

FULL REPORT

NORTH
CITY
SOUTH

The Case for Three Unitary Councils in a Future Leicestershire & Rutland.

North, City, South: Big Enough to Deliver, Close Enough to Respond



Introduction

This Interim Plan sets out a bold and resilient agenda for the future of local government in Leicestershire and Rutland. It addresses each of the relevant criteria within the guidance for local government re-organisation. It is a strong statement of the collective commitment of the eight local authorities – Rutland and the Leicestershire Districts - which have developed it. *Our joint work in preparing this submission reflects the deep and remarkable extent to which we already work together to underpin the prosperity of the area. It exemplifies our experience and capacity to build a new future for the area.*

We recognise however that whilst the direction of travel here has a firm basis for action it may need to be further developed as events unfold at a national and local level, between the March 2025 submission date and the conclusion of the government's wider devolution agenda.

Our Vision

In Leicestershire and Rutland, we are dedicated to building resilient and prosperous communities. We aim to establish two new councils - one looking north and the other south - reflecting the economic realities of our area and complementing Leicester City. Our approach involves energising key settlements, such as Hinckley and Melton Mowbray.

By harnessing local insights, these councils will work in partnership to deliver innovative, prevention-focused services. We will take a comprehensive view of local government, which includes maximising the economic and social importance of key assets like Fosse Park and Loughborough University, alongside providing essential local services.

Our strategy will drive growth and investment, capitalising on the potential of the East Midlands Freeport and sites such as the world leading Mira Technology Park. Growing the local economy will create new homes and jobs, enhancing the wellbeing and prosperity of our residents and businesses. It will deliver an effective and empowered strategic authority that works for Leicestershire and Rutland.



Executive Summary

Our approach unifies people and places, supporting local democracy and joint working for the good of our 1.1 million residents¹ and vibrant business community. It provides annual savings of £43 million and a route map to a significant reduction in service demand through prevention in relation to adult and children's services. It provides a balanced and proportionate distribution of assets, income and liabilities across Leicestershire and Rutland.



Our approach is based on a theory of change which will underpin the delivery of the 5² missions of government by:

- **Kickstarting Economic Growth:** through the development of an outward facing sub-regional agenda, which enables the natural economies of Leicestershire and Rutland to play their part in the shaping the long-term future of their wider sub-regions.
- **Breaking down barriers to opportunity:** through the transformation of the democratic governance and service delivery infrastructure of Leicestershire and Rutland. Building on exemplars such as the Rutland and Melton Levelling Up programme we also recognise the importance of promoting social mobility. We will make this a key theme to guide our interface with the Strategic Authority.
- **Contributing to the role of Britain as a clean energy superpower:** by creation of a high value, low cost delivery framework, meeting the socio-economic and climate challenges facing the diverse communities of Leicestershire and Rutland. We are committed through collaboration to achieve a place based approach that integrates energy demand modelling, energy networks, community assets and land strategy into planning and development opportunities.
- **Taking back our streets:** through the facilitation of prosperous, sustainable and inclusive communities which reflect the lived experience of local people rooted in a sense of place for all residents. We will draw strength from the collective experience of founding councils in reducing crime and building community safety, as a key element of our strategy to generate a sense of pride in place across our communities.
- **Building an NHS fit for the future:** through focused prevention and multi-agency working around health, social care and housing. This will also involve addressing the challenge of economic inactivity in key communities

¹ Projected 2028 population based on ONS 2018-43 estimates

² Plan for Change: Milestones for Mission-Led Government – Prime Minister's Office, 10 Downing Street

Our approach effectively *embraces and enables the agenda of the new proposed Strategic Authority* by providing delivery arrangements at the level of functioning economic geographies. These areas represent the scale and connections of communities within which people live and work and with which they identify.

Co-created by the Leicestershire district and borough councils and Rutland this approach builds a vision for three unitary councils to proudly represent: the City of Leicester, the north of Leicestershire and Rutland and the south of Leicestershire.

Our approach arises from a detailed options appraisal which involved considering four options: North/South (Rutland), North (Rutland)/South, East/West and a County unitary.

Maps were generated for each option and we looked at the following variables: i) population, ii) workforce, iii) economic inactivity, iv) job density (ratio jobs/workforce), v) self-containment: commuting, vi) deprivation, vii) proxy for adult social care (pensioner credits), viii) proxy for children's services (children in poverty), ix) housing (temporary pensioner accommodation pressures), x) financial balance: local authority debt and income.

This led to us determining that a North(Rutland)/South approach worked best. North Leicestershire and Rutland encompasses the current boundaries of: North West Leicestershire, Charnwood, Melton and Rutland. South Leicestershire comprises: Hinckley and Bosworth, Blaby, Oadby and Wigston and Harborough Council areas.

We discounted the other areas because the analysis showed:

- a county unitary to be too big, having a lack of capacity to respond to localities, being highly unbalanced when linked to Leicester in terms of population – 775,000 vs 373,000 and less logically connected to economic drivers outside of the county boundary and at risk of a confusing overlap with the Strategic Authority.
- a north/south (Rutland) configuration to be less sustainable in terms of population balance, commuting, housing and children's and adult social care pressure proxies.
- an east/west configuration to have a less good population balance and density, a more unbalanced pattern of where people live and work, and a less sustainable debt gearing across the three new authorities.



County Unitary & Leicester

Vs

North, City, South

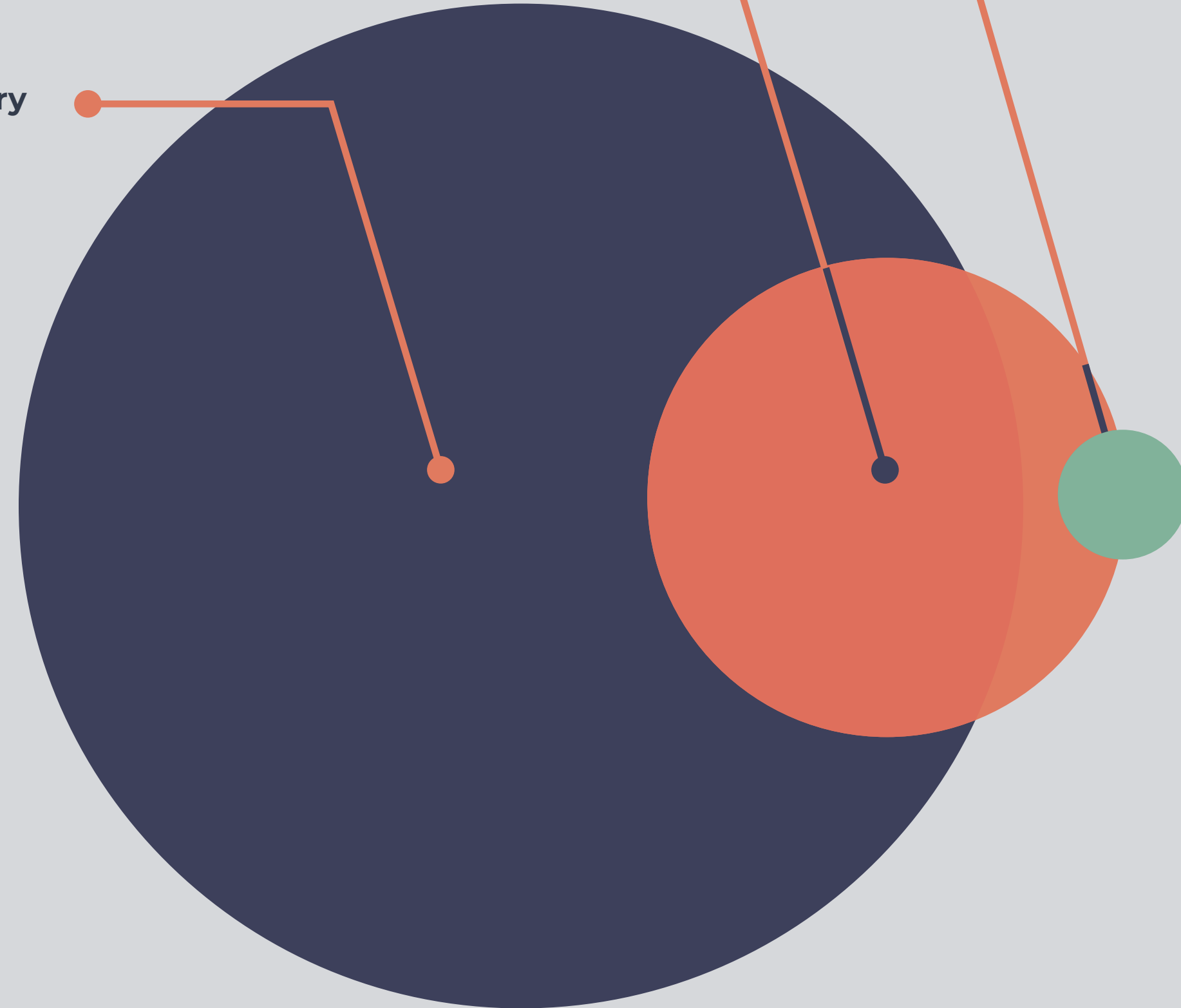
The diagram below shows the population juxtaposition of a balanced North, City, South approach compared to a county unitary and Leicester configuration:

Strategic Authority
1,191K

Rutland
43K

Leicester
373K

County Unitary
775K

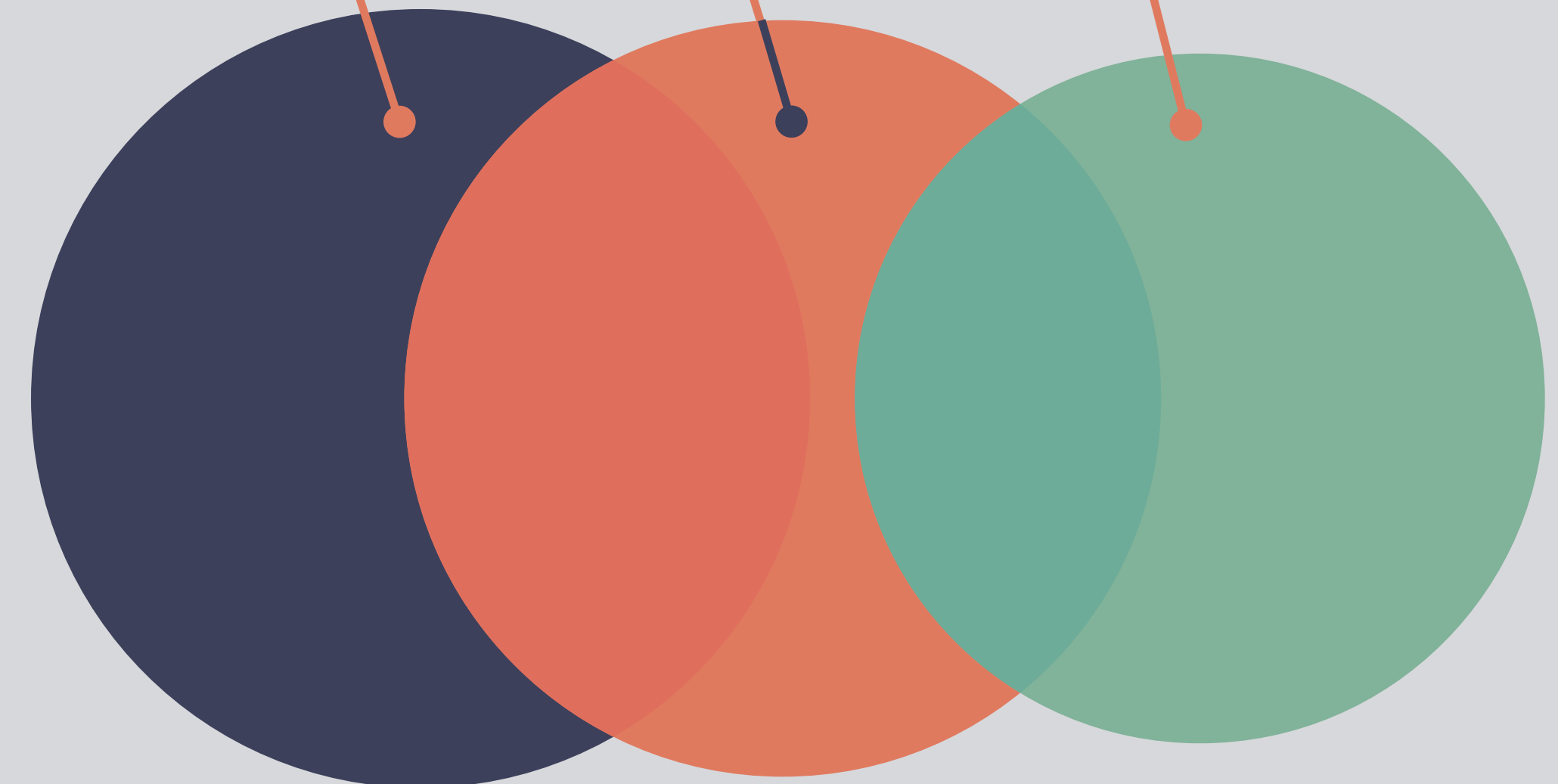


Strategic Authority
1,191K

CITY
373K

SOUTH
401K

NORTH
418K



NORTH —
CITY —
SOUTH —



The north-south split recognises the different spatial characteristics of the area and the different delivery challenges it faces. This approach *provides annual savings of £43 million and a route map to a significant reduction in service demand through prevention in relation to adult and children's services.*

We fully acknowledge the importance of a Leicestershire and Rutland wide strategic authority with a mayor. We also firmly believe that many of the core services that respond to people's³ needs should be delivered closer to local communities. Our proposal clearly separates out strategic and service delivery roles. It avoids the scope for confusion and duplication which would arise from a unitary council and a strategic authority overlapping on the same geographical footprint.

While significant work continues on developing these proposals, including consultation and engagement with communities, the district and borough councils and Rutland County Council have outlined how the north and south model can form new authorities which best serve the local population. Our consensus represents a deep joint commitment by the eight leaders and senior officers responsible for delivering a very comprehensive portfolio of local services.

