

Report of the Chief Executive

Local Government Reorganisation in Nottingham and Nottinghamshire1. 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.