the delivery and coordination of national level services, such as defence and macroeconomic policy, and services where national consistency is crucial, such as health;
  - Strategic authorities – responsible for coordinating levers relating to local growth and issues crossing council boundaries, such as infrastructure planning, transport, and spatial planning, while convening partners for public service reform;
  - Principal authorities – responsible for delivery of local public services, place shaping and local public service reform.
- 3.3 Under this proposed architecture, the East Midlands Combined County Authority (EMCCA) would become a Mayoral Strategic Authority, with the potential over time to become an “Established” Mayoral Strategic Authority, unlocking additional funding, powers and greater local flexibility.
- 3.4 The White Paper outlines that principal authorities are to be unitary councils and sets an expectation that all two-tier areas and smaller or failing unitaries develop proposals for reorganisation. The case for change outlined is that unitarisation can simplify public service delivery, can deliver significant efficiencies and improve local accountability. Strong, unitary councils are seen as the building blocks for effective combined county authorities.
- 3.5 Alongside the publication of the White Paper on 16 December 2024, the Minister of State for Local Government and English Devolution wrote to the Leaders of the nine councils in the area of the county of Nottinghamshire (the County Council, the City Council and the seven district and borough councils), outlining his intention to formally invite proposals for local government reorganisation, with the requirement to submit an interim plan, by March 2025 (**Appendix 1**).
- 3.6 On 5 February 2025, the Minister of State issued a formal invitation to the nine council leaders, asking each leader to work with other council leaders in the area to develop a proposal for local government reorganisation (**Appendix 2**). The timeline outlined asks for interim plans to be submitted on or before 21 March 2025, with feedback to be provided by Ministry of Housing, Communities and Local Government (MHCLG) officials, prior to the development of final proposals to be submitted by 28 November 2025.
- 3.7 The letter outlines six criteria against which proposals for local government reorganisation will be assessed when considered by Government.
- 3.8 A proposal should seek to achieve for the whole of the area concerned the establishment of a single tier of local government.

- 3.9 Unitary local government must be the right size to achieve efficiencies, improve capacity and withstand financial shocks.
- 3.10 Unitary structures must prioritise the delivery of high quality and sustainable public services to citizens.
- 3.11 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.
- 3.12 New unitary structures must support devolution arrangements.
- 3.13 New unitary structures should enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment.
- 3.14 The full detail of each criterion can be found in **Appendix 2**.
- 3.15 In terms of the requirement to develop and submit an interim plan, Government recognises that local areas will be at different stages of development, therefore the level of detail available will vary. The expectation of Government is for one interim plan to be jointly submitted by all councils in the area but recognises that this plan may include more than one potential proposal under consideration. The interim plan is expected to set out an area's progress in developing proposals in line with the criteria and guidance.

### **Developing the Interim Plan**

- 3.16 Since the publication of the White Paper in December 2024, Chief Executives of the nine councils have met on a weekly basis, to develop and maintain a collaborative approach to developing proposals for local government reorganisation in line with government expectations, and specifically in the short term, developing the interim plan.
- 3.17 Leaders/Mayor of the nine councils have met three times to steer the work:
- On 13 January 2025, to agree the collaborative approach to developing the interim plan, including the joint commissioning and funding of external technical support from Pricewaterhouse Coopers (PwC) to independently develop and appraise potential options for local government reorganisation;
  - On 14 February 2025, to receive a progress update in terms of options development and to steer the final phase of work in developing the interim plan; and
  - On 5 March 2025, to consider the potential options at this stage in the process and agree that the joint interim plan required by government be put forward to each Council for consideration.

3.18 The principles of the collaborative approach agreed which councils are working to are as follows:

- Collaborative
- Open, honest and transparent
- Focussed on improving outcomes, services, financial sustainability
- Acting in longer-term interest, particularly in use of resources, reserves and decision making in the interim
- Evidence-informed, based on data
- Resident-focussed
- Valuing and preparing employees for the future at a time of uncertainty and change

3.19 The interim plan (**Appendix 3**) has been developed by officers from across the nine councils, with independent support and advice from PwC. It seeks to meet the government's requirements by covering the following elements:

- a) Identification of any barriers or challenges where further clarity or support would be helpful.
- b) Identification of the likely options for the size and boundaries of new councils that will offer the best structures for delivery of high-quality and sustainable public services across the area, along with indicative efficiency saving opportunities.
- c) Inclusion of indicative costs and arrangements in relation to any options including planning for future service transformation opportunities.
- d) Inclusion of early views as to the councillor numbers that will ensure both effective democratic representation for all parts of the area, and also effective governance and decision-making arrangements which will balance the unique needs of your cities, towns, rural and coastal areas, in line with the Local Government Boundary Commission for England guidance.
- e) Inclusion of early views on how new structures will support devolution ambitions.
- f) Inclusion of a summary of local engagement that has been undertaken and any views expressed, along with your further plans for wide local engagement to help shape your developing proposals.
- g) Setting out indicative costs of preparing proposals and standing up an implementation team as well as any arrangements proposed to coordinate potential capacity funding across the area.
- h) Setting out any voluntary arrangements that have been agreed to keep all councils involved in discussions as this work moves forward and to help balance the decisions needed now to maintain service delivery and ensure value for money for council taxpayers, with those key decisions that will affect the future success of any new councils in the area.

- 3.20 It should be noted that the interim plan is a progress report to government, rather than a formal proposal. Three potential options for local government reorganisation are included within the interim plan at this stage, based on the initial work completed to date, with full detail included in **Appendix 3**:
- a) One unitary covering Broxtowe, Gedling and Nottingham City; and one unitary covering the remaining County including Ashfield, Bassetlaw, Mansfield, Newark and Sherwood and Rushcliffe.
  - b) One unitary covering Broxtowe, Nottingham City and Rushcliffe; and one unitary covering the remaining County including Ashfield, Bassetlaw, Gedling, Mansfield and Newark and Sherwood.
  - c) One unitary covering Nottingham City (current arrangement); and one unitary covering the County of Nottinghamshire.
- 3.21 It is acknowledged that the work that has taken place to date has not yet fully considered all national and local criteria, although does represent a good basis for the interim plan. Additional analytical work is therefore required following submission of the interim plan, to further assess the benefits and disbenefits of the potential options.
- 3.22 In reviewing the work so far, Leaders were strongly in favour of making the case for potential boundary changes. This is to consider options that more naturally reflect local communities and identifies.
- 3.23 Additionally, Leaders recognised that given the partial nature of the analysis, further potential proposals may emerge over the coming weeks. For these to be taken forward they would need to demonstrably meet the criteria to the same degree as those already being evaluated and referenced in the interim plan.
- 3.24 Commissioners have been involved in the recent discussions with Leaders and Chief Executives of all Councils in the county area and are of the view that the proposals being advanced at this point represent a reasonable distillation of the spread of interests so far expressed. We recognise that further detailed work will be necessary to refine and develop these options in order to produce a proposal that best meets the criteria set out. We look forward to being fully involved in this work in preparation for a submission on 28 November.

### **Next Steps**

- 3.25 Government has committed to providing feedback on the interim plan, to inform the next phase of option refinement and consideration. Councils will continue to work together collaboratively as outlined in the interim plan in developing detailed proposals for local engagement and decision-making prior to final proposals being submitted to government by 28 November 2025.

- 3.26 It is after this date that Government will consider any proposals and take decisions on how to proceed, including laying any necessary legislation and working with councils to move to new “shadow” unitary councils. Timelines for new unitary authorities to be implemented are expected to be April 2028 at the earliest.
- 3.27 Government has indicated that it intends to provide capacity funding to support with preparing proposals for reorganisation, however details of this funding are not yet available. Work to date to develop the interim plan has been undertaken within existing budgets, with external support from PwC costing less than £90,000, with costs shared across the nine councils. Given that local government reorganisation is a significant undertaking, there will be a need as a priority to develop an understanding of the likely financial implications of developing the proposal and subsequent implementation costs, and to set aside financial resources for this purpose.

### Other Options Considered

- 3.28 Councils could have developed proposals in isolation rather than collectively across the whole area of the county of Nottinghamshire. This would have risked options being developed which meet the needs of part of the area but not the whole, and which have less alignment with the criteria set out by MHCLG in the statutory invitation. The potential options for local government reorganisation outlined in the interim plan have been developed through a structured and detailed work programme overseen by Leaders/Mayor with support from Chief Executives and advice and analysis from PwC.

To ensure that Council meets the requirements of the statutory invitation from government to submit an interim plan for local government reorganisation for the area of the county of Nottinghamshire by 21 March 2025.

Although there has not been a formal public consultation regarding the interim plan, numerous residents have expressed concerns and identified potential risks related to the proposed options. These concerns have been conveyed through petitions, community groups, and individual communications, highlighting the possible adverse effects on Broxtowe communities. A summary of some of these concerns and risks is included in **Appendix 4**.

### 4. Financial Implications

The comments from the Assistant Director Finance Services were as follows:

The financial viability assessment supporting the Interim Plan is, at this stage, only a partial assessment. It is based on analyses of debt to reserves per capita and social care demand to council tax and the data used for the analyses has not been validated by the respective Section 151 Officers. Further detailed work will need to be taken on validating this data between now and the



final submission in November 2025 and understanding the costs of the proposed new organisations and the efficiencies and costs in reducing the number of Councils to a smaller number. In addition, the financial viability assessment that will underpin the final submission will need to include the costs of all services provided by councils and not just social services. It will need to take into account all other elements of core spending power; in particular business rate baseline and business rate growth and any potential direction of travel and sensitivity analysis regarding wider local government financial reform.

It is estimated that the consultancy costs for the next stage of the process could be around £600,000 to be shared between the councils. It is unclear at this stage whether any capacity funding will be provided by the MHCLG. It would be prudent to set aside some funds from General Fund Reserves to meet any unfunded costs. It is therefore proposed to set aside an earmarked reserve of £150,000 from an expected General Fund underspend in 2024/25 to fund the local government reorganisation process.

5. Legal Implications

The comments from the Monitoring Officer / Head of Legal Services were as follows:

The statutory invitation sent by the Minister of State for Local Government and English Devolution dated 5 February 2025 was issued under section 2 of the Local Government and Public Involvement in Health Act 2007 (LGPIHA). Under section 3(6) of LGPIHA, authorities have an express function of responding to such invitations. It does not appear that the proposal submitted on 21 March 2025 will have any specific legal consequence or status compared to the full proposal required by 28 November 2025. Furthermore, the Government is planning to legislate for a new ministerial directive to compel areas to establish Strategic Authorities if leaders are unable to agree. At this stage there are no direct legal implications for the Council. This is a developing reorganisation of local government, the governance and legal implications of which will not become clear until later in the devolution process.