³ See New Economics Foundation: <https://neweconomics.org/2025/02/how-local-services-are-showing-another-way-is-possible-to-provide-for-their-communities>

Leicester City: Growth and Sustainability

The government has indicated in the White Paper and the invitation letter from the Minister that the sustainability of councils and a sense of place are issues for consideration.

There is also we understand a desire to keep things simple and avoid complicated boundary changes, unless there is strong justification. Therefore, our current preferred option is based on existing city boundaries.

We are, however, aware that Leicester City Council has published a plan which would seek to expand their boundary as part of Local Government Reorganisation so as to support their future sustainability and growth. These details need to be reviewed and discussed further and we believe that there is space between this interim proposal and November to agree a final proposal that will satisfy government criteria, and all local community aspirations. We will continue to work hard to build consensus with all our local authority partners and which will deliver a balanced and sustainable three unitary approach across Leicester, Leicestershire and Rutland.



Social Care



We have placed an emphasis on responding to the challenge of social care to ensure the future sustainability of local authorities. Our approach involves a new commissioning focus to enhance service delivery with the Voluntary and Community Sector (VCS) and build town and parish capacity. We appreciate the importance of not disrupting good current practice and will make continuity a key theme in the early stages of our planning. We will leverage housing, health, and community safety insights from district, borough and unitary councils for a connected multi-agency approach, recognising the role of social enterprises and micro-businesses in inclusive local economies.

Our service delivery agenda will integrate actions around neighbourhood, housing, health, and community safety collaboration and planning. Partnerships will focus on local insights, intelligence, and co-design with the VCS and local councils. This approach will keep decision making more localised, build local organisation capacity and strengthen micro-economies through procurement and service delivery structures, enabling community wealth building.

Scale

Three unitary councils provide the optimum balance of population numbers for each authority area as well as ensuring local democracy and services stay close to communities. This is fundamental for residents, along with retaining local identity. In this approach, the communities of North Leicestershire and Rutland and South Leicestershire will be served by authorities at a scale which is big enough to deliver outstanding services, whilst local enough to be accountable to residents.



In a survey covering Leicestershire, involving over 4,000 consultees, a significant proportion identified the creation of a three-council model as their most important priority, rejecting very strongly the idea of a county-level unitary council.

The Right Size to Deliver

Being close to local communities provides better insights and understanding of the demand for services and how best to deliver them to help people reach their full potential by remaining independent and resilient within cohesive local communities⁴.

Where action is taken at a local enough scale it can be highly responsive, innovative and accountable. It can deliver what are called “preventive impacts” which over the long term offer better efficiencies than just big economies of scale. This principle of prevention sits at the heart of our approach and we recognise the potential it brings when collaborating with other public sector agencies such as the NHS, Fire and Police services⁵.



⁴ See LGA: <https://www.local.gov.uk/case-studies/new-models-service-delivery-and-creative-councils>
⁵ See LGA: Investing in preventative support can save more than £3 for every pound spent

Governance Defined through the Lens of “Place”

In a process of democratic realignment the number of councillors at the three authorities will be fewer than under current arrangements. There is a real opportunity through this approach to build the strengths of the core market towns which complement the City as key service centres and drivers of growth. Alongside the new authorities civic pride will be strengthened through the creation of enhanced local governance structures to bolster the connections between localities and these new councils. This will open up new representation opportunities for local people.



A Bold Vision of Future Sustainability

Economic regeneration and growth are defining aspects of the rationale for change, reflecting the priorities of the new government. The north and south are aligned in some areas but have unique components that will help create two distinct identities and propositions for sustainable investment and growth. Our proposal is outward looking and follows key road and rail routes which connect people to the real economic geographies in which they live and work.



The north is home to East Midlands Airport, East Midlands Freeport, the Loughborough and Leicester Science and Innovation Enterprise Zone, along with world renowned Loughborough University and a dynamic further education sector. This area sits at the manufacturing heart of the M1 corridor and connects to Nottingham and Derby whilst its eastern segment reaches out through Rutland to the A1 and the major growth node at Woolfox. It also faces out to Greater Peterborough and the Oxford/Cambridge Arc.

Key nationally significant tourism assets include - Rutland Water, the Vale of Belvoir, the National Forest and the attractive market towns which make up the fabric of the area.

Characterised by a network of historic and vibrant market towns, the south is home to the world leading Mira Technology Park Enterprise Zone, with strong links to Loughborough, Leicester and Coventry Universities as well as global companies



and is central to the Midlands golden logistics triangle which offers investment opportunities around Hinckley Park and Magna Park Logistics and Distribution Centres.

There are national and international tourism attractions such as The Battle of Bosworth site and Twycross Zoo. Blaby is home to the HQ for Next and the iconic Everards Brewery. Oadby and Wigston is home to Leicester Racecourse and the main student campus for Leicester University and Botanic gardens, which is renowned for its world changing research, particularly in medicine.

The south is a highly-sought after place to live, with outstanding commuter connections to London and other growth points. It also looks south and west down the M69 corridor with Fosse Park serving the retail and service needs of an extensive area of approaching 13 million direct consumers.

A Cost Effective and Sustainable Way Forward

Our blueprint for the delivery of services responds to a once in a generation opportunity to re-set public services for the better.

We have made enabling the agenda of the Strategic Authority our core priority. We are certain that two new councils working alongside Leicester, based on functioning economic geographies⁶ provide the best approach to service delivery.

This approach drives out significant short-term transitional costs. It provides a balanced portfolio of assets and debt from our historic council base going forward. It delivers multi-agency partnership focused, locality planned commissioning, which works with the grain of local places.



We will deliver long-term preventive savings by investing in communities at a sub-county level. Our way forward is built on an innovative three cornered model of unitary, parish/town councils and VCS steeped in effective partnership engagement. Ultimately it provides excellent value for money and a sustainable long-term future for Leicestershire and Rutland, rooted in the notion of asset-based community development.

This proposal is our means of articulating our collective strengths and experience across the whole spectrum of local government services and functions and the advantages not just for LGR, but readiness to deliver on wider public sector reform. We anticipate doing this in conjunction with key partners such as DWP and the NHS. Our joint commitment to deliver positive change is based on a potent tradition of contemporary joint working, exemplified by multi-authority collaboration.



⁶Functioning economic geographies are areas where economic activities are effectively coordinated and integrated, leading to sustainable growth and development

Our Focus

We will enable the delivery of the Strategic Authority for Leicestershire and Rutland:



We recognise there is a clear need for a separation between strategy and delivery in the provision of excellent public services. A successful strategic authority will best be enabled by mechanisms which reflect the diversity of the geography, build inclusive service delivery relationships and operate at a scale with which people identify in terms of their lived experience. This approach involves putting place at the heart of the delivering services and accountability mechanisms which underpin the capacity of the Strategic Authority to implement its plans.

Our approach recognises the crucial enabling role which an insightful and nuanced alignment of decision making and delivery structures can contribute to devolution. *It is the only approach currently in play which provides a comprehensive engagement of the whole economic geography, bringing Leicestershire and Rutland positively together.* It is derived from a careful options appraisal based on four core options:

- a county unitary,
- a north/south (Rutland) approach – with North West Leicestershire, Charnwood and Melton in the north and Hinckley and Bosworth, Blaby, Oadby and Wigston, Harborough and Rutland in the south
- a north (Rutland)/south approach - with Rutland, North West Leicestershire, Charnwood and Melton in the north and Hinckley and Bosworth, Blaby, Oadby and Wigston and Harborough in the south
- an east/west approach – with North West Leicestershire, Hinckley and Bosworth and Charnwood in the west and all the other districts in the east.

After detailed assessment we came to a conclusion that:

The county approach was too big, involved a lack of capacity to respond to localities, was highly unbalanced when linked to Leicester in terms of population – 775,000 vs 373,000 and was less logically connected to economic drivers outside of the county boundary. It also involved a confusing overlap with the Strategic Authority in terms of accountabilities and public understanding.

The north/south (Rutland) approach was less sustainable in terms of population, commuting, housing and children’s and adult social care pressure.

A possible east/west split had a less balanced population, less balanced commuting patterns a more uneven population density and a less balanced financial starting position in terms debt gearing.

The North (Rutland) / South approach which we have branded: North, City, South is the best option.

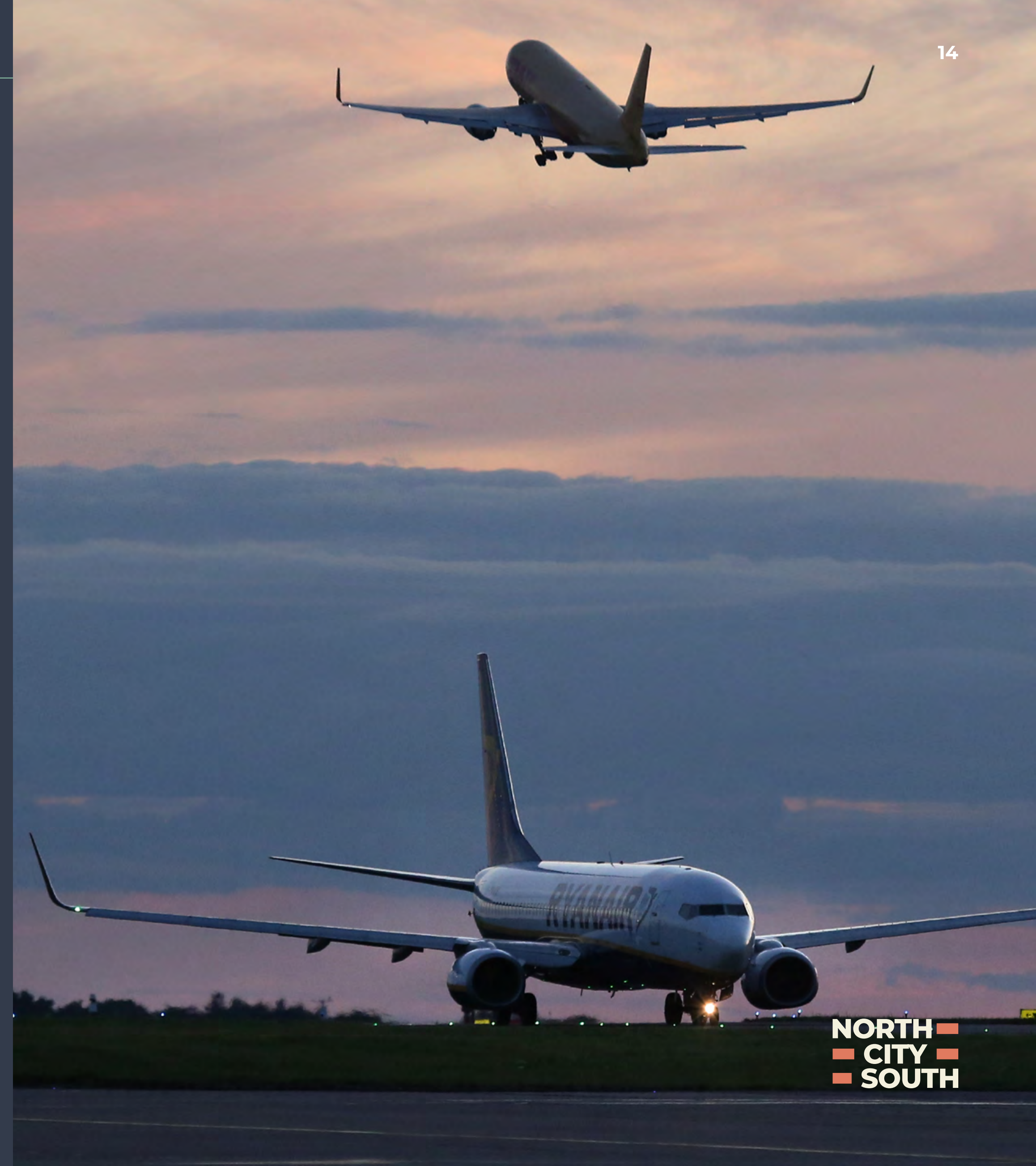
Although the big picture default position in the English Devolution White Paper⁸ is for local authorities with a population of 500,000, we believe the nature of delivery geographies in Leicestershire and Rutland merits a different way forward based on a three council approach of around 400,000 people per authority. This reflects the functioning economic geographies of our communities and anticipates their further growth by 2036 to approaching 450,000 in both the new north and south authorities.

Whilst at a granular level it might be perceived that a bigger population base would allow greater economies of scale, we believe very large councils run the risk of putting too much distance between the people served and the delivery of the services they consume⁹.

Over relatively short time periods, authorities with the staffing capacity to better plan the delivery of services on a preventive basis, working with the character of communities offer a more sustainable way forward. They provide a robust and insightful delivery environment for the Strategic Authority. They also offer a distinction between the large-scale planning of the Strategic Authority and the delivery strategies of its local authorities. This helps avoid the confusion of strategic and delivery bodies overlapping at exactly the same geographical level. The maps overleaf showing the juxtaposition of a county unitary with our three area approach demonstrate the more logical and balanced nature of our proposal.

⁸ English Devolution White Paper 16 December 2024

⁹ No evidence exists to support mega councils, Government admits – DCN January 2025



NORTH
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County Unitary & Leicester

Vs

North, City, South

Strategic Authority
1,191K

Rutland
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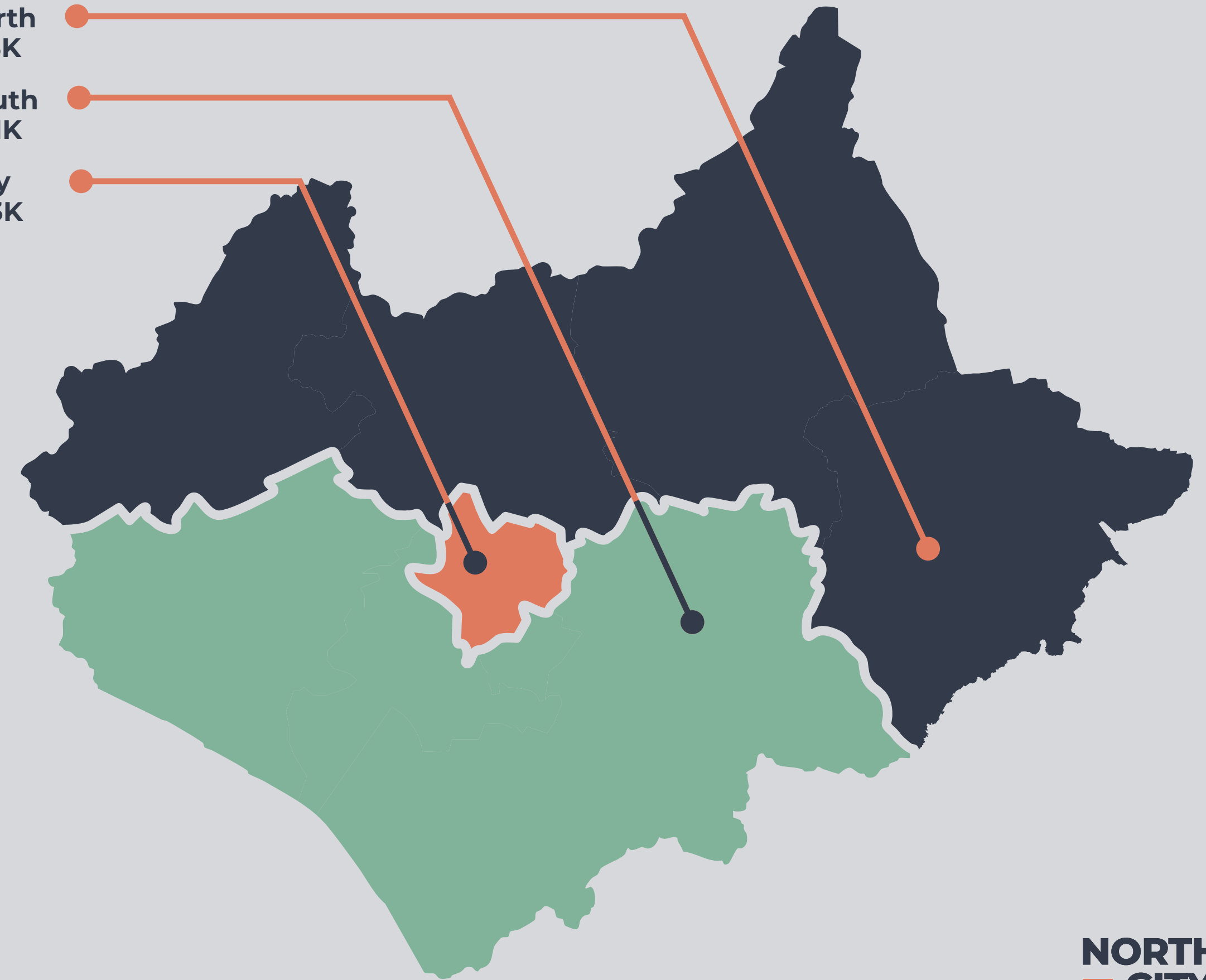
Leicester
373K

Strategic Authority
1,191K

North
418K

South
401K

City
373K



NORTH ■
CITY ■
SOUTH ■

Delivery structures which are close to their communities can more effectively build the democratic engagement of their local population. They can achieve this through strengthening the delivery capacity of the VCS sector, building on local good practice and providing low-cost high impact opportunities for people to become positively involved in the local delivery of services.

Our approach involves a bold creation of new governance structures which at modest cost, provide opportunities for people to get involved in local decision making whilst retaining cultural traditions and identity. We also intend to significantly build the delivery capacity of the VCS and to work with partners to achieve radical co-designed approaches to core service delivery.

This approach is very different from traditional big council models where area committees function as information receiving groupings with no authority and statutory decision-making status. We advocate multi-agency working and cross organisational partnerships delivering change relevant to neighbourhoods addressing key opportunities for innovation in relation to themes such as adult social care.

Another fundamental theme of our approach will be to recognise the ongoing sense of local areas and traditions within the new proposed structures. We therefore intend to retain the separate ceremonial County status of Rutland and Leicestershire, as well as preserving civic identities and opportunities for local civic mayors and ceremonial occasions.

At the local level we will develop and build on our work on a multi-agency agenda to plan the significant primary care preventive aspirations for the future of the NHS. This will drive out powerful long-term savings and outcomes in relation to the care challenges faced by our area. It will also create more local jobs. It will bring together approaches which embrace housing, adult and children's services, VCS bodies and the private sector. This will involve creating a new web of shared capacity and insight to address this core area of challenge for localities.

In localities this approach of service renewal will build the scope to ramp up aspirations which make places more sustainable overall. It will provide opportunities for greater inclusivity and community wealth building.

In economic terms the growth of the wider Midlands' economy is a dynamic process, we believe there is far greater capacity to engage with it through local authority structures which provide an inclusive entrée to their wider functioning economic geographies.

Road networks such as the M69 and A5 in the south and west and M1, A1, A50, A14 and A46 in the north and east form key growth corridors against which our approach aligns. Through appropriately focused housing and commercial land allocation strategies, which take account of the economic dynamics to the north and south of our area, we can play a more nuanced and fuller part in the wider growth of the region.

We believe this will build on existing economic initiatives and is preferable to the challenge of seeking to reconcile the focus and efforts of one authority at a macro level, which because of its focus will be subject to an ongoing tension between north and south priorities.



¹⁰ Innovative Citizen Participation and New Democratic Institutions – OECD 2020

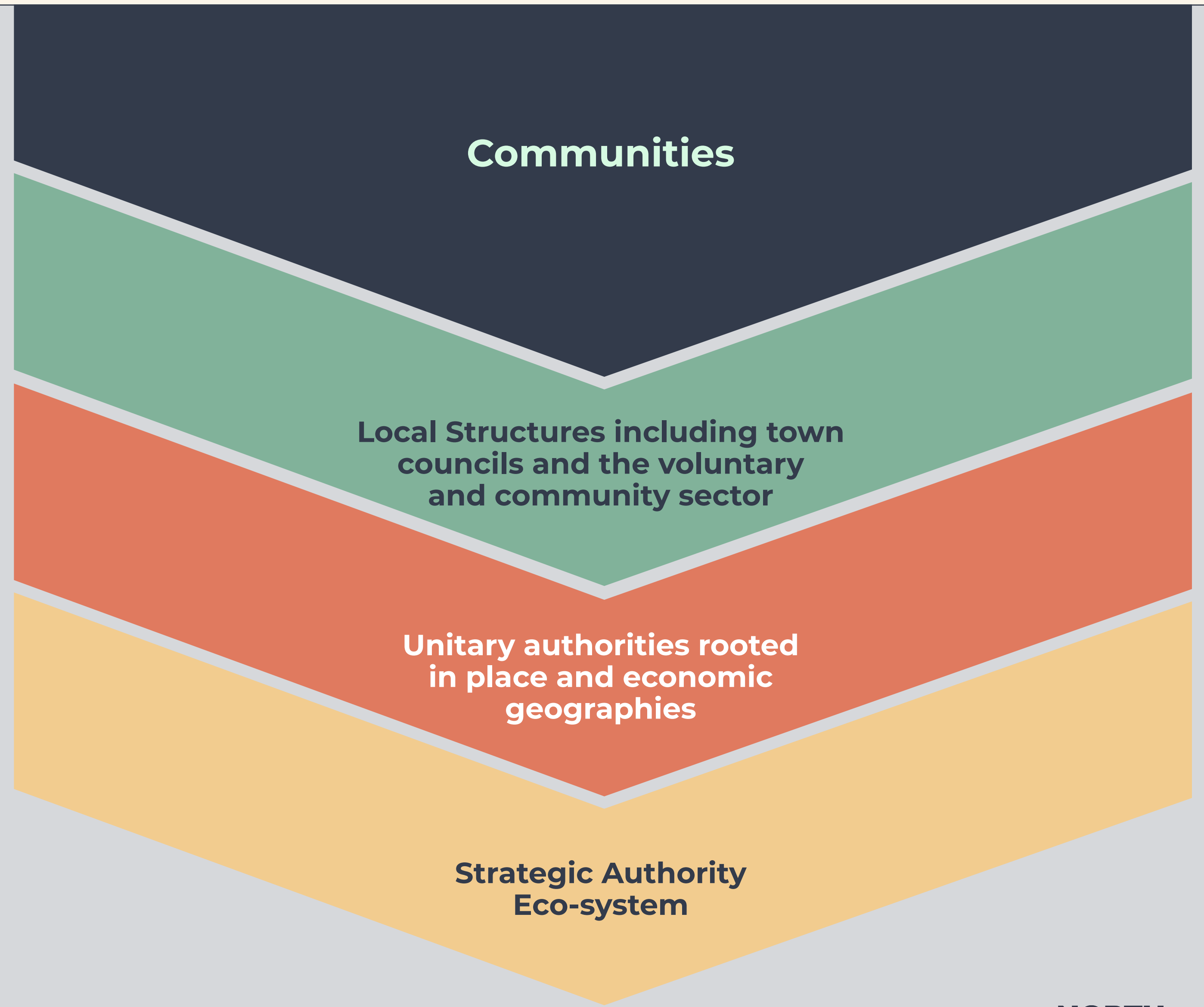
¹¹ Consultation on the NHS 10 year Health Plan

¹² Community Wealth Building - CLES

We have a clear approach for a structure which best enables our collective devolution agenda in Leicestershire and Rutland. Based on an operational split between strategy and delivery it focuses on:

- people and place at the top of an inverted triangle,
- new approaches of low-cost high intensity engagement at the level of town councils and a strengthened VCS sector which are the vehicle through which we build preventive multi-agency partnerships,
- underpinned by commissioning and capacity building services from new unitary authorities which are big enough to deliver and close enough to respond to important needs
- delivering at the cutting edge of the approach the aspirations and objectives of the new Strategic Authority.

We have set out a diagrammatic representation of our approach opposite.



Summary



We believe the nature of delivery geographies in Leicestershire and Rutland merits a three-council approach of around 400,000 people per authority. *Authorities of this size can better plan and deliver services on a preventive basis, working closely with communities.* Delivery structures close to their communities can more effectively build democratic engagement. This will be driven by multi-agency working and cross-organisational partnerships delivering change at the local level. Both Leicestershire and Rutland are historic counties with a Lord Lieutenant and Lord High Sheriff. It is particularly important to retain their ceremonial County status with separate Lord Lieutenants and Lord High Sheriffs for both places. Whilst these are civic, and not local government roles, they nevertheless need to be retained in any reorganisation of Leicestershire and Rutland. More widely our overall plan for change has seven core principles:

1

Sustainable

We have resisted the approach of suggesting improbable savings of an unrealistic one-off nature, recognising instead that through creating authorities of a sensible scale, capable of delivering long term preventive service outcomes, based on local insight, we can deliver far more sustainable change.

2

Inclusive, Open and Pragmatic

We unite diverse interests with a flexible, adaptable approach, committed to practical solutions.

3

Enabling and Consultative

Our plan, shaped by extensive community engagement, drives the devolution agenda in Leicester, Leicestershire, and Rutland.

4

Prosperity Focused

We will work proactively with the Strategic Authority, using boundaries that fit daily life patterns and local identification.

5

Connected

Our structures leverage growth opportunities around the A1, M1 corridor, M69 connections, and the Oxford/Cambridge Arc for community success.

Our plan effectively embraces and enables the agenda of the new proposed Strategic Authority by providing delivery arrangements based on how people live their daily lives. *People gravitate either north or south based on where they live – they are not inwardly focused on the historic county of Leicestershire.*

6

Innovative and Engaging

Our plan exemplifies system leadership, multi-agency collaboration, co-design, and community wealth building, recognising lived experiences.

7

Democratic Renewal

We will enable a democratic reset, reducing local authority governance scale and creating new governance structures with real powers to raise income and deliver services.

How People Live in Leicestershire and Rutland

Leicestershire and Rutland comprise a network of local authority areas which face outwards into broader functioning economic geographies. The spheres of influence and connectivity split north and south, with the most sustainable configuration of authorities fitting together as per the map opposite, encompassing North West Leicestershire, Charnwood, Melton and Rutland in the north and Hinckley and Bosworth, Blaby, Oadby and Wigston and Harborough in the south.

Strategic Authority
1,191K

North
418K

South
401K

City
373K



Source: ONS population projections for local authorities 2018-2043



Whilst the City of Leicester forms an economic core it does not define the county. The 2021 census location of work statistics¹³ indicate that 39,000 people (out of a workforce of 367,000 – 10.6%) commute from the other local authorities into the city, with a higher proportion of city residents (31,000 out of 154,000 – 20.1%) commuting into the wider economic geography.

139,000 people live and work in the north area (76.8% containment of workforce) within our proposal and 132,000 live and work in the south (71.0% containment). 115,000 people live and work in the City of Leicester (74.2%).

The two additional areas we define, to sit alongside Leicester are poly-centric in nature, sustaining a very long-standing pattern of key service centres based on Coalville, Loughborough, Melton Mowbray, Oakham, Market Harborough and Hinckley accompanied by a network of smaller market towns and villages.

More widely a clearly distinctive, but balanced picture of socio-economic characteristics arises from the analysis of the two areas:

All three areas have similar populations of appropriate scale, by 2028¹⁴ they will be:

- **North** – 418,000
- **City** – 373,000
- **South** – 401,000



The north and south have different population densities¹⁵, representing the more rural nature of the north and the distinctive service delivery agenda which comes with that and a relatively more densely populated pattern in the south at respectively:

- **North** – 268 people per Km²
- **South** – 358 people per Km²

Driven largely by the Freeport and Loughborough University the north has a higher economic productivity (GVA) at £11.45bn compared to £10.12bn in the south. Overall, however, both areas have a relatively high GVA per head compared to the East Midlands - £30,055 and £27,124 respectively compared to £26,099. The world leading Mira Technology Park along with Magna Park are pivotal economic drivers in the south area which match the economic impact of the Freeport and Loughborough University in the north.