6. Human Resources Implications

There are no direct HR implications contained in the report, however, as these plans evolve and further detail is available there will be a number of HR implications to consider for all councils.

7. Union Comments

Not applicable.

8. Climate Change Implications

The climate change implications are contained within the report.

9. Data Protection Compliance Implications

This report does not contain any OFFICIAL(SENSITIVE) information and there are no Data Protection issues in relation to this report.

A data protection impact assessment has been undertaken as part of the work to develop the interim plan.

10. Equality Impact Assessment

Not applicable.

11. Background Papers

Nil.



Ministry of Housing,  
Communities &  
Local Government

**Jim McMahon OBE MP**

*Minister of State for Local Government and  
English Devolution*

2 Marsham Street  
London  
SW1P 4DF

To: Leaders of all two-tier councils and  
neighbouring unitary authorities

16 December 2024

Dear Leaders

The English Devolution White Paper published today sets out how the Government plans to deliver on our manifesto pledge to transfer power out of Westminster through devolution and to fix the foundations of local government. You will receive under separate cover a letter outlining the ambition and key elements of the White Paper, but I also wanted to write to areas which might be in scope for a joint programme of devolution and local government reorganisation, to set out a clear process and key milestones.

The Government's long-term vision is for simpler structures which make it much clearer for residents who they should look to on local issues, with fewer politicians able to focus on delivering. Local government reorganisation, alongside devolution over a large strategic geography, can drive economic growth whilst delivering optimal public services. To help deliver these aims, we will facilitate local government reorganisation in England for two-tier areas and for unitary councils where there is evidence of failure, or where their size or boundaries may be hindering an ability to deliver sustainable, high-quality public services.

Given how much interest there has been, and will continue to be in this programme, I am writing now to all councils in two-tier areas, and to neighbouring smaller unitary authorities, to give you further detail and to set out our plans to work with you over the coming months.

**Local government reorganisation**

My intention is to formally invite unitary proposals in January 2025 from all councils in two-tier areas, and small neighbouring unitary councils. In this invitation, I will set out further detail on the criteria I will consider when taking decisions on the proposals that are submitted to Government. I intend to ask for interim plans by March 2025.

As set out in the White Paper, new unitary councils must be the right size to achieve efficiencies, improve capacity and withstand financial shocks. For most areas, this will mean creating councils with a population of 500,000 or more. However, there may be exceptions to ensure new structures make sense for an area, including on devolution. Final decisions will be made on a case-by-case basis. We will ask you to work with other councils in your area to develop unitary proposals that are in the best interests of the whole area, rather than developing competing proposals.

### **Devolution**

We are clear that reorganisation should not delay devolution. Plans should be complementary, with devolution remaining the overarching priority. In January, we will therefore also set out which areas will be included in our Devolution Priority Programme, aimed at places ready to come together under the sensible geography criteria set out in the White Paper and wishing to progress to an accelerated timescale. This will be with a view to inaugural mayoral elections in May 2026. This is an exciting programme and there has already been significant interest even before the White Paper was published.

I am aware that different places will be in different stages of their devolution journey. While some will already have an existing strategic authority, others may be in the process of establishing one, and others still may need reorganisation to take place before they can fully benefit from devolution.

I also understand that delivering these ambitious plans for devolution and for local government reorganisation will be a significant change. It will be essential for councils to work with local partners, including MPs, to develop plans for sustainable unitary structures capable of delivering the high-quality public services that residents need and deserve.

### **Transition and implementation**

We are under no illusion about the scale of issues facing local government. It is in all our interests to make sure we are avoiding unnecessary spend at a time when budgets are already tight, so we will be working with sector partners to avoid use of expensive consultants wherever possible.

My department will be working closely with the Local Government Association, District Councils Network, County Councils Network and others, to develop a shared understanding of how reorganisation can deliver the best outcomes for local residents and businesses. We have a collective responsibility to ensure councils are better supported throughout reorganisation. This will include preparing robust proposals with evidence, standing up new unitary councils ready for vesting day and work to deliver the significant opportunities that are possible by creating suitably sized unitary structures. We will take a phased approach and expect to deliver new unitary authorities in April 2027 and 2028.

## **Timelines and next steps**

I have heard from some areas that the timing of elections affects their planning for devolution, particularly alongside reorganisation. To help manage these demands, alongside our objectives on devolution, and subject to meeting the timetable outlined in this letter, I am minded to lay secondary legislation to postpone local council elections from May 2025 to May 2026.

However, I will only do this where this will help the area to deliver both reorganisation and devolution to the most ambitious timeframe – either through the Devolution Priority Programme or where reorganisation is necessary to unlock devolution or open up new devolution options. There will be two scenarios in which I will be willing to postpone elections;

- Areas who are minded to join the Devolution Priority Programme, where they will be invited to submit reorganisation proposals to Government by Autumn 2025.
- Areas who need reorganisation to unlock devolution, where they will be invited to submit reorganisation proposals to Government by May 2025.

For any area in which elections are postponed, we will work with areas to move to elections to new 'shadow' unitary councils as soon as possible as is the usual arrangement in the process of local government reorganisation.

For all other areas elections will take place as scheduled in May 2025, and I will invite in January proposals for reorganisation to be submitted to Government by Autumn 2025.

To lay the relevant legislation to postpone elections, I will need a clear commitment to devolution and reorganisation aims from upper-tier councils in an area, including a request from the council/s whose election is to be postponed, on or before Friday 10 January. This request must set out how postponing the election would enable the council to make progress with reorganisation and devolution in parallel on the Devolution Priority Programme, or would speed up reorganisation and enable the area to benefit from devolution as quickly as possible once new unitary structures are in place.

I am working together with my colleague and fellow Minister, Baroness Taylor, who will host a webinar with leaders and chief executives of councils to discuss the next steps I have outlined in this letter. I hope you will be able to attend that discussion.

I welcome your views on any matters raised in this letter. As set out above, I will require a clear commitment to delivering both reorganisation and devolution to the most ambitious timeframe, with any request to delay council elections by Friday 10 January. Please respond or direct any queries to [EnglishDevolutionLGENquiries@communities.gov.uk](mailto:EnglishDevolutionLGENquiries@communities.gov.uk).

I look forward to working with you to build empowered, simplified, resilient and sustainable structures for local government. I am copying this letter to council Chief Executives, and where relevant to Best Value Commissioners. I am also copying this letter to local Members of Parliament, and where relevant to Mayors of combined (county) authorities, and Police (Fire) and Crime Commissioners.

Yours ever,

A handwritten signature in blue ink that reads "Jim McMahon." The signature is written in a cursive style with a large initial 'J'.

**JIM MCMAHON OBE MP**  
Minister of State for Local Government and English Devolution



Ministry of Housing,  
Communities &  
Local Government

**Jim McMahon OBE MP**

*Minister of State for Local Government and  
English Devolution*  
2 Marsham Street  
London  
SW1P 4DF

Your reference:

Our reference:

To: Leaders of two-tier councils and  
unitary council in Nottinghamshire

Ashfield District Council  
Bassetlaw District Council  
Broxtowe Borough Council  
Gedling Borough Council  
Mansfield District Council  
Newark and Sherwood District Council  
Nottinghamshire County Council  
Rushcliffe Borough Council  
Nottingham City Council

5 February 2025

Dear Leaders

This Government has been clear on our vision for simpler, more sustainable, local government structures, alongside a transfer of power out of Westminster through devolution. We know that councils of all political stripes are in crisis after a decade of decline and instability. Indeed, a record number of councils asked the government for support this year to help them set their budgets.

This new government will not waste this opportunity to build empowered, simplified, resilient and sustainable local government for your area that will increase value for money for council taxpayers. Local leaders are central to our mission to deliver change for hard-working people in every corner of the country through our Plan for Change, and our councils are doing everything they can to stay afloat and provide for their communities day in, day out. The Government will work closely with you to deliver these aims to the most ambitious timeline.

I am writing to you now to formally invite you to work with other council leaders in your area to develop a proposal for local government reorganisation, and to set out further detail on the criteria, guidance for the development of proposals, and the timeline for this process. A formal invitation with guidance for the development of your proposals is attached at Annex A. This invitation sets out the criteria against which proposals will be assessed.

### **Developing proposals for reorganisation**

We expect there to be different views on the best structures for an area, and indeed there may be merits to a variety of approaches. Nevertheless, it is not in council taxpayers' interest to devote public funds and your valuable time and effort into the development of multiple proposals which unnecessarily fragment services, compete against one another, require lengthy implementation periods or which do not sufficiently address local interests and identities.

The public will rightly expect us to deliver on our shared responsibility to design and implement the best local government structures for efficient and high-quality public service delivery. We therefore expect local leaders to work collaboratively and proactively, including by sharing information, to develop robust and sustainable unitary proposals that are in the best interests of the whole area to which this invitation is issued, rather than developing competing proposals.

This will mean making every effort to work together to develop and jointly submit one proposal for unitary local government across the whole of your area. The proposal that is developed for the whole of your area may be for one or more new unitary councils and should be complementary to devolution plans. It is open to you to explore options with neighbouring councils in addition to those included in this invitation, particularly where this helps those councils to address concerns about their sustainability or limitations arising from their size or boundaries or where you are working together across a wider geography within a strategic authority.

I understand there will be some cases when it is not possible for all councils in an area to jointly develop and submit a proposal, despite their best efforts. This will not be a barrier to progress, and the Government will consider any suitable proposals submitted by the relevant local authorities.

### **Supporting places through change**

It is essential that councils continue to deliver their business-as-usual services and duties, which remain unchanged until reorganisation is complete. This includes progress towards the Government's ambition of universal coverage of up-to-date local plans as quickly as possible. To support with capacity, I intend to provide some funds for preparing to take forward any proposal, and I will share further information later in the process.

Considering the efficiencies that are possible through reorganisation, we expect that areas will be able to meet transition costs over time from existing budgets, including from the flexible use of capital receipts that can support authorities in taking forward transformation and invest-to-save projects.

The default position is that assets and liabilities remain locally managed by councils, but we acknowledge that there are exceptional circumstances where there has been failure linked to capital practices. Where that is the case, proposals should reflect the extent to which the implications of this can be managed locally, including as part of efficiencies possible through reorganisation, and Commissioners should be engaged in these discussions. We will continue to discuss the approach that is proposed with the area.

I welcome the partnership approach that is being taken across the sector to respond to the ambitious plans set out in the White Paper. My department will continue to work closely with the Local Government Association (LGA), the District Councils Network, the County Councils Network and other local government partners to plan how best to support councils through this process. We envisage that practical support will be needed to understand and address the key thematic issues that will arise through reorganisation, including managing service impacts and opportunities for the workforce, digital and IT systems, and leadership support.