Proxies for service challenges around older people show an even distribution of pension credit claimants with 7% of the population of both areas being eligible. There are a higher proportion of children living in poverty in the north than south - 14.8% compared to 11.8% in the south. The relative balance of this position is, however, put into perspective when the figure of 36% in the City of Leicester is taken into account.

One distinctive difference and part of the rationale for understanding the different challenges and needs of each area is linked to housing financial pressures based on temporary accommodation costs¹⁹, which were almost three times higher in the south at £2.6 million compared to £923,000 in the north in 2023/24.



¹³ Origin Destination Statistics 2021 Census
¹⁴ ONS population projections for local authorities 2018-2043
¹⁵ Standard Area Measurements for 2021 Statistical Geographies (March 2021) in EW (V2)
¹⁶ Regional gross value added (balanced) by industry: local authorities by ITL1 region
¹⁷ Pensioner Credit Claimants DWP 2024
¹⁸ Children in Poverty DWP 2024
¹⁹ Leicester and Leicestershire Chief Housing Officer Group Homelessness Trends 2024

Place Narrative

In addition to the broad comparison of the proposed two new councils to sit alongside the City, we provide a more detailed description of each of the new authorities.

North

The North Leicestershire and Rutland Unitary straddles a core space within middle England between the manufacturing hotspots of M1/A50 corridor linked to businesses such as Rolls Royce and Toyota. It encompasses the region’s airport and freeport, and a university which is globally acknowledged for sport and science. It has links through an area rich in food production and tourism assets across to the Oxford/Cambridge Arc as a growing area of economic opportunity. The area has strategic connections to Peterborough and Cambridgeshire by road and rail. It has a dynamic housing target of 2,200 houses per year including significant growth and development sites along the A1 at the Woolfox site.

The area is characterised by the attractive market towns which serve significant rural hinterlands including the following towns defined in the ONS rural/urban classification comprising overall: Ashby-de-la-Zouch, Oakham, Rutland, Uppingham, Coalville, Shepshed, Loughborough and Melton Mowbray. These settings are key service centre nodes and all have a strong alignment from a health perspective with Primary Care Networks and from a crime and disorder perspective with the new policing structures for the area.

More widely this area although having some significant towns is relatively sparsely populated with 268 people per km2 compared to 347 for the county as a whole and could be characterised as the most rural of the proposed three authorities.

Rutland has a very distinctive public profile and a recent history of being the smallest unitary authority in the UK. It has developed a host of neighbourhood-based innovation approaches (capable of wider adoption and scale up) which will inform the wider multi-agency partnership approaches proposed in terms of themes such as social care.

There is already a strong track record of town-based regeneration in this northern area. We will learn from and build on the transport links between for example Melton and Oakham delivered by their joint Levelling Up Bid and the links between the Freeport in North West Leicestershire and the Institute of Technology based in Loughborough at the College and University.



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South

The South Leicestershire Unitary straddles the gravitational pulls of Leicester, the M69/A5 corridor and the South and West Midlands via Northamptonshire and Warwickshire. It comprises a network of historic and vibrant market towns: Hinckley, Earl Shilton, Lutterworth and Market Harborough. Oadby, Wigston and Blaby are all independent centres with their own service infrastructure and distinct economic characteristics outside of the inner core of Leicester.

In the west of the area the world leading Mira Technology Park and Magna Park are major economic centres hosting important manufacturing businesses. Fosse Park is a regional retail centre which anchors the M69 at its eastern end and serves a very large retail and commercial hinterland.

Four new settlements are planned around the M1 in this area: Norton, Lindley, Whetstone Pastures.

Hinckley & Bosworth Borough Council has a long tradition of partnership work in the West Midlands and Hinckley and Nuneaton town centres, although straddling a regional boundary (East/West Midlands) are less than five miles apart. Together these towns form a sub-regional cluster to the north of Coventry of approaching 150,000 people.

The south and west focus of this area, particularly in terms of the world leading Mira Technology Park and Magna Park further links it to a functioning economic geography in the West Midlands. Only 24,000 out of a total working population of 266,000, commute to work in Leicester. This is due in significant part to the excellent transport links through road and rail to the West Midlands and South of England.

Blaby is home to Fosse Park, the HQ for Next, and the iconic Everards Brewery. The district anchors the M69 at its north-eastern edge. Oadby and Wigston is home to Leicester Racecourse and the main student campus for Leicester University and Botanic Gardens, which is renowned for its world-changing research, particularly in medicine.



The east of this area centred around Market Harborough is relatively rural in terms of its population distribution and has strong links with North Northamptonshire elements of which it supports as a service centre. There is good alignment with Primary Care Networks (PCNs) and Blaby and Oadby and Wigston all have distinct PCNs which focus on their hinterlands as do the other core towns in this area.

A map summarising major infrastructure is set out opposite:

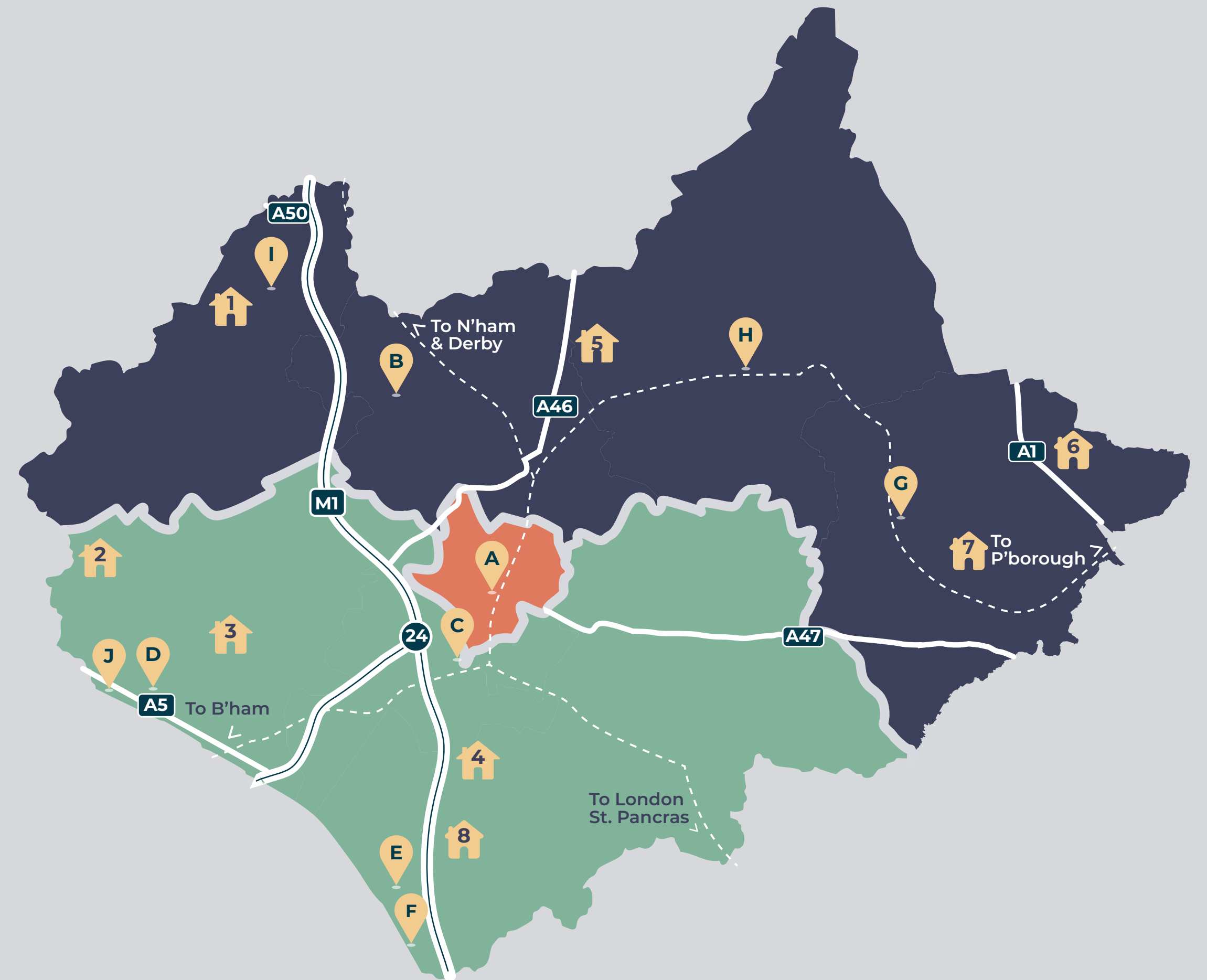
Context Summary

In summary Leicestershire and Rutland have too many diverse socio-economic characteristics to manage around one agenda in terms of local council delivery strategies. As indicated in the introductory section above the strategic framework for the county will be set by the universally agreed new Strategic Authority. A north-south split recognises the very different spatial characteristic of the area, the different economic zones to which it contributes and the different delivery challenges it faces around housing and to a lesser but distinctive degree children's services.

- A** Leicester University
- B** Loughborough University
- C** Fosse Park
- D** MIRA Technology Park
- E** Magna Park
- F** A6 Gibbet Hill Scheme
- G** Oakham Enterprise Park
- H** The Stockyard
- I** East Midlands Airport
- J** A5 Hinckley to Tamworth improvements

Proposed New Settlements

- 1** Isley Walton
- 2** Norton
- 3** Lindley
- 4** Whetstone Pastures
- 5** Six Hills
- 6** Woolfox
- 7** St George's Barracks
- 8** Lutterworth East



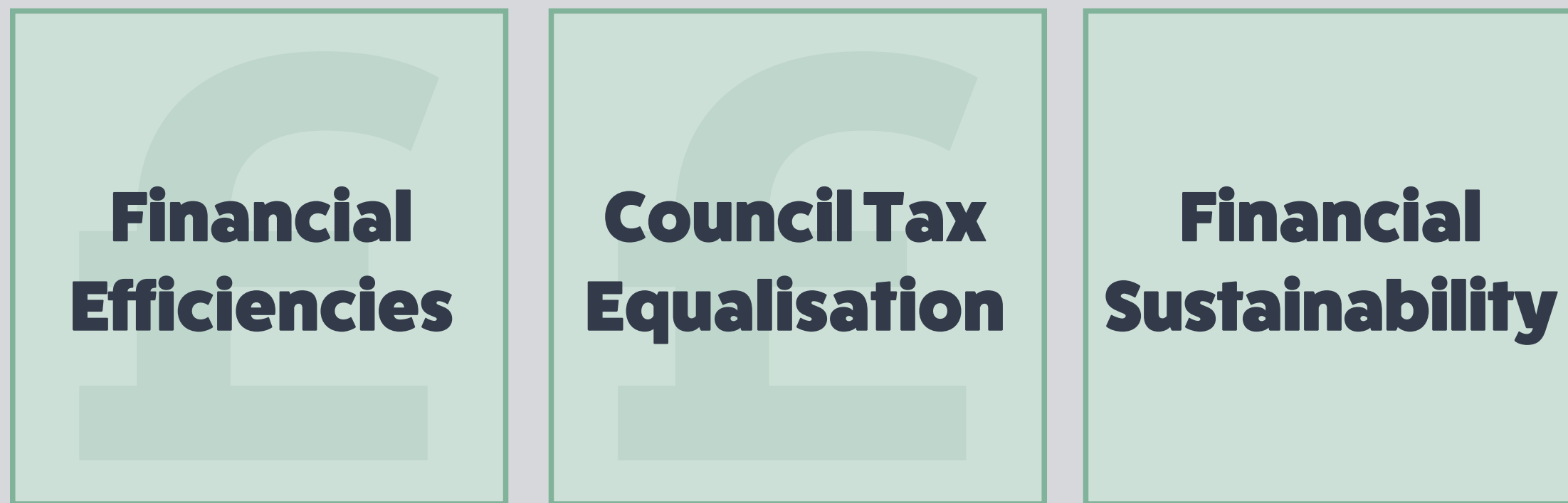
The Financial Case for a Three Unitary Model for Leicestershire and Rutland



Overview of the Financial Case and Modelling Approach

This proposal enables the new arrangements to hit the ground running which means that savings delivery can be realised immediately and at the same time reduce the risk from organisational change.

This financial case uses the above inherent opportunity as the basis for the financial modelling to build assumptions that cover three critical financial factors for the new authorities:



More detailed information can be found in the Appendix.

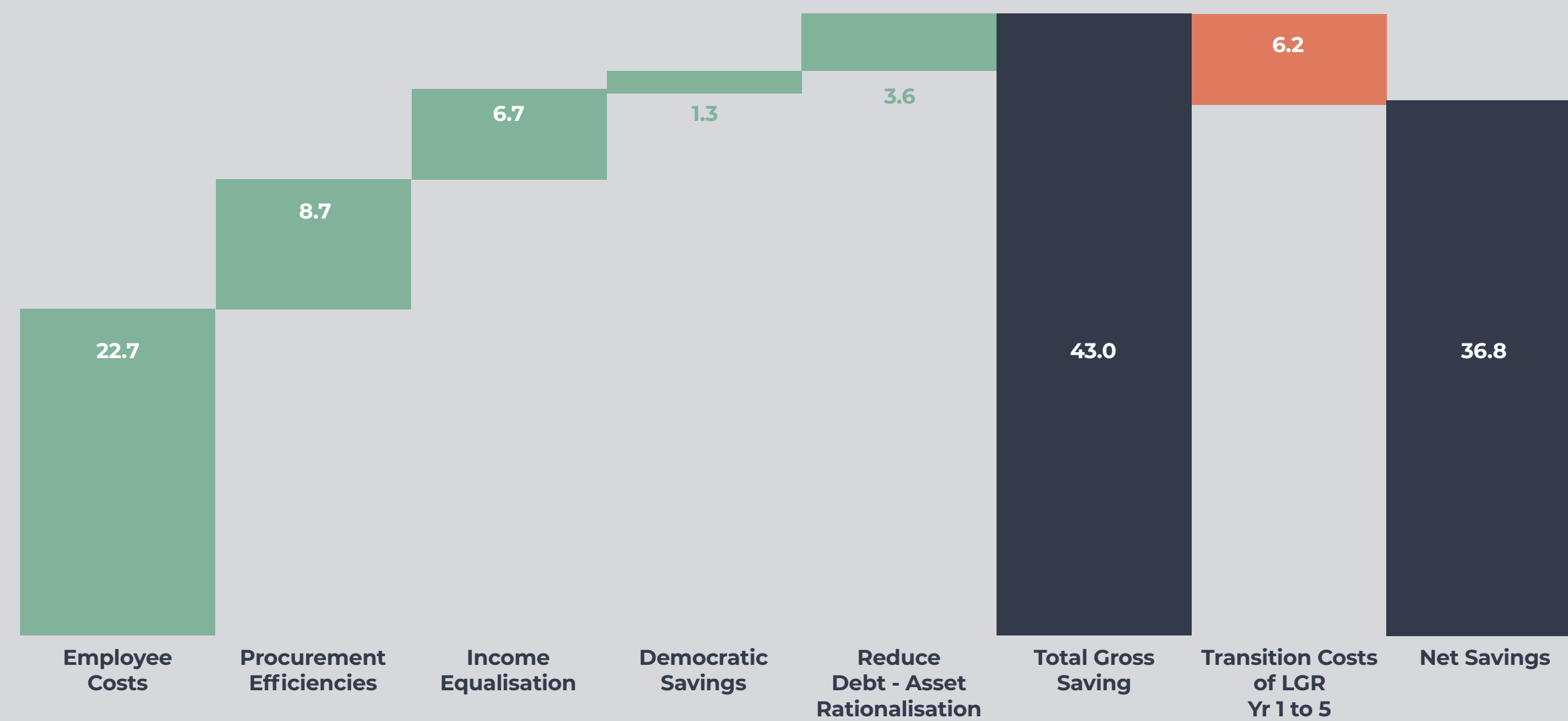


Financial Efficiencies

The opportunity for financial efficiencies of the three unitary model is estimated to be a gross £43m per year. This is a prudent base model which does not yet factor in the decisions and ambitions of the future councils. Therefore, further opportunities for additional savings through wider transformation work are expected to become available.

The following chart provides an overview as to where the savings would be generated:

Summary of Net Saving Opportunities for North : South : City Unitary Councils



The following table shows these savings split across the main saving opportunity areas by each unitary:

Summary of Baseline Costs and Net Saving Opportunities	North £000	South £000	City £000	Total £000
Base Service Costs	518,592	499,540	811,867	1,892,999
Employee Costs (Sr Leadership +)	(9,825)	(12,841)	0	(22,666)
Procurement Efficiencies	(5,915)	(2,799)	0	(8,714)
Income Equalisation	(3,465)	(3,244)	0	(6,709)
Democratic Savings	(687)	(624)	0	(1,311)
Reduce Debt - Asset Rationalisation	(1,530)	(2,041)	0	(3,571)
Total Gross Savings	(21,423)	(21,549)	0	(42,972)
Transition Costs of LGR - Yr 1 - 5	2,876	3,298	0	6,173
Net (Savings) / Costs	(18,547)	(18,251)	0	(36,798)
Revised Service Costs	563,045	481,288	811,867	1,856,201
Savings Split Across the Unitaries	50%	50%	0%	



Overview of assumptions applied for financial efficiencies:

- **Employee costs** – savings will be generated mainly from a reduction in the number of senior leadership positions. Staff are any councils most valuable asset, and staff retention will be important. With natural turnover and vacancy rates at approximately 9%, it is expected that the change can be managed positively and redundancies can be minimised.
- **Procurement efficiencies** – base costs less employee costs and less county council costs have been used. Savings will be achieved from increased economies of scale for commissioning and procurement, asset rationalisation running costs, and standardisation of systems compared to existing district functions. No savings have been assumed for social care.
- **Income equalisation** – initial investigation of fees & charges from website information shows a wide variety of charges. Analysis of government returns show that there are volume and pricing differences to income generation. It is estimated there is an opportunity for each new authority and an assumption of 4% of the current income total is possible. In reality this could be between 5 – 10%.
- **Democratic savings** – the model assumes a reduction of 170 councillors to 214 across the three unitaries at an average cost of £20,000. This has been based on Leicester City and County existing member costs..
- **Rationalisation of offices to reduce debt burdens and costs to new authorities** – there will be a reduction in the number of council offices although there is a keenness to maintain a presence in each area. Estimated value of the properties has been based on a property rate per current employee council numbers discounted to reflect hybrid ways of working. A prudent estimation of the capital receipts gained from these sales has been modelled to offset existing debt burdens which in turn reduces interest payments.

These savings are offset with implementation costs which include redundancy costs and specific project-based teams which create and consolidate systems and processes for the two new authorities.

Council Tax Equalisation

The three unitary model presented here enables harmonisation of council tax levels across the county region which brings equity to the residents across Leicestershire and Rutland. The approach supports and reduces the risk of ‘unfairness’ which reorganisation inherently presents.

Whilst council tax equalisation brings no additional income into the local government system, by using the assumption that equalisation occurs within one year this three unitary model enables the new authorities to create certainty about its finances. Financial sustainability for the new authorities would be created because:

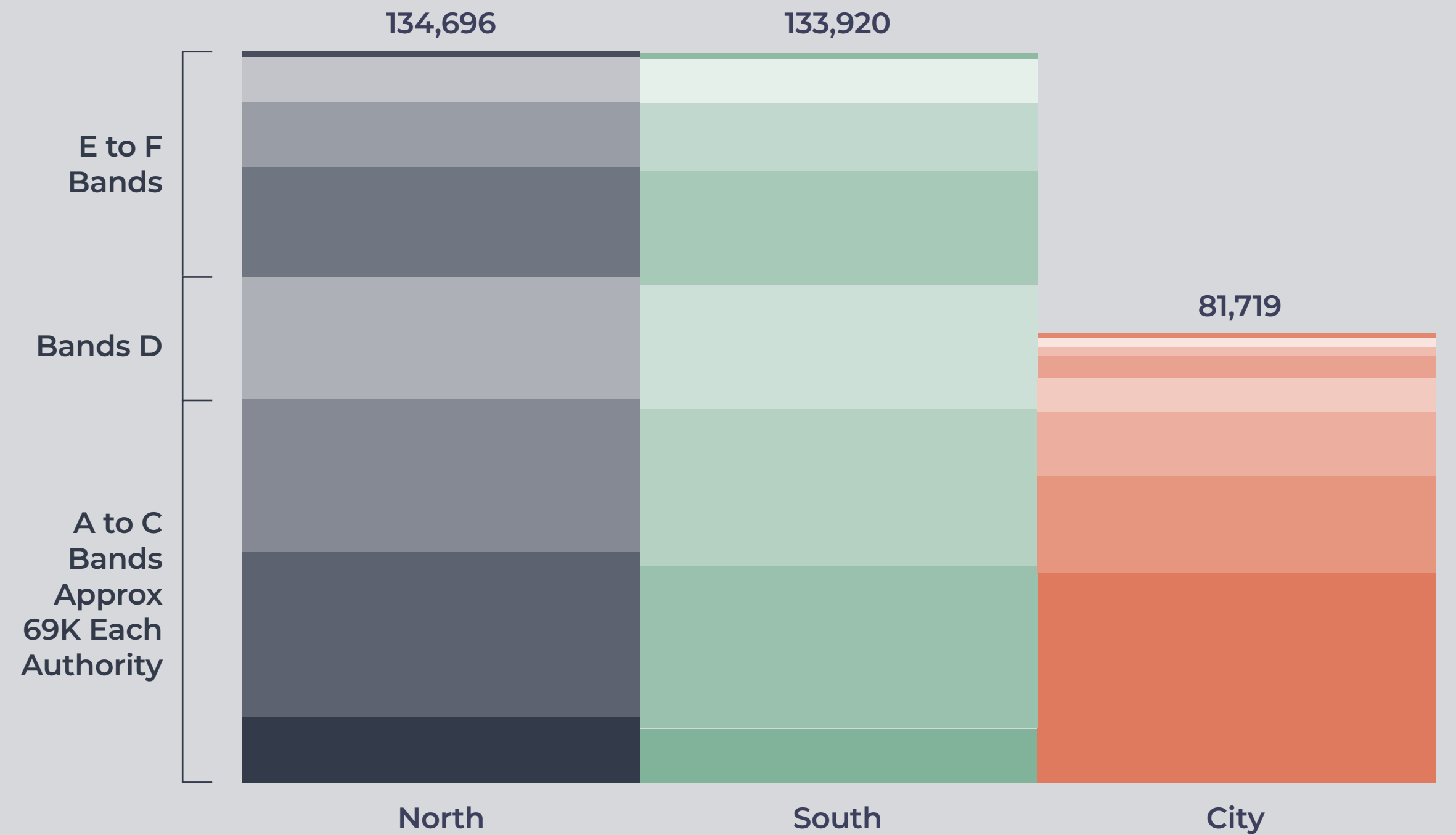
- new authorities are better able to plan their financial strategies as income is known at the very start and over the medium term
- there is a reduction in the administrative burden which supports the saving opportunities identified
- this way forward avoids lengthy equalisation which would be difficult locally through the perception that people are paying different amounts for the same services, which would likely be a distraction in the formative years of the new organisations
- it avoids the risk of loss of income generation potential at a time when financial sustainability is a key driver for change
- it should avoid the constraints of referendum principles and give the new authorities greater freedoms and access to opportunities when designing their medium to long financial strategies to service provision and demands

The following table summarises the new Band D rates and shows that there is only £126.77 difference in this model which compares to the current £373.41

Council Tax Equalisation	Equalised Council Tax Band D	Band D Properties
North	£1,998.95	134,696
South	£1,955.25	133,920
City	£2,096.84	81,719
Total		350,335

The previous table showed the number of Band D properties for each of the unitary areas along side the Band D council tax charge. The following chart illustrates the even split of A-C council tax bands across the three unitary areas, overall similar banding profiles for the wider geographical areas of both the North and South unitaries which in turn supports financial sustainability for these new authorities.

Council Tax Base and Bands by North : South Unitary model



Financial Sustainability

Future financial sustainability of the new councils will be intrinsically linked to the balance sheet health of the organisations which are combined. The new authorities should not be saddled with high debt levels that overburden revenue resources. They should have sufficient revenue reserves to be used to mitigate risks and enable investment in opportunities that deliver financial sustainability, such as in preventative services that reduce demand and enable people to live longer healthier lives.

Debt Analysis - as at 2023/24	Debt Value £000	% of Net Revenue Expenditure
North	329,787	111%
South	262,964	98%
City	290,165	85%
Total	882,916	

The table indicates the level of debt that the new councils would be required to service through interest payments and debt repayments. This will need to be factored into financial sustainability plans over the medium to long term. The three new authorities have an even split of the debt across the Leicestershire and Rutland area with no new authority more burdened than the others.

The level of reserves an authority holds is an important part of the medium-term financial planning and in turn the budget setting process. A review of reserves must be balanced and reasonable,



factoring in the current financial standing of an authority, the funding outlook into the medium term and beyond, and most importantly, the financial risk environment in which they are operating. Therefore, in order to ensure the new authorities are viable the level of reserves is a critical consideration when developing the three unitary model. The following table shows that the three new authorities have an even split of the reserve balances across the Leicestershire and Rutland area with more opportunity within the existing City unitary.

Looking at reserves alongside borrowing is useful as borrowing can be used to protect reserves, or reserves used to reduce borrowing. The analysis demonstrates that the proposal would enable each of the new unitaries to be created with an appropriate level of borrowing and reserve balances so that 'trade-off' remains an option supporting financial sustainability.

Reserves Analysis - as at 2023/24	Useable Reserves £000	Useable Reserves
North	242,178	82%
South	223,450	84%
City	381,914	112%
Total	847,542	

It should be noted that the analysis of debt and reserves includes balances that relate to the Housing Revenue Account (HRA). This system assumes that the servicing of debt is funded from ongoing revenue such as from rental receipts.

In recent years upper tier authorities have experienced a Dedicated Schools Grant (DSG) funding deficit whereby expenditure on children with Special Educational Needs and Disabilities has exceeded the grant received from the Department for Education. Government introduced legislation that provided an 'override' to the usual accounting practice which meant that councils did not have to fund the deficits within the financial year they occurred. This was on the basis that future grant receipts would be sufficient to cover the deficits experienced. However, this surplus grant has not materialised, and the use of the 'override' has meant that significant deficit balances have been able to

accumulate exposing the majority of top tier authorities to significant risk. For Leicestershire, all three top tier authorities are carrying deficit balances. The table shows this risk as at the end of 2023/24 financial year and compares the balance of the deficit to the amount of DSG received. Deficit balances are increasing exponentially with no clear solution yet received. It is anticipated that further clarity will be received as part of the Spending Review expected in Spring 2025.