**Timelines and next steps for interim plans and full proposals**

We ask for an interim plan to be submitted on or before 21 March 2025, in line with the guidance set out in the attached Annex. My officials will provide feedback on your plan to help support you to develop final proposals.

I will expect any full proposal to be submitted **by 28 November**. If I decide to implement any proposal, and the necessary legislation is agreed by Parliament, we will work with you to move to elections to new 'shadow' unitary councils as soon as possible as is the usual arrangement in the process of local government reorganisation.

Following submission, I will consider any and all proposals carefully before taking decisions on how to proceed. My officials are available throughout to discuss how your reorganisation and devolution aspirations might work together and what support you think you might need to proceed.

This is a once in a generation opportunity to work together to put local government in your area on a more sustainable footing, creating simpler structures for your area that will deliver the services that local people and businesses need and deserve. As set out in the White Paper, my commitment is that clear leadership locally will be met with an active partner nationally.

I am copying this letter to council Chief Executives and to Best Value Commissioners. I am also copying this letter to local Members of Parliament, to the Mayor of the Combined Authority and to the Police and Crime Commissioner.

Yours sincerely,

A handwritten signature in blue ink that reads "Jim McMahon". The signature is written in a cursive style with a large initial 'J'.

**JIM MCMAHON OBE MP**

Minister of State for Local Government and English Devolution

**LOCAL GOVERNMENT AND PUBLIC INVOLVEMENT IN HEALTH ACT 2007****INVITATION FOR PROPOSALS FOR A SINGLE TIER OF LOCAL GOVERNMENT**

The Secretary of State for Housing, Communities and Local Government, in exercise of his powers under Part 1 of the Local Government and Public Involvement in Health Act 2007 ('the 2007 Act'), hereby invites any principal authority in the area of the county of Nottinghamshire, to submit a proposal for a single tier of local government.

This may be one of the following types of proposal as set out in the 2007 Act:

- Type A – a single tier of local authority covering the whole of the county concerned
- Type B – a single tier of local authority covering an area that is currently a district, or two or more districts
- Type C – a single tier of local authority covering the whole of the county concerned, or one or more districts in the county; and one or more relevant adjoining areas
- Combined proposal – a proposal that consists of two or more Type B proposals, two or more Type C proposals, or one or more Type B proposals and one or more Type C proposals.

Proposals must be submitted in accordance with paragraphs 1 to 3:

1. Any proposal must be made by **28 November 2025**.
2. In responding to this invitation an authority must have regard to the guidance from the Secretary of State set out in the Schedule to this invitation, and to any further guidance on responding to this invitation received from the Secretary of State.
3. An authority responding to this invitation may either make its own proposal or make a proposal jointly with any of the other authorities invited to respond.

Signed on behalf of the Secretary of State for Housing, Communities and Local Government.



**F KIRWAN**

A senior civil servant in the Ministry of Housing, Communities and Local Government

5 February 2025

## SCHEDULE

### Guidance from the Secretary of State for proposals for unitary local government.

#### Criteria for unitary local government

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.
  - 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 and local engagement.
  - 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.
  
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.
  - e) For areas covering councils that are in Best Value intervention and/or in receipt of Exceptional Financial Support, proposals must additionally demonstrate how reorganisation may contribute to putting local government in the area as a whole on a firmer footing and what area-specific arrangements may be necessary to make new structures viable.
  - f) In general, as with previous restructures, there is no proposal for council debt to be addressed centrally or written off as part of reorganisation. For areas where there are exceptional circumstances where there has been failure linked to capital practices, proposals should reflect the extent to which the implications of this can be managed locally, including as part of efficiencies possible through reorganisation.

**3. 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.

**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.**

- 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.

**5. New unitary structures must support devolution arrangements.**

- a) Proposals will need to consider and set out for areas where there is already a Combined Authority (CA) or a Combined County Authority (CCA) established or a decision has been taken by Government to work with the area to establish one, how that institution and its governance arrangements will need to change to continue to function effectively; and set out clearly (where applicable) whether this proposal is supported by the CA/CCA /Mayor.
- b) Where no CA or CCA is already established or agreed then the proposal should set out how it will help unlock devolution.
- c) Proposals should ensure there are sensible population size ratios between local authorities and any strategic authority, with timelines that work for both priorities.

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

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

**Developing proposals for unitary local government**

The following matters should be taken into account in formulating a proposal:

### **Boundary Changes**

- a) Existing district areas should be considered the building blocks for your proposals, but where there is a strong justification more complex boundary changes will be considered.
- b) There will need to be a strong public services and financial sustainability related justification for any proposals that involve boundary changes, or that affect wider public services, such as fire and rescue authorities, due to the likely additional costs and complexities of implementation.

### **Engagement and consultation on reorganisation**

- a) We expect local leaders to work collaboratively and proactively, including by sharing information, to develop robust and sustainable unitary proposals that are in the best interests of the whole area to which this invitation is issued, rather than developing competing proposals.
- b) For those areas where Commissioners have been appointed by the Secretary of State as part of the Best Value Intervention, their input will be important in the development of robust unitary proposals.
- c) We also expect 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.
- d) 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.
- e) The views of other public sector providers will be crucial to understanding the best way to structure local government in your area. This will include the relevant Mayor (if you already have one), Integrated Care Board, Police (Fire) and Crime Commissioner, Fire and Rescue Authority, local Higher Education and Further Education providers, National Park Authorities, and the voluntary and third sector.
- f) Once a proposal has been submitted it will be for the Government to decide on taking a proposal forward and to consult as required by statute. This will be a completely separate process to any consultation undertaken on mayoral devolution in an area, which will be undertaken in some areas early this year, in parallel with this invitation.

## Interim plans

An interim plan should be provided to Government on or before **21 March 2025**. This should set out your progress on developing proposals in line with the criteria and guidance. The level of detail that is possible at this stage may vary from place to place but the expectation is that one interim plan is jointly submitted by all councils in the area. It may be the case that the interim plan describes more than one potential proposal for your area, if there is more than one option under consideration. The interim plan should:

- a) identify any barriers or challenges where further clarity or support would be helpful.
- b) identify the likely options for the size and boundaries of new councils that will offer the best structures for delivery of high-quality and sustainable public services across the area, along with indicative efficiency saving opportunities.
- c) include indicative costs and arrangements in relation to any options including planning for future service transformation opportunities.
- d) include early views as to the councillor numbers that will ensure both effective democratic representation for all parts of the area, and also effective governance and decision-making arrangements which will balance the unique needs of your cities, towns, rural and coastal areas, in line with the Local Government Boundary Commission for England guidance.
- e) include early views on how new structures will support devolution ambitions.
- f) include a summary of local engagement that has been undertaken and any views expressed, along with your further plans for wide local engagement to help shape your developing proposals.
- g) set out indicative costs of preparing proposals and standing up an implementation team as well as any arrangements proposed to coordinate potential capacity funding across the area.
- h) set out any voluntary arrangements that have been agreed to keep all councils involved in discussions as this work moves forward and to help balance the decisions needed now to maintain service delivery and ensure value for money for council taxpayers, with those key decisions that will affect the future success of any new councils in the area.

## Nottingham and Nottinghamshire Interim Plan for Local Government Reorganisation

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Final Draft: 7 March 2025



## **1. Our People and Our Place**

### **a) Introduction**

Nottingham and Nottinghamshire are situated centrally in England, and, alongside Derby and Derbyshire, constitute the area covered by the East Midlands Combined County Authority (EMCCA). The county, including the city, covers 832 square miles (2,156 sq. km) and has three distinct areas: the urban conurbation of Nottingham, one of the UK's Core Cities and an economic, service and cultural hub for the East Midlands, including relatively affluent suburbs surrounding the City of Nottingham; the towns and villages in the north-west which grew out of the textiles and coal industries; and the rural areas to the east and south with their prosperous market towns and villages in the Trent Valley.

There are 7 non-metropolitan districts within the County of Nottinghamshire, namely – Ashfield, Bassetlaw, Broxtowe, Gedling, Mansfield, Newark & Sherwood, and Rushcliffe. The City of Nottingham is a unitary authority (Nottingham City Council). Nottinghamshire County Council is the upper tier authority covering the seven non-metropolitan districts for a range of public services, with Ashfield District Council, Bassetlaw District Council, Broxtowe Borough Council, Gedling Borough Council, Mansfield District Council, Newark and Sherwood District Council and Rushcliffe Borough Council providing local services to their communities.

### **b) Population**

Nottingham and Nottinghamshire have a combined population of 1,173,770 persons. This includes 844,494 persons living across the 7 District Authorities within the County of Nottinghamshire, alongside a Nottingham City population of 329,276.<sup>1</sup>

Based on the latest 2021 census, 93% of the total population of Nottinghamshire is White, with 88% being White British (including Northern Ireland), and 4% of the population being Other White.

Nottingham City however has a more diverse population. 66% of the total population are White, 57% being White British and 7% being other White. 15% of the City's residents are Asian/ Asian British, 10% are Black/ African/ Caribbean/ Black British, and 6% are Mixed/ Multiple Ethnic Groups.

Projecting the Nottinghamshire population to 2031, there is expected to be a considerable rise in the number of persons aged 65 and over, increasing from 220,126 to 265,661 (a 21% increase). Persons aged 0-17 and 18-64 see a similar rise through 2031, of 2% and 3% respectively.<sup>2</sup>

### **c) History, Heritage and Innovation**

Nottingham and Nottinghamshire are places rich in heritage, history and culture, and where innovation flourishes. From a wealth of professional sports teams and facilities that play host to both national and international competitions, to landmarks such as Nottingham Castle, Rufford and Newstead Abbeys, Holme Pierrepont, Southwell Minster, the Lace Market, Clumber Park and Sherwood Forest, both Nottingham and Nottinghamshire have an abundance of attractions and history that residents and visitors

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<sup>1</sup> ONS 2023 Mid-year population estimates.

<sup>2</sup> ONS Subnational Population Projections (2018-based).



can enjoy and be proud of. Nottingham is a major cultural hub and creative centre for the East Midlands, and is home to a range of nationally important cultural institutions, including the Nottingham Playhouse, Nottingham Contemporary and the Royal Concert Hall.

Our recent past is characterised by the transition away from traditional industries which supported entire communities and multiple generations, up until the end of the 20<sup>th</sup> century to new patterns of employment. Whilst employment in coal, textile and clothing industries has shrunk, small businesses and start-ups across a range of sectors have replaced these traditional industries, providing the foundations for a strong and vibrant local economy that continues to grow and expand. Towns and villages in the north and west that were the heartland of heavy industry now offer opportunities for automotive, servicing and manufacturing sector industries, with a major concentration of logistics and distribution companies on the M1 and A1 corridors.

The Trent Valley Super Cluster, centred around 3 former power station sites in the north east of the County, is the home of the STEP programme – the UK’s world leading effort to build breakthrough nuclear fusion technology and capability to transform the UK’s future energy security through limitless clean energy. Building on an initial Government investment of £400m to support the UK Atomic Energy Authority’s STEP Fusion programme, the Super Cluster initiative is designed to incubate and drive huge investment the length of the Trent north to south in Nottinghamshire. The programme includes growth in housing, with potential for new settlements, the creation of additional high skilled jobs (15,00+). The catalyst provided by public investment in STEP will act as a lever for billions of pounds of inward investment as part of a drive to create a major UK engine of advanced clean energy research and production.

The developing economic strengths along the M1 corridor and mid Nottinghamshire are part of an ongoing restructuring of the economy to leverage automated distribution, major hubs of advanced manufacturing and materials development, digital and technology (including AI and data). Allied to these developments are associated investments in high tech agriculture, utilising and enhancing the natural characteristics and assets of the Trent Valley. This opportunity also extends to the southern end of the Trent Valley and the East Midlands Freeport area, where the former power station site at Ratcliffe-on-Soar will be redeveloped as a southern hub for clean technology and advanced manufacturing.

A well-connected city of creativity, innovation and learning and a cultural hub in the East Midlands, Nottingham attracts visitors from across the globe and has led the way in local action to deliver ‘net zero’. Nottingham is a young, creative and entrepreneurial city with dynamic businesses in growing sectors and a diverse range of industrial strengths including the Creative and Digital, Health and Life Sciences, E-Sports, Low Carbon Clean Technology and Advanced Manufacturing sectors. Nottingham has world class research capabilities driving innovation and growth. It is home to two high performing universities. The University of Nottingham is a research-intensive university, ranked in the World’s 100 Best Universities, second in the UK for graduate employability and seventh for research strength. Nottingham Trent University (NTU), Modern University of the Year 2023, has specialisms in creative technologies, art and design, fashion, green sustainable construction, business, medical technologies and health, and sciences including forensics and sport.

The East Midlands has a polycentric economy which has not seen growth that has kept pace with that of other regions. Nottingham is the region’s core city and an economic

hub for the East Midlands. Nottingham City's economy generated £11.5bn of gross value added (GVA) in 2022 and when the wider primary urban area is taken into account, this rises to £19.2bn. The wider Nottingham economy generates nearly 15% of the GVA of the East Midlands region and more than 34% of the GVA of the new East Midlands Combined County Authority demonstrating the important contribution the wider city geography and economy makes to the region. Over half of jobs in the City are occupied by residents of neighbouring areas in the conurbation.

#### d) Outcomes that people experience

Residents across Nottingham and Nottinghamshire experience significantly differentiated outcomes as highlighted in the table below, with local government reorganisation and associated public service reform representing an opportunity to address the disparities in people's outcomes. Residents in Nottingham face continued challenges around participation in and benefit from economic growth and remains a city with significant levels of deprivation and inequality in neighbourhoods and communities. There are also widespread areas of deprivation in parts of the county where people particularly face health related barriers to work.

Name	Ashfield	Bassetlaw	Broxtowe	Gedling	Mansfield	Newark & Sherwood	Nottingham	Rushcliffe
Overall Deprivation	4.28	4.93	6.89	6.69	4.16	5.77	2.96	8.82
Crime	4.86	5.51	6.89	7.08	4.84	6.70	3.70	8.87
Employment	3.66	4.44	5.87	5.39	3.69	5.31	3.41	7.79
Income	4.34	5.37	6.34	6.00	4.58	6.09	3.38	8.03
Barriers to Housing and Services	6.91	6.00	8.55	7.55	6.60	6.10	4.77	7.50
Education, Skills and Training	3.19	4.39	6.07	5.74	3.37	4.99	3.26	8.78
Health Deprivation & Disability	3.45	3.81	6.52	6.42	2.85	5.60	2.47	8.88
Living Environment	7.62	6.93	6.28	7.18	7.27	6.43	3.67	7.56
(IDACI) <sup>3</sup>	4.00	5.26	6.14	6.08	4.54	6.01	2.91	8.29
(IDAOP) <sup>4</sup>	5.34	6.17	6.46	6.48	5.27	6.79	3.12	7.79
Proportion of LSOAs in most deprived 10% nationally	16.22%	7.14%	0.00%	1.30%	14.93%	4.29%	30.77%	0.00%

Table: English Indices of Deprivation 2019<sup>5</sup>

<sup>3</sup> Income Deprivation Affecting Children Index

<sup>4</sup> Income Deprivation Affecting Older People Index

<sup>5</sup> Table sourced from <https://www.gov.uk/government/statistics/english-indices-of-deprivation-2019>

## **2. The Strategic Case for Change**

### **a) Responding to the requirements of the English Devolution White Paper**

Government has instigated the requirement to reorganise local government in Nottingham and Nottinghamshire through the publication of the English Devolution White Paper, and subsequent statutory invitation to Council Leaders/Mayor of 5 February 2025, outlining the need for “simpler, more sustainable, local government structures, alongside a transfer of power out of Westminster through devolution”.

### **b) The case for change in Nottingham and Nottinghamshire**

There are local factors which suggest that benefits could be derived from introducing new unitary arrangements in the area. Like many areas across the country, councils locally are under increasing pressure in terms of their ability to respond to increasing and/or complex needs of people in vulnerable circumstances or with additional needs (adult social care, children’s social care, health and wellbeing, housing and homelessness, children with special educational needs and disabilities). This pressure can be seen both in challenges meeting regulatory outcomes and in budget pressures contributing significantly to cumulative gaps in the majority of councils’ medium term financial plans. Whilst local government reorganisation can contribute to addressing the cumulative financial gap it is unlikely to fully address it, hence the need to also focus on opportunities for transformation and public service reform as we move beyond the interim plan phase into developing full proposals for submission in November. Outlined below are some of the early opportunities that we have identified:

#### ***Improve residents’ outcomes and experiences through public service reform***

There are currently nine councils providing a wide range of services to residents in Nottingham and Nottinghamshire. The City Council is a unitary council responsible for all local government services to people in the city of Nottingham. In Nottinghamshire, some services are provided across the whole county by the County Council (including adult social care, children’s social care, libraries and cultural services, school admissions, support for children with special educational needs and disabilities, public health, highways, trading standards, strategic planning, waste disposal), whilst others are provided by the seven local district or borough councils (including sports and leisure, housing, homelessness, waste collection, street cleaning, parks and local spaces, planning, public protection, environmental health, council tax and business rate collection, benefits). In some parts of the county, town and parish provide highly local services. Local government reorganisation offers the opportunity to build on what we do well and make the most of new service synergies to design new ways of working, reflecting the way that people live their lives, and provide a more joined-up approach to:

- supporting people in our communities experiencing difficult circumstances and ensuring a focus on meeting their full range of needs early, for example through bringing together approaches to housing, homelessness and use of the disabled facilities grant with support for vulnerable children or adults;
- providing everyday services that improve Nottingham and Nottinghamshire as a place to live, for example through bringing together consistent approaches to waste collection, disposal and recycling, grounds maintenance, planning, fees and charges and council tax support schemes;

- improving customer experience and accessibility by removing confusion on who to contact for what and connecting people more readily to the support and services that they need in their local area;
- bringing all services up to the highest standards using best practice;
- building services and administrative geographies around citizens and communities, reflecting where and how people live, work and access services.

Designing new unitary arrangements also provides the opportunity to look at new ways of working together across organisational boundaries to provide more integrated and joined up support to residents, shifting towards more preventative and community-based support and driving out efficiencies that will increase spending power for essential services. Early engagement with strategic partners has highlighted the opportunity to design new unitary arrangements that are aligned to the development of the neighbourhood health model as part of the NHS ten-year plan. This will help to improve local ambitions to be support people to live independently in their homes for longer, irrespective of existing council boundaries.

### ***Support financial sustainability through increased efficiency***

Local government reorganisation offers the opportunity to reduce duplication and fragmentation within Nottingham and Nottinghamshire, for example through consolidating common functions within organisations, identifying opportunities to commission at scale, introducing new technology and reducing the number of systems and assets that are used currently. One example of existing collaboration to build on is the shared procurement approach, with Nottinghamshire County Council providing procurement services on behalf of Ashfield District Council, Mansfield District Council, Broxtowe Borough Council and Rushcliffe Borough Council. This enables improved efficiency and cost savings through pooling resources, skills and knowledge, and taking a category management approach that enables spend to be consolidated and buying power to be leveraged. Through this approach, a number of frameworks across all our partners have been developed, delivering an efficient and effective contractual solution for the region.

For over a decade the planning authorities across the wider Nottingham conurbation and Housing Market Area (Nottingham City Council, Ashfield District Council, Broxtowe Borough Council, Gedling Borough Council, Rushcliffe Borough Council and Erewash Borough Council) and Nottinghamshire and Derbyshire County Councils have worked together under the Greater Nottingham Planning Partnership. As well as enabling successful aligned Local Plans to help drive growth and housing, it has delivered significant financial savings from pooling resources and sharing the cost of the required extensive evidence base.

Local government reorganisation also presents an opportunity to enhance efficiency and effectiveness in governance. By streamlining decision-making processes, a unified authority can respond more swiftly to community needs, fostering a dynamic environment that prioritises resident engagement and increases the pace of positive change in pressing issues such as housing, transportation and economic development. A unified authority can respond more swiftly to community needs, fostering a dynamic environment that prioritises resident engagement.

Larger unitary councils are better positioned to invest in new technologies and practices that improve service delivery and operational efficiency. This approach will

promote resilience and sustainability in addressing challenges like climate change and public health.

***Enables strong, local accountability and connection to communities and neighbourhoods***

One of the perceived risks of developing unitary council arrangements is that of a loss of connection between large organisations and their communities, however models in place in existing large unitaries exemplify models that achieve this, for example through Area Action Partnerships or Community Boards.

In addition, we already have in place well embedded arrangements for effectively engaging with local communities, that can be further developed and built on. This ranges from coproduction, where key services are designed with residents, to the strengths-based approach to working with people in vulnerable or challenging circumstances, that enables them to shape the support that they receive. Building from these existing approaches will help us build a framework that helps people to have the greatest control over the things that are most important to their lives - their care, their protection - through to providing consistent, high-quality services for universal services, such as recycling.