Dedicated Schools Grant Deficit Reserve - as at 2023/24	Deficit Value £000	% of Dedicated Schools Grant
North	19,153	5%
South	15,852	5%
City	9,648	2%
Total	44,654	4%

Alongside balance sheet health and associated financial resilience, financial sustainability will be intrinsically linked to the generation of income and receipt of government grants. Three core income generation considerations will be:

- a) **Council Tax** – see previous consideration for council tax equalisation
- b) **Business Rates** – a reset is expected as part of the Spending Review expected in Spring 2025. Currently the business rates that would be anticipated to be generated by the three unitary model is shown in the table. Following the business rate reset it is expected that there will be an alternative national distribution methodology applied to this income and the new authorities will receive less funding than is generated due to the loss in growth above the baseline position as is currently experienced
- c) **General Government Grant** – this income stream has previously been provided through the settlement provision through Core Spending Power and is due to undergo a significant review in Spring 2025. Whilst the review has not yet been published, modelling the likely outcome based on the Local Government Policy Statement of 2025/26 can be used to provide an indication of likely general funding from government. This statement emphasised the “targeting of funds to areas with the greatest need” and introduced a new distribution methodology based on deprivation indices. Initial modelling suggests that the new authorities within this proposal will receive less general funding from government due to more weight being given to a deprivation index. The impact of this change is a constant feature for Leicestershire as a whole and not limited to this proposal. Therefore, it is important that the likely reduction in government grant

from Leicestershire is taken into account when devising a financial strategy for each new authority to ensure financial sustainability.

100% Business Rates Income - as at 2023/24	100% Business Rates £000	50% Retained Business Rates
North	206,579	103,290
South	201,114	100,557
City	129,303	64,651
Total	536,996	268,498

The following table provides an overview of where losses are likely to be seen compared to the current funding system. It can be seen from this table that the City Unitary is likely to be ‘better off’ from the changes in the general grant formula. This would help this authority offset some of the income generation challenges that the council tax banding and its associated gearing would bring increasing the financial sustainability of this authority which in turn further supports the three unitary model for Leicestershire.

Spending Review Area	North	South	City
Council tax equalisation	✗	✗	✓
Interim Children's Relative Needs Formula (RNF)	✗	✗	✓
Adult Relative Needs Formula (RNF)	✓	✓	✗
Population versus deprivation-weighted population	✗	✗	✗
Population versus additional population	Gain & Loss	✗	✗
Population versus capital financing RNF	Gain & Loss	✗	✗
Business rates baseline reset	✗	✗	✓
Extended Producer Responsibility (EPR)	✓	✓	✓

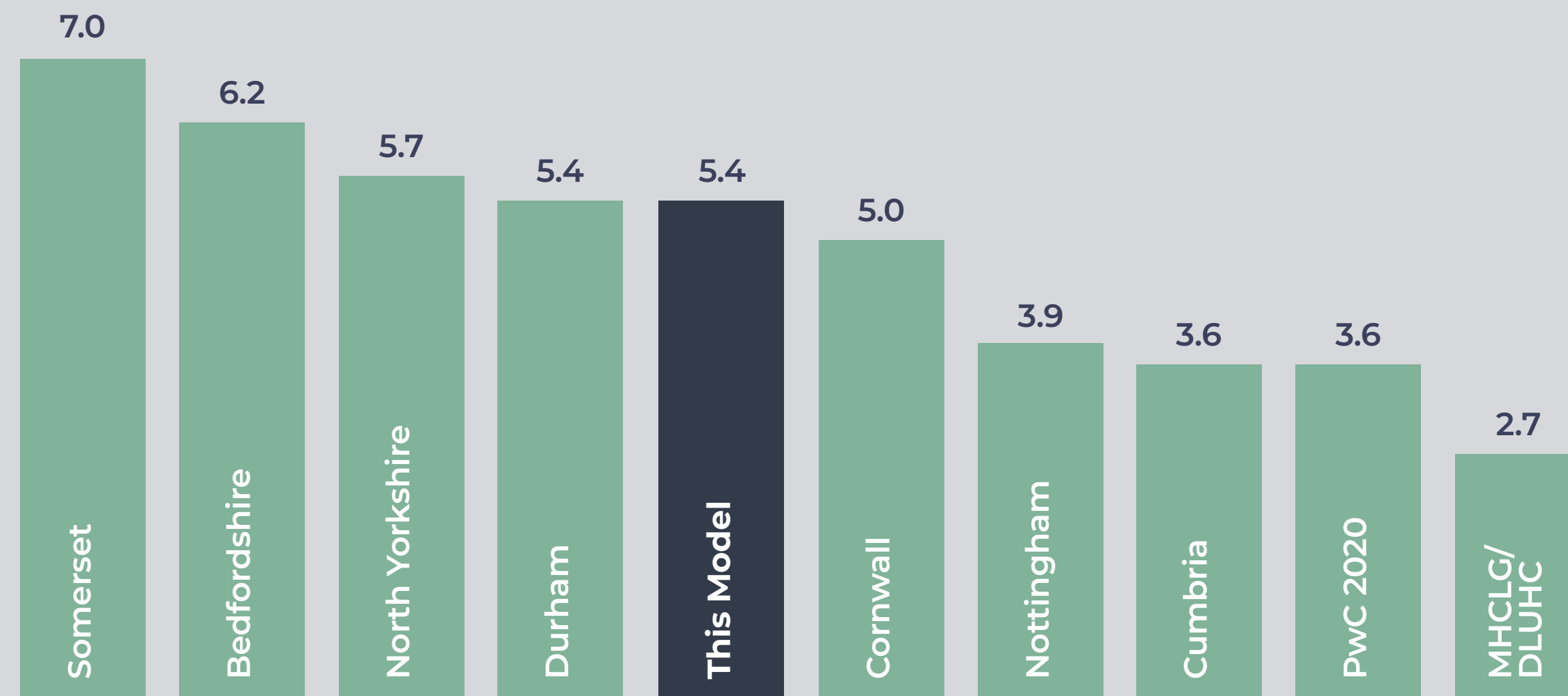
Gain ✓ Loss ✗

Review and reasonableness for the three unitary model financial case

The financial case described in the section has been reviewed by all S151s of the councils involved in this proposal. Furthermore, external experts have also reviewed the model for reasonableness including a former S151 of Kent County Council, Andy Wood, and Finance Specialist Dan Bates from LGFin and they conclude that the methodologies adopted are sensible and are not overly optimistic or pessimistic as applied assumptions.

The following chart demonstrates the reasonableness of this financial case compared with reports from other local authorities and leading stakeholders within the Local Government Re-organisation arena. It is concluded that the financial case provides a strong foundation on which to build and fine tune as part of phase 2 of the Local Government Re-organisation process.

Comparison of Leicestershire three unitary model against other LGR reports and business cases (savings shown as £m per district council)



²⁰ English Indices of Deprivation 2019



Service Pressures

Whilst the individual authorities are financially viable there are a number of significant service pressures in each area which merit close attention. We have considered these carefully and believe, on the basis of our options appraisal, that whilst they make a distinctive case for a north/south configuration of authorities, they provide a more balanced set of overall challenges as evidenced by the financial profile above, than either a county unitary or an east/west split. We have set out the distinctive characteristics of each area below.

There are individual neighbourhoods with relatively intense deprivation as set out from mapping of the English Indices of Deprivation²⁰ at lower super output area level in the map opposite:

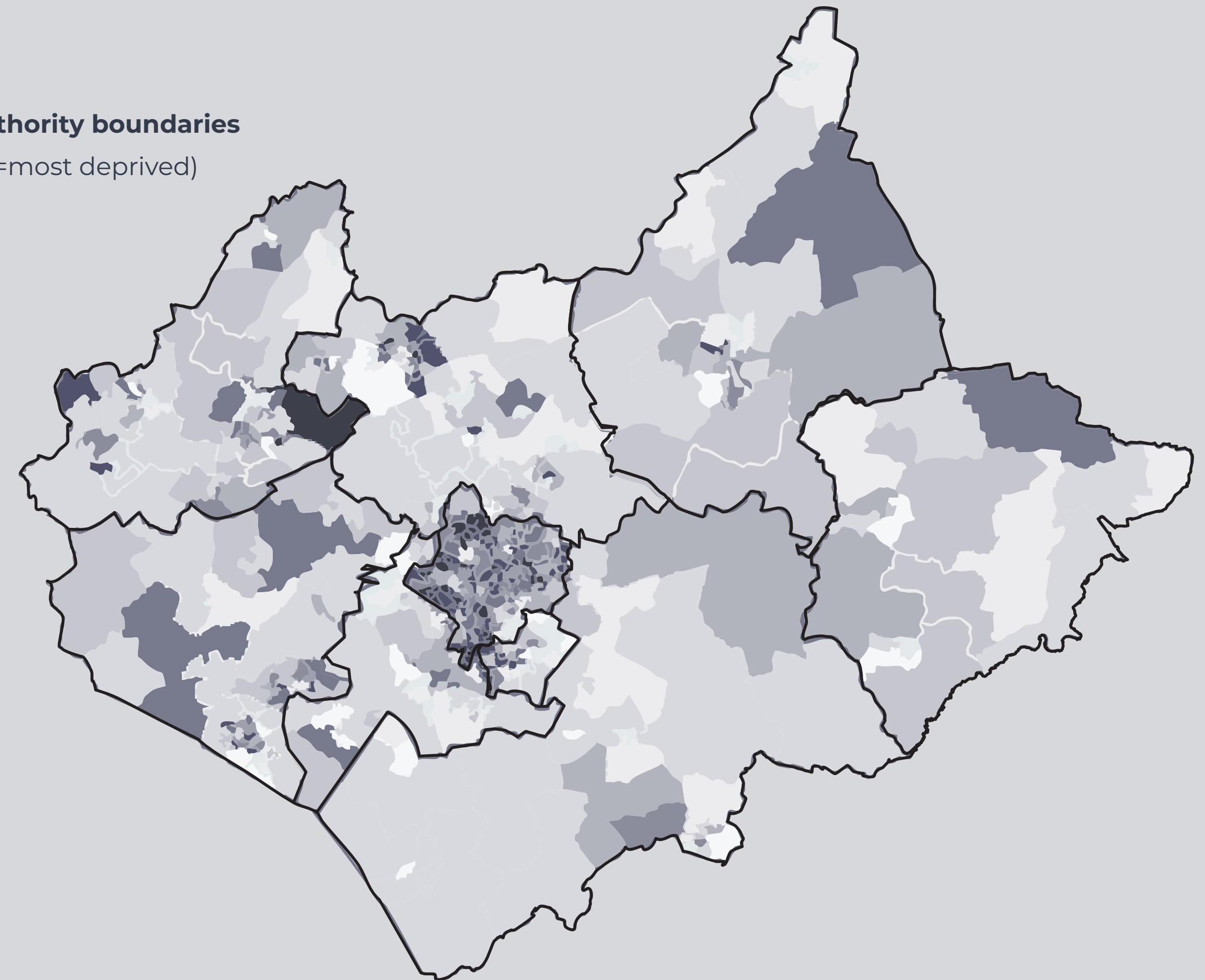
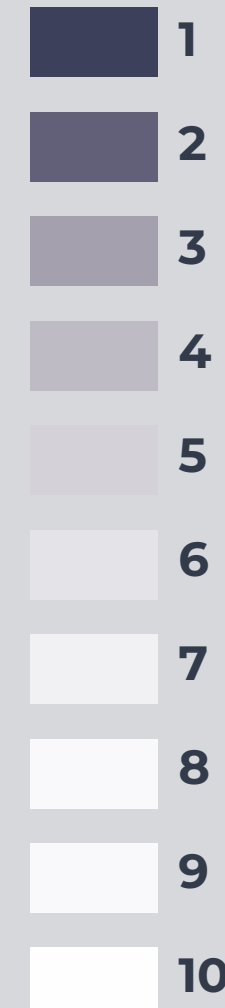
The higher incidence of deprivation in the north with a particular series of challenges around barriers to housing and services is derived from the sparsely populated rural nature of the area. This introduces a series of access and higher unit costs for service delivery per head than in the relatively more densely populated and better-connected southern area.

More specifically in terms of service pressures we have looked at three financial proxies to give an indication of the relative scale of challenges in relation to:

- **Adult Social Care** – the number of people receiving pensioner credits
- **Children’s Services** – the number of children living in poverty
- **Housing** – the amount spent by each authority on temporary accommodation

☐ LLE local authority boundaries

IMD 2019 Decile (1=most deprived)



²⁰ English Indices of Deprivation 2019

A detailed breakdown of the position per local authority area is set out in the tables below:

Pensioner Credits and Children in Poverty

	Population (2021 Census)	Pensioner Credits	Over 65	% Pensioner Credits	Children in Poverty	Total child population	% Children in poverty
Leicester	368600	10049	45467	22%	27789	77840	35.70%
Rutland	41000	527	10696	5%	645	6649	9.70%
Melton	51800	764	12853	6%	1365	8864	15.40%
Charnwood	183900	2791	35924	8%	4787	31084	15.40%
NW Leics	104700	1551	22055	7%	2867	18617	15.40%
North	381400	5106	70832	7%	9019	58565	15%
Blaby	102900	1620	21749	7%	1629	12067	13.50%
Harborough	97600	1236	22869	5%	1784	17663	10.10%
Hinckley and Bosworth	113600	1772	26118	7%	1784	17663	10.10%
Oadby and Wigston	57700	1045	12414	8%	1678	10826	15.50%
South	371800	5673	83150	7%	6875	58219	12%

Source DWP 2023/4

Housing Pressures – Temporary Accommodation

	Ta Starting Budget 22/23 £000	Total Spend on TA 22/23 £000	TA Starting Budget 23/24 £000	Total Spend on TA 23/24 £000
Blaby	£383,200	£468,778	£663,000	£516,867
Harborough	£169,000	£281,000	£169,000	£350,000
Charnwood	£192,400	£742,818	£650,400	£384,965
HBBC	£372,650	£642,556	£464,640	£1,160,959
Melton	£94,630	£87,242	£55,000	£96,000
NWLDC	£153,000	£323,000	£306,000	£221,000
Oadby and Wigston	£74,200	£322,104	£260,000	£594,206
Rutland	£79,400	£98,414	£85,059	£221,116

Source CHOG Homelessness Trends 2022-24

Total Spend on Temporary Accommodation: South £2.6 million; North £923,000 in the north in 2023/24.