An early focus of work following submission of the interim plan will be to develop proposed engagement models at very local levels and develop new and innovative arrangements to enhance connections with communities and to reflect their different needs, including the opportunity to implement in-district boundary changes. This will be key for Nottingham and Nottinghamshire given the diversity of our communities.

***Maximise the potential impact of collaborating with the East Midlands Combined County Authority (EMCCA) on outcomes for Nottingham and Nottinghamshire residents***

The English Devolution White Paper introduces the concept of strategic and principal authorities, with strategic authorities replacing combined authorities and leading on the coordination of levers relating to local growth and issues crossing council boundaries, such as infrastructure planning, transport, and spatial planning, while convening partners for public service reform. Principal authorities (unitary councils) become responsible for delivery of local public services, place shaping and delivering public service reform.

Any changes to local government in Nottingham and Nottinghamshire must take account of potential impacts on the governance of EMCCA. As a Combined County Authority, EMCCA currently has four constituent councils including Nottingham City Council and Nottinghamshire County Council. Changes to the number of unitaries in Nottingham and Nottinghamshire (and Derby city and Derbyshire) may require further changes to EMCCAs constitution. Having a more efficient and effective system of local government in the East Midlands will support EMCCA in the delivery of its strategic mission around inclusive growth.

The establishment of EMCCA has also acted as a driver of our work to consider opportunities for public service reform. In this, the unitary models under consideration will support reform, consistency and improvement in key areas such as planning, housing and waste, and will also support the regional strategic place-shaping role of EMCCA in key policy areas such as population health and wellbeing and integrated care.

The establishment of EMCCA is also enabling transport and economic strategy to be increasingly co-ordinated at regional level, and has streamlined engagement with Government on issues and opportunities of subnational and national significance and provided the East Midlands with access to greater funding to deliver shared priorities.

Whilst EMCCA has begun to lead on regional strategy development, local government has been crucial to informing that strategy development and translating it to delivery, providing capacity, expertise and routes to market for activity to deliver inclusive economic growth. As EMCCA continues its development, local government will remain key to the effective delivery of shared regional objectives and priorities.

Whilst we have already had the benefit of engagement with officials from EMCCA in the early stages of developing the case for change, formal engagement with the Mayor of EMCCA on potential proposals for local government reorganisation will take place in the next phase of planning, as outlined in section 4.

### **3. Our approach to developing proposals for local government reorganisation – progress to date**

#### **a) Our collaborative approach**

Political and officer-led collaboration across the nine councils has driven and shaped the approach to developing initial, potential proposals for local government reorganisation in line with Government expectations. Leaders/Mayor have met three times to steer the work, whilst Chief Executives have met weekly, supported by an Officers Working Group, to progress the necessary activity within the timescales required. A set of principles for collaborative working were agreed by Leaders/Mayor on 13 January and continue to inform the approach taken to the work:

- Collaborative
- Open, honest and transparent
- Focussed on improving outcomes, services, financial sustainability
- Acting in longer-term interest, particularly in use of resources, reserves and decision making in the interim
- Evidence-informed, based on data
- Resident-focussed
- Valuing and preparing employees for the future at a time of uncertainty and change

In advance of the statutory invitation being received, and in light of the tight timescales for developing the interim plan required by Government, Leaders/Mayors agreed a set of “local criteria” against which any potential future unitary arrangements would be appraised, to enable work to begin on developing potential options:

#### **Financial and fiscal sustainability**

- Financially sustainable local authorities, which are resilient to longer-term economic or policy changes
- Delivers value for money through economy, efficiency and effectiveness
- Delivers financial benefits which outweigh the cost of change
- Risk informed with effective mitigation measures
- Considers Council Tax base and equalisation

#### **How local people live their lives**

- Covers a credible geography
- Reflects community identity and makes sense as a “Place”
- Enables sustainable operational delivery for public services
- Seeks to improve connectivity especially for communities that most need support

#### **Offers the potential for public service reform that improve outcomes and experiences for residents**

- Enables solutions to challenges impacting on residents’ outcomes and which risk long-term financial stability
- Maximises opportunity to enhance delivery through innovation
- Provides safe and resilient care, help and protection to vulnerable children, families and adults

- Aligns with EMCCA to enable creation and delivery of the housing, environmental, social and economic objectives for Nottinghamshire and Derbyshire
- Considers alignment with all other key strategic partners

### **Enables strong, local accountability and connection to communities and neighbourhoods**

- Ensures services are easily accessible for all
- Strengthens the role of local democratic leadership
- Builds trust with local communities
- Seeks the active input and engagement of residents, businesses and employees
- Ensures viable organisations that are employers of choice with strong leadership and employee value proposition

It was agreed that an external partner would be jointly commissioned and funded by all councils to generate and independently appraise a set of potential proposed options. PricewaterhouseCoopers (PwC) were appointed to provide this independent support. Appropriate project governance arrangements were established to ensure oversight of this activity led by three councils on behalf of the nine.

### **b) Independent options generation and appraisal by PwC**

#### **Approach and methodology**

Section 2 of this report sets out the context and drivers for local government reorganisation. The approach and methodology used to assess the viability of options for Nottingham and Nottinghamshire is set out below with the analysis undertaken keeping in mind local and MHCLG criteria.

- Development of a case for change considering the current context in which the councils are all operating and the potential benefits of implementing unitary local government across Nottingham and Nottinghamshire. This includes taking into account demography, the geography of the place, potential inefficiencies and fragmentation in the current two-tier system and how service delivery might be improved. This also looks at the need to make the most of the devolution arrangements that are now in place since the establishment of the East Midlands Combined Authority and election of the Mayor.
- The options appraisal assessed initially 8 potential options through quantitative and qualitative analysis which were then presented to the Chief Executives to further refine using four lenses (see below) as a comparative analysis. The list of three options were shared with Leaders / Mayor on the 5th March along with the rationale from that comparative analysis and the outputs of the high level financial case that evaluated the various scenarios, costs and income to understand how sustainable each option would be.

A significant level of stakeholder engagement has taken place throughout this phase of options generation and appraisal including:

- Individual meetings with each Leader/Mayor and their Chief Executive
- A number of working sessions with the Chief Executives (and in some cases section 151 officers) including weekly meetings to discuss progress



- 2 working sessions that included Leaders/Mayor and Chief Executives
- Weekly meetings with a representative officer project group
- Engagement with senior officers to talk through implications of local government reform on service demand and delivery.

### Comparative analysis

Each of the eight options (listed below) were considered and evaluated in the context through four different 'lenses' as well as the criteria set out locally and by MHCLG. The outputs of this analysis were discussed by Chief Executives and Section 151 officers on 28th February. The analysis and the discussion on the subsequent discussion provided the context for reducing the list of options from eight to three. These three options were then considered by the Leaders / Mayor on 5th March.

Option	Description
1a	<b>Two Unitary Authorities:</b> <ul style="list-style-type: none"> <li>• Nottinghamshire</li> <li>• Nottingham City + Broxtowe + Gedling + Rushcliffe</li> </ul>
1b	<b>Two Unitary Authorities:</b> <ul style="list-style-type: none"> <li>• Nottinghamshire</li> <li>• Nottingham City + Broxtowe + Gedling</li> </ul>
1c	<b>Two Unitary Authorities:</b> <ul style="list-style-type: none"> <li>• Nottinghamshire</li> <li>• Nottingham City + Broxtowe</li> </ul>
1d	<b>Two Unitary Authorities:</b> <ul style="list-style-type: none"> <li>• Nottinghamshire</li> <li>• Nottingham City + Gedling</li> </ul>
1e	<b>Two Unitary Authorities:</b> <ul style="list-style-type: none"> <li>• Nottinghamshire</li> <li>• Nottingham City + Broxtowe + Rushcliffe</li> </ul>
1f	<b>Two Unitary Authorities:</b> <ul style="list-style-type: none"> <li>• Nottinghamshire</li> <li>• Nottingham City + Rushcliffe</li> </ul>
1g	<b>Two Unitary Authorities:</b> <ul style="list-style-type: none"> <li>• Nottinghamshire</li> <li>• Nottingham City + Gedling + Rushcliffe</li> </ul>

2	<p><b>Two Unitary Authorities:</b></p> <ul style="list-style-type: none"> <li>● Nottinghamshire</li> <li>● Nottingham City</li> </ul>
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### Three core options for further consideration and analysis

The three core options considered by Leaders / Mayor are:

- A new unitary authority combining Nottingham, Broxtowe and Gedling with a new unitary authority for the rest of Nottinghamshire;
- A new unitary authority combining Nottingham, Broxtowe and Rushcliffe with a new unitary authority for the rest of Nottinghamshire;
- Nottingham City remains as an existing unitary authority with a new unitary authority for the rest of Nottinghamshire.

The four 'lenses' used in the comparative analysis were:

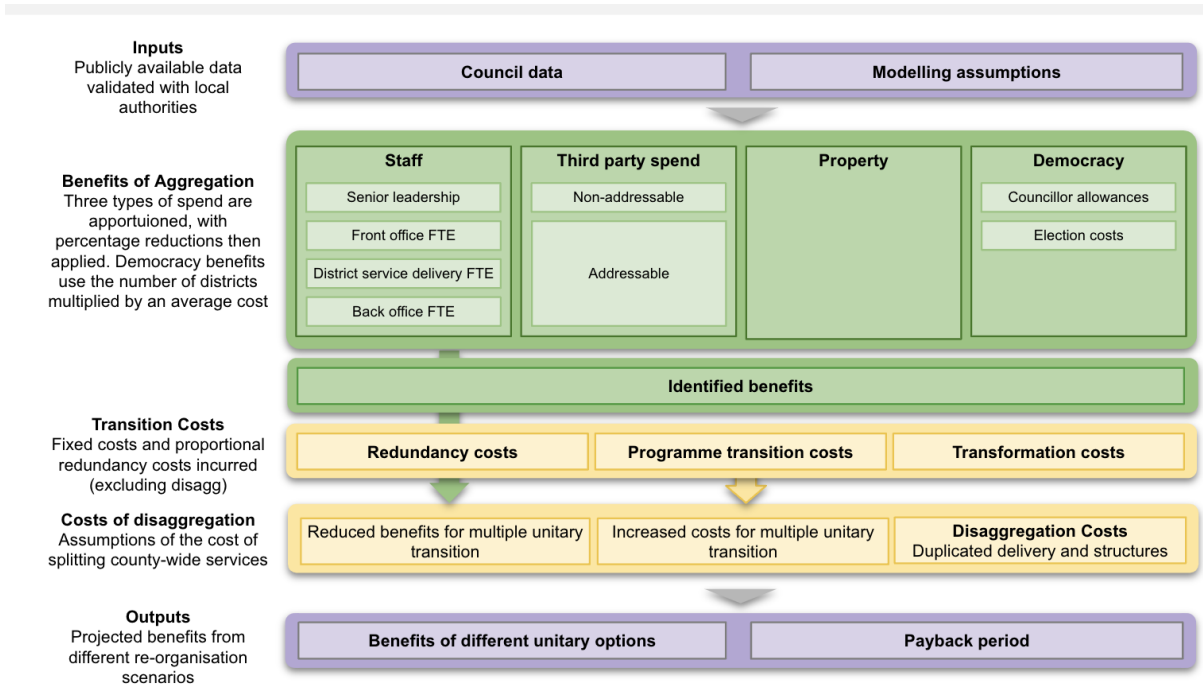
- **Geographic synergy:** Analysis of publicly available data to understand the geographic synergy of the two unitary authority options. This included developing an understanding of each areas' proportion of rural and urban populations, Mosaic Segmentation Profiles and the average time or distance to key services.
- **Financial analysis:** Analysis of publicly available information to understand the financial viability of the options. This included understanding existing positions on debt to reserve ratios, current and future council tax take in relation to spend on for both Adult and Children Social Care. There is undoubtedly further work to do now to fully understand the financial implications of the current options.
- **Other comparative analysis:** Analysis of other relevant data points in line with the criteria such as population, deprivation and housing to identify which options are likely to result in the establishment of two councils that are broadly balanced.
- **Outcomes of the financial model:** as set out below, this is used to assess the benefits and costs of local government transformation.

Option	Rationale / appraisal
1b	<p>This option would appear to go some way to meeting the criteria associated with identifying sensible geographies, in terms of concentration of the local population (in that it would see the establishment of one authority serving residents primarily living in urban areas and another serving residents primarily living in towns and rural areas). On the basis of the analysis completed to date, it would not appear to create an undue advantage or disadvantage for one part of the area. It would meet the requirement to establish new unitaries serving 500,000 people or more and would deliver efficiencies and a basis on which to manage transition costs. It would also appear to satisfy the criteria relating to areas which include a council in Best Value intervention in that it would offer some space for the city to grow. To some extent, it would avoid the unnecessary fragmentation of key services and, by extension, would ensure consideration is given to the “crucial services” named in the Minister’s letter (though not completely). It would also appear to satisfy all aspects of the requirement to consider issues of local identity and cultural and historic importance, though there are facets of identity and cultural and historic importance that complicate this somewhat. Finally, it would establish a reasonable basis to support current and future devolution arrangements.</p>
1e	<p>This option would also appear to go some way to meeting the criteria associated with identifying sensible geographies, albeit it would establish two authorities serving more of a mix of urban, town and rural residents. It would meet the population criteria, deliver efficiencies, provide the means to manage transition costs and appear to satisfy the requirements relating to areas which include a council in Best Value intervention in that it would offer the greatest opportunity for the city to grow. To some extent, it would avoid the unnecessary fragmentation of key services and, by extension, would ensure consideration is given to the “crucial services” named in the Minister’s letter (though not completely). This option would also appear to satisfy aspects of the requirement to consider issues of local identity and cultural and historic importance, albeit in a different way to option 1b. Finally, it would establish a reasonable basis to support current and future devolution arrangements.</p>

2	<p>This option would appear to meet the criteria associated with identifying sensible geographies (in that it would see the establishment of one authority serving residents in primarily urban areas and another serving residents primarily in towns and rural areas). However, it would not provide additional room for the city to grow and would be likely to result in the creation of an undue advantage / disadvantage across the two unitaries serving the whole of the Nottingham and Nottinghamshire geography. It would not meet the population criteria, in that one of the authorities would not meet the 500,000 threshold. It would be more likely to satisfy the criteria relating to the unnecessary fragmentation of key service areas (in that it would not require the disaggregation of services currently administered by the County Council) and, by extension, would ensure consideration is given to the “crucial services” named in the Minister’s letter. Arguably, it would be less likely to satisfy the requirement to consider issues of local identity and cultural and historic importance (in that it may leave communities that do identify with the city in a different geography). Finally, it would establish a reasonable basis to support current and future devolution arrangements.</p>
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**Financial modelling - methodology**

To estimate benefits, costs and potential savings, the model set out below was used to develop indicative figures surrounding each of the options included in this report. These figures are based upon data that were either publicly available and validated by the relevant council or provided individually by councils. The model used is set out below:



## Financial model definitions

Set out below are the definitions of the elements of the financial model:

- **Transition costs:** Costs involved in moving from existing systems to another. This includes fixed costs and redundancy costs incurred (excluding disaggregation). These are one-off costs to reorganisation within Nottingham & Nottinghamshire.
- **Benefits of aggregation:** Benefits that would arise from reorganisation. This primarily looks at the benefits of collapsing multiple local authorities into a fewer number of local authorities. This will include savings made on: Staff, Third party spend and Property. In addition to this, benefits arising from savings on running democratic processes are also defined. There are percentage reductions applied to each type of benefit saving.
- **Annual benefits:** Annual benefits that are generated as a result of reorganisation. These are calculated as a sum of the front office, service delivery and back office expenditures, as well as Third Party Spend, senior management, property and democracy costs.
- **Recurring benefit after 5 years:** The recurring annual benefit after five years of reorganisation. It is estimated that the full benefits will be realised after five years.
- **Payback period:** The payback period is the time required for the investment in unitarisation to generate sufficient cash flows to recover its initial cost

## High level analysis of potential financial benefit

Set out below is a summary of the potential benefit that could be realised from local government reform. This is a high-level initial analysis given the timeframe and there is still significant work to be undertaken to fully understand the financial implications.

Option	Transition costs (£)	Annual benefits (£)	Net benefit after five years (£ total)	Payback period (years)
<b>Option 1b: Nottinghamshire and Nottingham City + Broxtowe + Gedling</b>	£32,699,893	£31,650,073	£82,300,511	2.0
<b>Option 1e: Nottinghamshire and Nottingham City + Broxtowe + Rushcliffe</b>				
<b>Option 2: Nottinghamshire and Nottingham City</b>	£24,362,811	£29,585,010	£87,155,993	1.6

For the purposes of the high-level options and financial analysis at this stage it has been assumed that there would be approximately one councillor per 5000 of the electorate across the existing Nottinghamshire County Council area. This is not dissimilar to the current Nottingham City ratio of one councillor per 5818 of the electorate. For context, there is a not insignificant variation in the number of electors per councillor as evidenced by the Local Government Boundary Commission electoral [data](#). Further detailed work will be undertaken in the next phase of planning to November, to establish the appropriate numbers of councillors in any options progressing to proposal.

### **c) Outcome of consideration of potential options for new unitary arrangements at this stage**

Following consideration by Leaders, the three potential options outlined above have been included within this interim submission. The interim options included within the submission are those considered to be the most potentially viable options based on the analysis to date. However, it was recognised that further work is necessary to complete a robust assessment against the Government's criteria. This work will continue post submission to Government and in anticipation of feedback on the interim plan.

In discussing the options appraisal, Leaders expressed a desire to work with Government and consider a range of boundary changes. In order to create new principal authority structures that are most reflective of natural communities and local identities requires work to review where there are strong justifications for changes to boundaries. Whilst Leaders acknowledge these are complex processes, it is important to local Leaders that potential changes are considered. The Government invitation specifically references the potential for boundary changes. Leaders recognised the guidance in the Minister's letter and in dialogue with MHCLG that existing district areas should be considered the building blocks for potential proposals and welcomed the acknowledgement from Government that where there is a strong justification, more complex boundary changes will be considered. We would ask that Government consider this in the feedback provided to local partners.

The position reached by Leaders was led by the comprehensive evidence base and analysis that has been independently appraised. Leaders accepted that options in this plan represent the potential options that are most likely to meet most of the criteria once the full analysis is complete and the views of strategic partners are fully taken into account. At this stage, there is not yet consensus as to which of the potential proposals is preferred. We anticipate that strong and clear feedback from Government will support the process that follows the County Council election through which a consensus will be sought on a preferred option.

It is understood that some councils may still wish to continue to explore additional proposals alongside the three core options set out above.

For the purposes of developing a business case for one or more preferred options post the 21 March, further detailed analysis will be required to ensure that the opportunities and benefits of local government reform can be fully realised.

#### **d) Wider stakeholder engagement**

In parallel to the options development and appraisal, initial stakeholder engagement has taken place primarily focussing at this stage on strategic partners. The approach has been to introduce the Government's ambitions outlined in the English Devolution White Paper, and within this context, to explore the potential for public service reform to improve the lives of Nottingham and Nottinghamshire residents, and the role that local government reorganisation could play within this.

Two initial engagement discussions have been held between council officers from the nine local authorities, with officers representing key public service institutions across Nottingham and Nottinghamshire, including Nottingham and Nottinghamshire Integrated Care Board, East Midlands Combined County Authority, Nottingham University Hospitals NHS Foundation Trust, Nottinghamshire Fire and Rescue Service, Office of the Nottinghamshire Police and Crime Commissioner, Vision West College Nottinghamshire, North Nottinghamshire College, Nottingham College, Nottingham Trent University, University of Nottingham, and the Department for Work and Pensions, with a further session planned for 10 March 2025. Areas explored as part of the discussion included the following:

- Taking this as an opportunity to build on our strengths and our ability to innovate as a partnership – whether in designing approaches to meet the needs of people with vulnerabilities or in driving clean energies approaches through STEP
- Taking this an opportunity to support improving our residents' outcomes, particularly in terms of health and wellbeing and employment and skills, and to join up with the wider public service reform agenda, for example around the NHS 10 year plan and developing a model for neighbourhood health and the emerging police and crime plan priorities.
- Consideration of scale – and which functions make sense to be planned and delivered at which scale – from sub-regional through to hyperlocal – balancing scale and efficiency with connection to community and reflecting local need
- Consideration of approaches to aligning different public sector bodies to enable stronger partnership working arrangements and future integration or co-location to better meet people's needs holistically – particularly across health, wellbeing and social care
- The need to maintain a focus on improving service quality and improving outcomes during the process of local government reorganisation

The nine councils across Nottingham and Nottinghamshire directly employ 18,297 people; many of whom are also residents in the area, as well as employing thousands of school-based staff and having arm's length arrangements with a number of organisations providing essential services. Given both the implications of local government reorganisation, and the significant contribution that employees have to make in shaping future arrangements, early engagement has been undertaken by many councils with their employees, to develop their understanding of the process and build the foundations for future, more in-depth engagement over the next phase of developing proposals.

Further engagement with stakeholders including town and parish councils, residents, businesses and wider public, private and voluntary sector partners is planned for the next phase of option development and will be covered in section 4.