Population projections suggest a significant growth in the population of both proposed new councils, particularly compared to the City as set out in the table below:

Combination	2018 Pop	2028 pop	%Growth	2036 pop	%Growth	2021 16-64%	2021 E Inactive%
North	375566	417696	11%	443721	18%	62%	15%
South	362399	400747	11%	425078	17%	60%	14%
City	355218	372797	5%	390223	10%	67%	23%

Source ONS Population Projections 2018-2043

Economic Development and Growth

Leicestershire and Rutland have an ambitious growth plan which is best delivered in support of the new Strategic Authority by two new councils in addition to Leicester. Separate north and south authorities will bring together a strong outward looking focus (building on work already developed in local north and south areas) to the basis of the north/south division of priorities set out below.

The Strategic Growth Plan sets out a bold agenda for the new councils. It has been positively prepared through a strong and proactive partnership involving all Leicester and Leicestershire councils and the process has been managed by a joint Strategic Planning Member Advisory Group comprising of Leaders and Senior Portfolio Holders. A minimum of 96,864 new dwellings are planned to 2036 alongside the following major employment and infrastructure developments:

- 340 hectares of employment land planned to 2036 (split between 42 hectares of office space and 290 hectares of general industrial space)
- 400 hectares of B8 of warehousing/logistics

Major road transport developments include - key transport infrastructure projects that impact both the north and south areas of Leicestershire; including A5 Hinckley to Tamworth improvements; A46 improvements; M1 J24; A1 Highways Agency safety improvements and the A5 – A46 Gibbett Hill scheme.

The distribution of these proposed employment infrastructure investments naturally segment the historic county of Leicestershire and Rutland around complementary north and south influences with 145.9 hectares of employment allocated to the south and 124 to the north in the historic county of Leicestershire.

	Need B1	Need B2/B8	Total	Source
Blaby	9.1	29.0	38.1	2021-36 need, HENA 2022
Charnwood	7.5	35.7	43.2	2021-36 need, HENA 2022
Harborough	6.8	39.3	46.1	2021-36 need, HENA 2022
H&B	4.2	53.4	57.6	2021-36 need, HENA 2022
Leicester	46	67.3	69.6	2019-36 need, City HENA 2022
Melton	2	38.1	40.1	2021-36 need, HENA 2022
NWLDC	8.9	33.8	40.7	2021-36 need, HENA 2022
O&W	1	3.1	4.1	2021-36 need, HENA 2022
Rutland	1.5	26.6	28.1	2021-41 need, HENA 2023
LLR Total	42.3	324.3	367.6	

Source Leicester and Leicestershire Authorities – Statement of Common Ground relating to Housing and Employment Land Needs (June 2022)

²¹ Leicester and Leicestershire Strategic Growth Plan: <https://www.lstrategicgrowthplan.org.uk/>

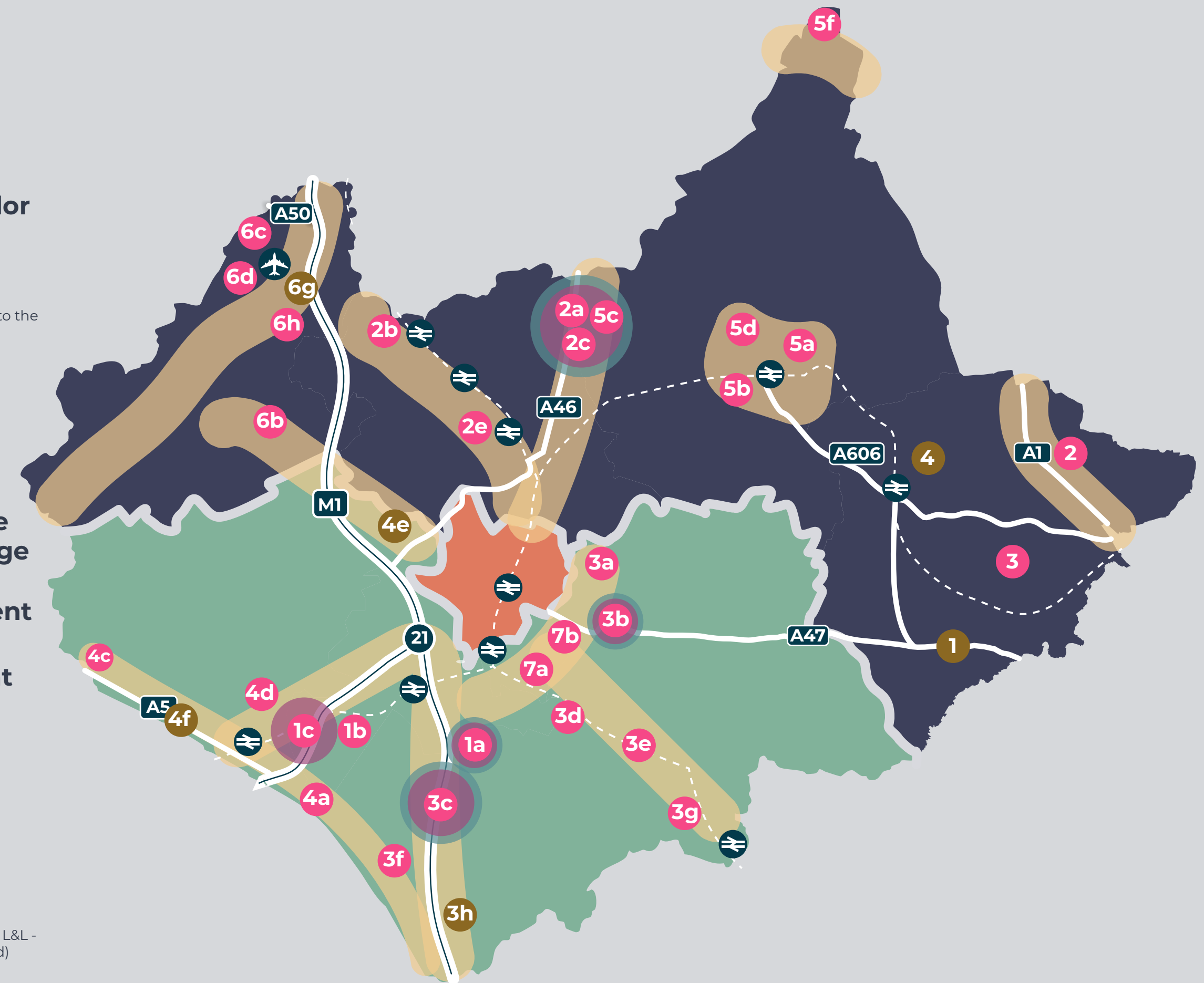
Growth Corridors & Clusters

Major new settlement development proposals are balanced across the north and south of Leicestershire and fit effectively in terms of scale, within the proposed approach of two outward looking new councils, along with Leicester, predicated on focused partnerships. Within the north this involves connecting to the East Midlands around Derby and Nottingham. In the south the focus points towards the West Midlands and South Midlands. The new plans involve:

Potential new settlement growth options at Isley Walton (NWL – up to 5,000) and Six Hills (Charnwood/Melton – up to 10,000), Woolfox (5,000), in the north, and Lindley (HBBC – up to 3,000), Lutterworth East (Harborough - 2,750), Land West of Stoney Stanton (5,000) and Whetstone Pastures (Blaby/Harborough – over 5,000) in the south.

The map opposite captures an overview of main sites and themes from a Leicestershire and Rutland perspective and shows very neatly the natural north/south split.

-  **Strategic Growth Corridor**
(indicative)
 -  **Railway Station**
(Existing and Proposed- only those relevant to the strategic growth corridors and highlighted)
 -  **Airport**
- Potential Area for Strategic Growth by Typology**
-  **Urban Extension/Village Expansion/Garden Village**
 -  **Co-dependent settlement**
 -  **Autonomous settlement**
 -  **Employment Site**



Strategic Growth Options and Constraints Mapping for L&L - Final Report August 2023 (expanded to include Rutland)

²⁰ English Indices of Deprivation 2019

Local Plans

Well-structured, ambitious and crucially, development and delivery focused aligned local plans, are central to delivering the objectives of the Strategic Authority. A new Spatial Development Strategy will later provide a high level plan to cover the whole county and Rutland, setting out infrastructure requirements to support growth.



The current trajectory is to have all local plans adopted by 2027, ahead of commencement of the new unitary structure by 2028, and with a Spatial Development Strategy to follow in 2029. There is an existing culture of collaborative working on Local Plan delivery in Leicestershire and Rutland, including working proactively with Leicester City to accommodate unmet housing need. A new model of North and South Leicestershire will build on these existing relationships, ensuring timely delivery of progressive local plans to meet ambitious housing and employment growth targets.

Our approach recognises the crucial importance of adopted local plans to the delivery of the economic growth agenda of both the Strategic Authority and government. It will enable us to allocate resources at the level of meaningful economic geographies, to align the process of local plan approval.

Community Leadership and Local Decision Making

Leicestershire and Rutland have a well-established pattern of parish, district and upper tier authorities. This threefold structure in the historic county of Leicestershire and unitary structure in Rutland (which represents a deep seated and long held distinctive position for the county) provides a well-defined starting point for a democratic re-set.

There are 217 Parish Councils, 75 parish meetings and nine town councils across Leicestershire and Rutland²².

The area has a dynamic and diverse VCS, with over 3,000²³ different organisations operating across the geography, ranging from small grassroots groups, to social enterprises and national charities.

These organisations have a strong track record of innovation and responsiveness to communities and are an essential part of improving the lives of people across the area.

Support for the VCS in Leicestershire and Rutland is a clear priority if we are to deliver modern services and build capacity from the grass roots which are crucial to driving the principles of co-design and introducing lived experience as a core feature to our work.

Across Leicestershire there are a series of local and bespoke arrangements which provide support and garner local engagement. Documents such as the Health and Well-being plans, focused on localities, play a central role in building joint working. We will work across the whole geography of Leicestershire and Rutland to build and enhance a framework for local delivery

Work with the sector will be focused on managing demand through early/community level intervention and prevention, increasing community resilience and more effective delivery of services by community groups.

Our approach will bring together commissioners and sector groups in information, advice and learning events, providing advice and support around topics such as governance, group development and funding and promote, develop and support volunteering.

There are opportunities to radically enhance the scale and engagement with both the parishes and VCS to create a new vibrant and variegated delivery partnership focused on providing more cost-effective services across Leicestershire and Rutland. We will achieve this through strength-based approaches to community development.

The first stage of the process involves building the capacity of the local accountability to fill the current gaps in the democratic infrastructure.



NORTH
CITY
SOUTH

²⁴ See NALC All about Local Councils for case study examples of good practice (2018)

²⁵ Leicestershire and Rutland Local Plan allocations

Attractive market towns define the two distinct halves of the geography of Leicestershire and Rutland and working with the unitary authorities and voluntary sector infrastructure provide scope for a potent three-cornered partnership, with precepting powers to enable a new way forward in relation to service delivery.

Our approach will be to reach out to the established network of parishes and VCS to create a new local network which more substantively involves all aspects of civil society in service delivery.

Creating and sustaining these partnerships requires authorities of the right size and scale to engage with the grain of local communities and places. We strongly believe that authorities which are too big and distant from parishes and VCS localities do not have the capacity to do this as effectively as those which are accessible at a meaningful level which represents the rhythms of the way people live their lives²⁴.



Another great strength of an appropriately scaled unitary authority is its scope to bring our distinctive experience about preventive housing insights into the service delivery planning agenda, linking them with health and community safety prevention insights.

Local plans are also best implemented at the scale of personal geographies and the north/south context of our proposals provides the best enabling and accountable framework for their delivery. Authorities which are close enough to the communities they serve are more effectively placed to align and plan the detailed context of the current local plan development which currently pertains across our geographies. *In doing this they will provide a strong enabling environment to deliver the aspirations of the Strategic Authority.*

Local insights and approaches are particularly important in the context of linking neighbourhood accountability and the delivery of local housing targets for example. Under our proposals two new authorities would be key to the delivery of 2,201 houses per year in the north and in the south 2,269²⁵.



²⁴ See NALC All about Local Councils for case study examples of good practice (2018)
²⁵ Leicestershire and Rutland Local Plan allocations



Councillor Numbers and a New Accountability Framework

There are currently 384 councillors at district and county level across Leicestershire. The distribution is set out in the table below:

Authority	Number of Councillors
Leicestershire County Council	55
Hinckley & Bosworth Borough Council	34
Blaby District Council	36
Harborough District Council	34
Charnwood Borough Council	52
Melton Borough Council	28
North West Leicestershire District Council	38
Oadby and Wigston Borough Council	26
Rutland County Council	27
Leicester City Council	54

A review of the number of councillors across 30 unitary councils in England outside of London boroughs and large scale metropolitan areas identified unitary authorities with between 50 and 80 councillors. In the more rural north the geographical scale of some wards may merit a higher number of councillors. We envisage local authorities with an initial allocation of 80 councillors as our starting point.

Community Safety

Partnership working with the Police and Crime Commissioner and the Leicestershire Constabulary works best at a level which most effectively supports local and community safety partnership locality planning. We believe our approach best fits this profile. Policing structures are moving to a north/south split across Leicestershire and Rutland. Based on the distribution of crimes per 1,000 population, a north/south split provides a very balanced distribution of challenge whilst offering a sufficiently local level of focus to deliver well managed interventions. More detail is provided below:

- North Average – 62.2 crimes per 1,000 population
- South Average – 62.95 crimes per 1,000 population

Authority	District Crimes per 1000 population as report on LSCB Safer Dashboard Tableau Public (as at 23/1/24)
Charnwood	74.2
North West Leicestershire	71.7
Oadby and Wigston	67.9
Hinckley and Bosworth	66.9
Blaby	66.2
Melton	61.9
Harborough	50.8
Rutland	27
Leicester City Council	52



Summary

Our focus in relation to the themes of: service pressures, economic development and local communities is to provide an enabling approach for the Strategic Authority. The approach we propose is based on a recognition of the diversity of Leicestershire and Rutland as a network of communities. It is based on a clear division of policy development at the Strategic Authority level and insightful local implementation at the unitary authority level. This delivery approach is deeply rooted in partnership with enhanced hyper local bodies at the parish, town and VCS level.