### **e) Input from Commissioners**

Nottingham City Council (NCC) is currently under intervention, with Commissioners appointed under direction of the Secretary of State. Whilst the Commissioners main focus is on securing that Authority's future and sustainable compliance with its best value duty, the Secretary of State has asked them to support local government in Nottinghamshire as a whole in their work on Local Government Reorganisation (LGR). Their remit is to assist in developing proposals that are robust and sustainable across the whole area, and to support the councils in increasing value for money through securing effective and efficient local government for the residents of Nottinghamshire. The Commissioners have a wealth of local government experience, including delivering local government reorganisation in other parts of the country. It should be noted that although they have been appointed by the Secretary of State, they operate independently of her and her ministers.

We have welcomed having these Commissioners working with us on LGR. They have so far held one-to-one meetings with most of the authorities involved in the work in this area and have also attended some partner meetings which have been considering the various options. We are appreciative of their advice and support in moving this agenda forward.



#### **4. Outline plan for April to November**

It is proposed that all nine local authorities continue to work collaboratively to further develop options following submission of the interim plan and in working towards the deadline of 28 November 2025 for submitting final proposals. The informal collaborative working arrangements that have been in place between elected members and officers across the nine councils to develop the interim plan will be maintained, and developed into a more formal programme approach.

Outlined below are the main activities that we anticipate undertaking to arrive at the point of final proposal(s):

##### **4.1 Refining the options appraisal to inform decision-making on which proposal(s) to work up to a full business case (April to June)**

This phase will involve ongoing refinement of the options appraisal through further gathering and analysis of evidence to support the identification of a preferred option or options, ensuring the full set of government criteria are considered. This phase will also be informed by feedback from Government which is expected to be received following County Council elections in May. That feedback will be openly and transparently shared so that all partners can engage collaboratively in shaping the further refinement of potential proposals. At the end of this phase there will be a formal decision-point for Councils in respect of which option(s) should be developed into full proposal(s) for submission to Government in November.

##### **4.2 Developing our full proposal(s) and full financial case (June to October)**

This phase will involve developing the full proposal(s). Developing the full proposal(s) will include undertaking the following activities:

- Developing our vision for the new council(s), including the improved outcomes we would expect to deliver for the people and places we serve.
- Designing a high-level target operating model for the new council(s); including customer offer, ways of working, culture and values, how technology and information will be utilised and describing what residents will experience.
- Identifying opportunities for service synergies - consolidation of existing functions, simplification of processes and opportunities arising from bringing functions together
- Designing the arrangements that will be put in place at a locality level to build engagement and ensure the new council(s) is / are responsive locally.
- Clarify the democratic structures that will be put in place - e.g. structures and numbers of councillors, key milestones and decision points that need to be mapped out in advance
- Determining how the new council(s) will support EMCCA - e.g. what will its role be in commissioning services from the new council(s).
- Describing how the new council(s) will work towards more ambitious public service reform, working with other providers in the geography.
- Determining how any new council(s) will work together to share certain functions.

- Developing an implementation roadmap, which will identify the target and interim states for the new council(s).

This phase will also involve developing the full financial case as part of the proposal(s); identifying the costs associated with the implementation of unitary local government across Nottingham and Nottinghamshire, taking more precise account of data concerning:

- the establishments of all impacted councils;
- assets and liabilities (including physical assets, reserves, debt and minimum revenue provision);
- contracting and other partnership arrangements;
- IT architecture;
- grant funding and additional income; and
- Council Tax implications.
- Developing the investment and benefit profiles that will drive implementation.
- Developing the investment strategy required to fund implementation.

#### **4.3 Communications and engagement (April to November)**

We are committed to undertaking comprehensive communications and engagement activities over the spring and summer to ensure that proposals to be submitted to Government in November meet local need and are informed by local views. This is likely to involve public consultation.

The intention is for the councils to build on early engagement work with strategic partners and the workforce in the next phase of proposal development, by developing a comprehensive communications and engagement strategy to support the development and submission of our proposals. This would include a focus on:

- workforce engagement,
- member engagement, including the provision for members to come together for visioning workshops and design discussions,
- engagement with the Mayor of EMCCA, including consideration of how the proposed unitary arrangements can support the inclusive growth agenda and within the context of EMCCA's path to becoming an established mayoral strategic authority,
- stakeholder engagement - working with MPs, the town and parish councils, as well as public, private and voluntary sector partners to discuss, explain and consider the changes being proposed, and
- community and resident engagement - focus groups, engagement meetings and other forms of communication.

Consolidating the responses and views gathered during this activity will inform the development of the November submission and evidence support and / or opposition to the establishment of the new council(s).

Each Council will take the proposal(s) through their own governance arrangements prior to submission to Government ahead of the 28 November 2025 deadline.

**a) Approach to preparing proposals and standing up an implementation team, including indicative costs and coordination of potential capacity funding**

The intended approach is for a cross-authority programme team to be established with secondees from across the 9 councils, providing dedicated capacity to progress this work moving forwards. The programme team structure will depend upon the proposal(s) being developed, however the skill-mix needed will include programme and project management, service design expertise, communications and engagement, legal and democratic services, HR and organisational design, and finance. Thematic groups leading on specific policy areas will be established as required to support the development of the detailed proposal. External technical support will be commissioned to provide additional expertise and capacity as required throughout the process. A combination of backfill costs, external technical support and wider programme costs such as consultation and engagement lead to estimated costs to be in the region of £3-4m. As the work progresses and we focus on a single preferred option, we will then be in a position to more accurately reflect the total costs of preparing and delivering an implementation plan.

**b) Maintaining a focus on service delivery and ensuring value for money for council taxpayers whilst developing proposal(s) for new unitary arrangements**

In addition to the programme of work to develop the proposal(s), during this period, each of the nine local authorities will work together to agree a set of voluntary arrangements based on the themes and functions that should be viewed through a Local Government Reorganisation lens when informing our future decision making and planning. The purpose of this is to help ensure a smooth transition from current arrangements into the implementation of new local authorities across the Nottingham and Nottinghamshire area, whatever they might be. The themes to be considered for the development of voluntary arrangements will include, but not be limited to, the following:

- Finance
- Contracts
- Estates
- Recruitment
- Communication
- Major Procurement
- Shared Resources
- IT Development & Infrastructure

## **5. Barriers and challenges where further clarity or support would be helpful**

The following areas have been identified where further clarity or support would be beneficial:

### **Process**

- Leaders are resolved to undertaking public consultation over the summer. Feedback is invited on the weighting that is given to public feedback when Government appraise options and the strategic case. Learning from other areas that have gone through reorganisation including a neighbouring unitary in respect of approaches to consultation would be welcome as would detail on the scope/approach of the consultation in the spring undertaken by Government.
- In our estimation, the costs of reorganisation will be higher in areas that have both two tier and small unitary to reorganise. Whilst local partners have endeavoured to use internal expertise, inevitably, some use of independent and technical skills may be required, particularly to ensure that the disaggregation of critical services to vulnerable people is effective and safe. Our current estimate is that the wider cost of the next phase of work will be in the region of £3-4m. These cost pressures will come on top of existing service pressures and are likely an underestimate, not least given the bandwidth of leadership, management and transformation resources which are already focused on our current pressures. Can Government confirm that these additional costs will be reflected in the allocation of capacity funding? Could Government confirm arrangements for determining governance of capacity funding and whether one accountable body be required for the whole area or one per new unitary created?
- Leaders have followed a principle and criteria led approach built on a shared evidence base. Local criteria were agreed by Leaders before receipt of the Ministers' letter and are being used to reflect local circumstances. Can Government confirm whether these additional criteria will be considered in the assessment process that Government intends to follow when considering proposals against the national criteria, is there any weighting of criteria? To support partners in coalescing around a single proposition, it will be important that the feedback from Government in respect of our emerging thinking is clear and unambiguous. Given Government desire for pace, strong and clear feedback will be a prerequisite if we are to work on a single business case for November.
- Whilst this interim plan contains the potential proposals most likely to meet the Government criteria, it is based on partial analysis. A challenge has been the time and resources available to model and evaluate every possible option diligently. Government support may be required for local partners to introduce new or alternative options over the coming period should they emerge and be supported by evidence and local partners.
- Engagement with MHCLG has been welcomed although relatively limited. We recognise this will be due to capacity and prioritisation of resources. Our experience of creating the East Midlands Combined County Authority was characterised by a strong central-local partnership with allocated senior officials working excellently alongside and in strong partnership with local colleagues. We believe we will be more successful if our local collaboration is enhanced with collaborative input from a senior civil servant/s who can be engaged directly in

our local system. Our experience is that when we create a shared endeavour between central-local government, we can make transformational change happen at pace.

### **Boundaries**

- Given the mix of urban and rural geography in Nottingham and Nottinghamshire, whilst the rationale behind using districts as the building blocks for potential new unitary arrangements is understood, there remains an appetite to explore disaggregating district boundaries. In order that this can be incorporated into planning for the future phases, Government is requested to provide an indication of the requirements, process and procedures for review of boundaries. Feedback is sought on implications boundary change requests would have on reorganisation in Nottingham and Nottinghamshire?

### **Finances**

- We recognise the Government's position on the treatment of debt. The local councils in Nottingham and Nottinghamshire have a cumulative debt in the region of c£1.6bn. How this is addressed will be critical to the financial resilience of new unitary councils which must not be unfairly burdened by legacy debt. Local partners are seeking dialogue with Government with respect to levels of indebtedness and the impact the treatment of debt might have on final options. It may help to discuss models we with sector bodies and Government for the division of the debt across 2 unitaries.
- What impact will the Spending Review have on potential proposals? Whilst partners have taken every effort, including independent input from PwC, to model potential future financial scenarios, we recognise the potential for significant change as Government puts local government finance on a 'firmer footing'. Partners will want to review proposals in light of SR announcements later in the year. Should there be significant changes to funding arrangements, then local partners wish to see temporary protection from any negative impacts of the Government's proposed funding reforms. Maintaining local support and critical services during the reorganisation transition period would be severely impacted by reductions in funding. To enable better medium term financial planning during the uncertainty of reorganisation, we would require any reductions to be deferred to provide a more stable funding base.

### **The role of town and parish councils, and implications for charter towns**

- What are the implications for Charter Towns within proposed new unitary arrangements?
- The English Devolution White Paper references "rewir[ing] the relationship between town and parish councils and principal Local Authorities, strengthening expectations on engagement and community voice". Can Government issue further guidance on this to be considered as part of the development of proposals?

## **Civic and ceremonial arrangements**

- Nottingham and Nottinghamshire have a range of civic and ceremonial roles including the Lord Lieutenant for Nottinghamshire and the High Sheriff of Nottingham. What are the implications of reorganisation on these Offices and roles? How can reorganisation be carried out in ways that safeguard and strengthen the role of these important civic functions?

## **Policy reform**

- Partners are committed to moving quickly through the initial preparation phase of reorganisation and moving to designing and shaping new principal authorities for Nottinghamshire. Partners would wish to have direct Ministerial engagement to hold discussions directly with decision makers, particularly in MHCLG, the Dept of Education, Dept of Health and Social Care, the Home Office and Treasury to ensure the design of new authorities is optimised for the implementation of national reforms in terms of childrens services including SEND reform, the NHS 10 Year Plan and Neighbourhood Health linked to Adult Social Care and across a Public Service Reform portfolio.

## **People Services, quality, risk and regulatory impact**

- Reorganisation is a significant endeavour, the planning and implementation of which must not impact on the day to day delivery of high quality services, particularly to those who are most vulnerable. Recognising that some of our local people services are on improvement journeys, what support will be available from Government to ensure that services can continue to be resilient, including in financial, workforce and quality terms through the reorganisation process. Does Government have a risk assessment of the cumulative impact of reorganisation on the sustainability of care services and the care market?
- How will regulators take the impacts of reorganisation into account including impacts and risks of disaggregation? We would wish to flag the need for proportionality from regulators so that any inspection activity that is brought forward, including in monitoring visits is seen with in the context of the pressures reorganisation will have on organisations.

## Risks and Concerns

There are many risks and concerns that will result from the options set out in the interim plan. The four set out below are just a selection of them.

### **1. Sub optimal outcomes as a result of the Government's timetable for reform**

The timetable for local government reform imposed by the Government (interim plan by 21 March, final plan by 28 November) does not present the best opportunity for a solution for local government reorganisation that will stand the test of time. The timetable and non-statutory advice given by government officials

- Precludes taking any approach which strays outside County boundaries;
- Precludes any other approach than using existing district, unitary and county building blocks and
- Precludes proposals which are based on boundary alterations as there is insufficient capacity within the Local Government Boundary Commission to conduct them within the timetable.

All of the shortlisted – so called “core” options for consideration are therefore sub optimal and do not enable the creation of a new city based unitary authority which contains all of its conurbation area with a reasonable degree of hinterland to accommodate growth.

All the so-called “core options” are sub optimal in three key areas of

- Planning (cohesive planning for housing growth across the whole housing market area, and creating a coherent geographical planning area for economic growth),
- Housing (land and housing availability to effectively manage the stresses and strains of accommodating the significant number of homeless people in the City and neighbouring areas) and
- Transportation (planning for and ensuring integrated bus and tram transport networks and active travel, interconnected green and blue infrastructure across the whole conurbation area.)

This means that if any of the core options are selected, whilst some efficiencies may be gained from the integration of currently fragmented services across two tiers, the reorganisation will still not result in a satisfactory new local government management system across these three key domains, and effective planning will rely on piecing together geographies through meetings and partnership arrangements as at present, and the “two tier problem” the reorganisation is designed to solve will simply become a different “two tier problem” due to the existence of the EMCCA ,with strategic decision making taking place at a representative level which is more removed from the people it serves.

Not only are all the core options sub optimal but the third core option arguably should not be an option at all, as it does not meet the government's criteria of meeting the 500,000 minimum population limit.

Furthermore, the timetable for implementation of new structures is such that there is insufficient time for a sensibly managed programme of convergence of services. This will lead to

- Economic shocks to residents (council tax levels, rent levels and council tax support arrangements to name but three)
- System misalignment (separate ICT systems vital to the efficient running of co-ordinated services). Experience in other areas of reorganisation demonstrate it takes between 6 and 10 years to achieve alignment across reorganised areas. This means that there will be a delay in achieving optimal efficiency and cost saving, and an intervening period during which there is still scope for inefficiency, inconsistency and having to service legacy systems.
- Policy lag – it will take time for the creation of new policy and strategy for any new authorities. During that time discontinuity could put at risk vital programmes such as housebuilding work.

## **2. Financial risks and uncertainties**

The government's programme for local government reorganisation is premised on the suggestion that it will result in more financially viable and resilient local government. Unfortunately, the current situation with demand led services relating to adult social care and children's services and the tight fiscal situation for local government funding generally, means that

- Disaggregating adult social care and children's services (the two most financially demanding service areas of all local government budget heads) will produce diseconomies in all core options apart from option 2, which will work against increased financial resilience and cost effectiveness. These diseconomies have to be viewed alongside some undoubted financial efficiencies which will result from the bringing together of district and unitary services within a single structure.
- The costs of transition assumptions are not sophisticated enough to take account of actual costs and are very crude estimates and therefore not completely reliable.
- It is difficult to assess the accuracy of the suggested net savings after 5 years resulting from restructure as they are not broken down in a way which enables them to be interrogated.
- There is no certainty or plan with regard to the servicing of historic debt, which at £1.6bn is a considerable cost to the Nottinghamshire local government sector. The Government have so far made it plain it does not intend to support the cost of servicing historic debt. Nottingham City has benefitted from £40m of additional grant as part of the most recent settlement, but still had to request an additional £20m of support from Government backed by asset sales to balance next year's budget. There would be significant concerns



about how historic debt will be managed and shared out across the local authority areas. This may put at risk in future, assets which the Council has prudently invested in (and which generate a significant income stream) which a future Council may decide to sell to finance debt.

- The Government intends to undertake a fair funding review. However it intends to carry out this review as part of a completely separate stream of work from local government reorganisation. This means that the careful financial assumptions on which our reorganisation plans are based may be rendered nugatory by the more fundamental problem of disconnection within central government itself which it could be argued is a greater problem than the issue of local government service delivery.

### 3. The risk of not improving local government services

If options 1b or 1e are preferred the deprivation table on page 4 of the interim plan shows the very stark differences between outcomes currently experienced for City residents compared with residents living in Broxtowe and Gedling and Rushcliffe. The risk associated with options 1b and 1 e may be a “lowering of boats” for people living in those non City areas. It is inevitable that any new authority will be principally focused on addressing the needs of those in the most deprived areas. It is a significant concern that areas such as Eastwood, and lower super output areas such as Chilwell and parts of Beeston will be overlooked yet again in favour of areas of more concentrated deprivation within the main City area. This would be a tragedy for the people of Eastwood and these other areas.

Even in the early days of the creation of the new EMCCA, funding allocations have been prioritised to the “usual” higher areas of deprivation – Ashfield, Mansfield and City areas. The newly announced “Neighbourhood plan” investment programme once again allocates ( subject to process) funding to Ashfield, Mansfield, City, Gedling, Bassetlaw and Newark and Sherwood, but Broxtowe, and Rushcliffe are not included and not even invited to bid for it.

The significance of this lack of funding will be seen in particular in relation to the three service areas mentioned below.

- **Housing/Homelessness:** options 1b and 1e will put a very considerable strain on the existing housing resources of Gedling and Broxtowe and Rushcliffe and Broxtowe respectively due to the considerable pressures of homelessness experienced by residents with a City connection. This will inevitably impact on current housing waiting lists in our area, and in Gedling and Rushcliffe. If option 2 is pursued it will spread this problem across a wider geography which would be welcome. However, option 2 is simply an option which is not feasible as it does not meet the government’s criteria.
- **Housing/condition and rents:** Options 1 b and 1 e will require the setting up of a single HRA across the new local authority area. The City Council has

historically used its Housing revenue account to prop up its failing financial medium term strategy (failing due to risky and reckless commercially ill-founded decisions such as the funding of the bankrupt “Robin Hood” energy company), and the payback of these resources has adversely impacted its general fund. This means the City’s housing stock now requires an enormous amount of investment to reach regulatory standards of compliance. There are significant risks that investment in stock condition within areas such as Broxtowe, will be disadvantaged because of the “catch up” programme currently required in the city.

- **Community support, arts culture and heritage, community safety.** The severe cutbacks the City Council has had to engage in because of its historical financial failures and constraints of local government funding settlements has hollowed out all manner of discretionary service areas. The city has necessarily had to focus on its statutory services. This is in contrast to the approach which Broxtowe has taken to funding these service areas, which we regard as protective factors for communities, enhancing quality of life, supporting communities, and supporting citizens through voluntary organisations such as the Citizens Advice bureau. Any new City based local authority which subsumes either Broxtowe and Gedling or Broxtowe and Rushcliffe will inherit this situation. It will also inherit the challenge of funding adult social care and children’s services, both of which still currently require improvement. When it comes to choices about funding statutory and non-statutory services, statutory services necessarily always win. The government has decided it will delay introducing fundamental reform to funding these vital statutory services. Even when it decides to do it, it will take years to implement. During the intervening time it is non statutory services that will be squeezed out. To some extent these non-statutory services are protected because of the two tier system. They will not be under local government reform. This problem is not going to be solved by Unitarisation.
4. **Concerns about the location of future growth.** Broxtowe knows all too well the constraints that the City Council’s current boundaries has placed on planning for housing growth within the City area for the years up to 2041. Broxtowe knows this because Broxtowe has worked for years in partnership with planning colleagues in the city. The Strategic Housing Land Availability studies that have been conducted across the City area and in all areas within the Greater Nottingham housing market area demonstrate that literally every square inch of developable land within the city has already been allocated for growth within the next planning period. Over densification results in poor quality housing, inadequate amounts of green space and inadequate space standards. Less liveable communities. Poorer quality housing for families and less attractive areas to live in. Option 2 simply cannot solve this problem for the City. It is impossible. Partly the problem is the government’s planning system, which, despite its continual processes of reform still cannot imagine a system which is based on anything other than communities servicing their own growth needs, regardless of the geographical constraints, quality of the

landscape, or availability of transport networks, allied to non-evidence based arbitrary increases and reductions of housing targets imposed on local areas at a moment's notice linked to short term political expediency. Looking to the future, with an extended City boundary, future growth will be pushed into remaining green areas of Broxtowe and either Gedling or Rushcliffe. This will inevitably result in Broxtowe's community losing all its green space and its transport networks becoming steadily more congested. On this criterion alone option 1e is preferable as Rushcliffe has a larger land area across which to accommodate growth. It will be "lop-sided" growth because the whole conurbation area is not the coherent planning focus. The future loss of green space is a considerable sacrifice and one which will meet huge public resistance from local people. This council has worked hard to negotiate growth with local people (for example the Toton strategic area of growth). If any of these options are chosen as preferable it will be incumbent on Broxtowe to spell out in detail the consequences of these choices in ways that are relatable to both local people and the government.

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