Working in partnership across the two counties and with the City of Leicester we believe a three unitary approach best serves both this purpose and crucially the needs of local people. Local plans and housing supply which are both essential to realising the Government’s agenda can only be delivered with a powerful focus on localities. To work well this needs to be based not just on service delivery but also on meaningful accountability structures which give people a stake in the organisations which serve them.

Our Approach

We have developed the table below to set out the key steps in our new service delivery agenda:

Starting Point	Interventions	Outputs	Outcomes	Long Term Impact
<p>The need to build a sustainable future for England’s localities through devolution which enables economic growth.</p> <p>This needs to be achieved in an inclusive way through Strategic Authorities with a focus on:</p> <ol style="list-style-type: none"> 1. Transport and local infrastructure 2. Skills and employment support 3. Housing and strategic planning 4. Economic development and regeneration 5. Environment and climate change. 6. Health, wellbeing and public service reform 7. Public safety <p>Delivery structures below this level need to offer excellent value for money and be based on the creation of a single tier of local government:</p> <ol style="list-style-type: none"> 1. At the right size to achieve efficiencies, improve capacity and withstand financial shocks 2. Prioritise the delivery of high quality and sustainable public services 3. Focused on local engagement and support 4. Support devolution 5. Enable community engagement and neighbourhood empowerment 	<p>We propose three unitary councils based on functioning economic geographies:</p> <p>Leicester City North: NW Leicestershire, Charnwood, Melton and Rutland South: Harborough, Hinckley and Bosworth, Oadby and Wigston and Blaby</p> <p>This will provide a delivery structure to support the Strategic Authority. The distribution of employment and housing land reflects the sub-regional priorities of the wider economic environment connecting in the north to the M1 Corridor and in the south to the South and West Midlands. It will best enable the economic infrastructure and housing growth targets of national government, aligning local and transport plans and tackling housing supply challenges.</p> <p>The approach is financially sustainable – distributing the assets and liabilities of the current structure evenly across Leicestershire. Through insightful locality planning it will deliver structural savings and preventive long term savings for local authorities and their partners.</p> <p>The approach will be enabled by a democratic re-set which builds a low cost high impact VCS, parish and town council framework which can contribute to service delivery and enable community engagement and neighbourhood empowerment</p>	<p>Savings of £43 million per year.</p> <p>96,864 new dwellings, 340 hectares of employment land, 400 hectares of B8 warehousing/logistics. Transport infrastructure projects that impact both the north and south areas of Leicestershire; including A5 to Tamworth improvements; A46 improvements; M1 J24; A5 – A46 Gibbett Hill scheme</p> <p>New settlement growth options at Isley Walton (NWL – up to 5,000), Woolfox (up to 5,000) and Six Hills (Charnwood/ Melton – up to 10,000) in the north, and Lindley (HBBC – up to 3,000), Whetstone Pastures (Blaby/Harb – over 5,000) in the south. Potential cross boundary new settlement at Norton close to Twycross (HBBC – up to 10,000).</p> <p>Democratic renewal supporting 217 local councils, creating new governance structures.</p> <p>A new integrated hyper local service commissioning structure supported by these councils and approaching 3,000 VCS bodies.</p>	<p>A more cost effective structure which speaks to the democratic lived experience (in terms of where people live and work) of the diverse communities of Leicestershire and Rutland</p> <p>Establishment of an enhanced preventive services framework networked within the unitary authorities around new and re-energised local councils and a more engaged VCS sector. Enabled by authorities of the optimum size to fit local needs and opportunities.</p> <p>A structure, based on two new unitary councils alongside Leicester, best equipped to deliver the economic development aspirations of the Strategic Authority, facing outwards to the broader economic sub-regions within which they function</p> <p>A democratic reset, providing new low cost opportunities at the local level for people to engage in the closest level of local government in the form of town and parish councils</p>	<p>Facilitation of prosperous, sustainable and inclusive communities which reflect the lived experience of local people rooted in a sense of place for all residents</p> <p>Transformation of the democratic governance and service delivery infrastructure of Leicestershire and Rutland.</p> <p>Creation of a high value, low cost delivery framework, meeting the socio-economic and climate challenges facing the diverse communities of Leicestershire and Rutland.</p> <p>Development of an outward facing sub-regional agenda, which enables the natural communities of Leicestershire and Rutland to play their part in the shaping the long term future of their wider hinterlands.</p>

Future Proofing Our Proposed Approach



Preventive Savings

In addition to the above transformation savings we believe that up to 5% of service demand can be reduced over time through a preventive service delivery agenda²⁶. Whilst we reference a number of themes in this document, prevention is threaded through our whole rationale for the structures and approach we propose.

We will focus particularly strongly on social care. Delivery and planning will involve creating a new commissioning focus which enhances service delivery arrangements with the VCS and builds the capacity of the town and parish councils to add a further leg to the delivery structure. It will also harness the housing, health and community safety preventive insights of the current district and unitary councils to provide a more connected multi-agency approach to dominant issues which build the resilience of key vulnerable service users. It will recognise the importance of social enterprises and micro-businesses in sustaining inclusive local economies. It will span a service delivery agenda which integrates actions around neighbourhoods, housing, health and community safety, collaboration and planning.

These partnerships will concentrate on local insights, local intelligence and co-design and delivery with the VCS and local councils. This approach will build the capacity of local organisations and provide scope to strengthen micro-economies through procurement and service delivery structures which enable community wealth building.

Our model approach brings together the insight of one of the three established social care providers in Leicestershire and Rutland, along with the deep experience relating to the neighbourhood level prevention and locality planning agenda of 7 district councils. It represents their joint collegiate approach to service innovation and excellence. In relation to the health and care elements of our portfolio going forward, we propose adopting the Marmot Places framework to address the wider determinants of health and tackle inequalities across all communities. This strategic approach, facilitated by our three councils and wider community partnerships, focused far more closely on localities, offers a tailored and effective solution compared to the remote, one-size-fits-all structure of a single unitary council.

²⁶ See LGA: Investing in preventative support can save more than £3 for every pound spent for examples of good practice



Preventive Adult and Health Services Rationale

The effectiveness of health and adult social care services plays a crucial role in shaping the quality of life, health outcomes, and social inclusion of individuals who require support. However, the current system faces significant challenges, including funding constraints, workforce shortages, and inconsistent service quality.

Adult social care is most effectively delivered by councils with boundaries that reflect the natural patterns of communities but with sufficient scale to be resilient. This approach can empower local communities and support independent living. By establishing two new authorities alongside Leicester, services can be tailored to meet the specific demographics and geographical needs of our populations. A localised proposition fosters a more holistic multi agency approach based on community support systems, promoting resilience and independence among older adults, reducing pressure on social care services, and enhancing residents' overall quality of life.

Currently, services delivered at the Leicestershire wide level face issues related to accessibility and effectiveness. For example, the proportion of people who find information on care easily and those who feel satisfied with their quality of life in relation to the support they receive is significantly lower compared to statistical neighbours. Councils in our new approach will be inherently closer to the communities they serve, offer a localised structure that allows for a deeper understanding of unique needs, cultural contexts, and specific challenges. This proximity facilitates more personalised and responsive services, reduces bureaucratic barriers, and ensures quicker decision-making. Stronger relationships with service users, more effective community outreach, and easier navigation of care pathways contribute to a more approachable, user-friendly care system, fostering trust and engagement within communities.

Moreover, targeted commissioning for vulnerable adults and individuals with learning disabilities ensures services are customised to meet local needs and resources. Councils with boundaries aligned to community living patterns can better support integrated care approaches through localised, tailored service delivery. Operating at a more appropriate scale enables service integration, ensuring consistent care and understanding where systems overlap.



For instance, supported living allocations, currently managed at the county level, can be harmonised with statutory housing, revenue, and benefits functions delivered by district authorities.

Reforming health and social care to shift from a reactive, sickness-based approach to one focused on prevention and independent living becomes more achievable under this unitary structure. By more easily integrating services such as housing, public health and social care with health provision this approach will promote preventive measures that supports independent living. Embedded within local communities, these services will benefit from stronger partnerships and coordinated efforts, with localised prevention programmes tailored to the unique needs of each community.

The councils we propose will be agile in responding to local health needs, enabling effective coordination with healthcare providers, such as Primary Care Networks (PCNs), to deliver person-centred neighbourhood care.

Locality based partnerships and services also reduce unnecessary hospital admissions, promoting health and well-being within communities. Enabling people to live longer in good health and in their own homes supports people to stay in control of their lives near to their support networks, sometimes then avoiding the need for acute care. For those with health services across their county borders, this local focus then benefits services beyond the area of where people live.



This localised approach to discharge planning improves performance and outcomes reducing the length of stay for those requiring an acute stay in hospital. Expert re-ablement teams closer to home continue the support post discharge, preventing re-admission and the need for formal ongoing support.

We already have significant proven experience of enabling effective hospital discharge particularly in relation to our expertise in terms of our landlord and strategic housing functions. We will transfer this learning into the development of the service approach of the new authorities from day one of their operation.

Community-centred approaches²⁸, advocated by Public Health bodies, emphasise the importance of involving and empowering local communities to address health inequalities. By fostering social connections and giving residents a voice in local decision-making, this unitary structure can build community resilience and improve health outcomes. This approach ensures that local services remain agile and responsive to both policy changes and evolving community needs.

Our current approaches enable councils to enhance provider outcomes through closer oversight of service providers within their jurisdictions. With our intimate knowledge of local providers and direct engagement with service users, we already proactively manage quality around these issues. We swiftly respond to issues, implementing corrective actions without the delays often seen in larger bureaucratic systems.

Our methodology will build on the learning associated with the existing Community Health and Wellbeing Plans and partnership structures at the district council level. Essential interventions we already deliver include the Lightbulb service²⁹, facilitation of hospital discharge, the provision of mental health support, and work around falls prevention.

Restructuring authorities presents a strategic opportunity to enhance health and social care services. By fostering closer connections with communities, these authorities can effectively implement national health and care initiatives, promote preventive care, and ensure that services are efficient, responsive, and tailored to the needs of all residents. This approach supports a more localised and integrated health and care system, ultimately improving outcomes for everyone. It is rooted in the principles of Asset Based Community Development.

²⁸ Community-centred practice: applying All Our Health NHS 2022

²⁹ <https://lightbulbservice.org/>

Rutland Exemplar

We have set out a description of a vital aspect of the Rutland approach which draws its strength from a structure that embeds prevention as a system wide theme across the whole council and which our localities focused agenda will scale up across both new councils:

The Rutland Health Collaboration work is embedded across the County in our drive to be an integrated system. Our Rutland Integrated Social Empowerment team (RISE) work closely with the PCN and VCS across Rutland, growing our Prevention offer. They are co located in Uppingham Surgery supporting people with a wide range of social, emotional or practical needs, with a focus on supporting people to maintain their independence. They have specialist mental health support working in a multi-disciplinary approach, to support and direct to the most appropriate support. The wider Micare team has commenced an end-of-life pilot working towards 'Integrated Neighbourhood' working, preventing admission to hospital, if the clinical decision and the patient's decision is to remain at home.

This work has been the foundation to developing a Health and Care Collaborative at pace for Rutland. Presently we are working towards a Memorandum of Understanding (MOU), which will aim to create a single Health and Care System, improving residents' experience of access and embed a population health management approach. The data we have started to collate on population health is being used as an exemplar of good practice across LLR ICB in the roll out of Integrated Neighbourhood Teams (INTs). A Health and Care Hub, as part of the Levelling Up Fund is due to open in Oakham in Jan 2026. This will link transport, a joined-up Health and Care workforce, an accessible prevention offer and expanded digital support for our community.

Lastly Adult Social Care Teams in Rutland were redesigned in 2023, to promote a specialism of work approach which could be lifted into an integrated working environment. The Contact and Response Team will be one of the teams supporting a new and changed Health and Care approach in Rutland, growing an accessible prevention offer and being able to deliver a rapid response to crisis management in the community. Other teams included will be Housing and Therapy who work together in a community system, enabling care closer to home, without the need for hospital admission.



Housing Services and Prevention

A crucial pillar of health, wellbeing, independence and opportunity; housing plays a significant role in this partnership proposal. Our proposal will enable us to secure high quality housing across all tenures, maintain focus on regulatory requirements, meet future housing need and ensure that housing is embedded as an intrinsic part of the continuum of prevention and independent living



High Quality, Accountable and Compliant Landlord Services

Following aggregation of Councils, across the Leicester, Leicestershire and Rutland Council areas, we will remain landlords to over 35,000 social housing tenants (19,440 for the City Council, 11,327 for North and Rutland Unitary Council and 4,413 for the South Unitary Council). Ensuring the provision of high-quality homes and landlord services, alongside meaningful tenant engagement and accountability, is not just a priority – it is a fundamental responsibility.

Our proposal presents an exciting approach that will enable us to transition into new structures and landlord services at a larger but manageable and meaningful scale, allowing us to maintain focus on and fidelity to the Social Housing Regulatory regime. With a strong track record of strategic collaboration and shared learning, and a commitment to adopting and embedding the most effective and coherent service delivery arrangements, our partnership approach will naturally support a smooth, safe and effective transition.

Tenants are key stakeholders, ensuring their voice remains central to decision making and they retain the ability to hold us to account is a key imperative. This unitary model provides a consistent level of service, allowing for better long term investment planning, improving the quality of homes whilst being responsive to local needs. Proposals for a county unitary lack the insight to build on the great work around tenant engagement already delivered at the local level in Leicestershire.



Private Rented Sector Housing Quality

The integration of housing services, public health and trading standards teams, with the optimisation of the Better Care Fund to support interventions linked to health and wellbeing of tenants in the private rented sector, will enable a consistent and proactive approach to tackling poor housing quality in the private rented sector. It will also increase capacity and skills, enforcement capabilities and preventative opportunities. Consolidating data on housing conditions across the region, through the public health lens, will further support a targeted and effective approach to addressing both health inequalities and homelessness.

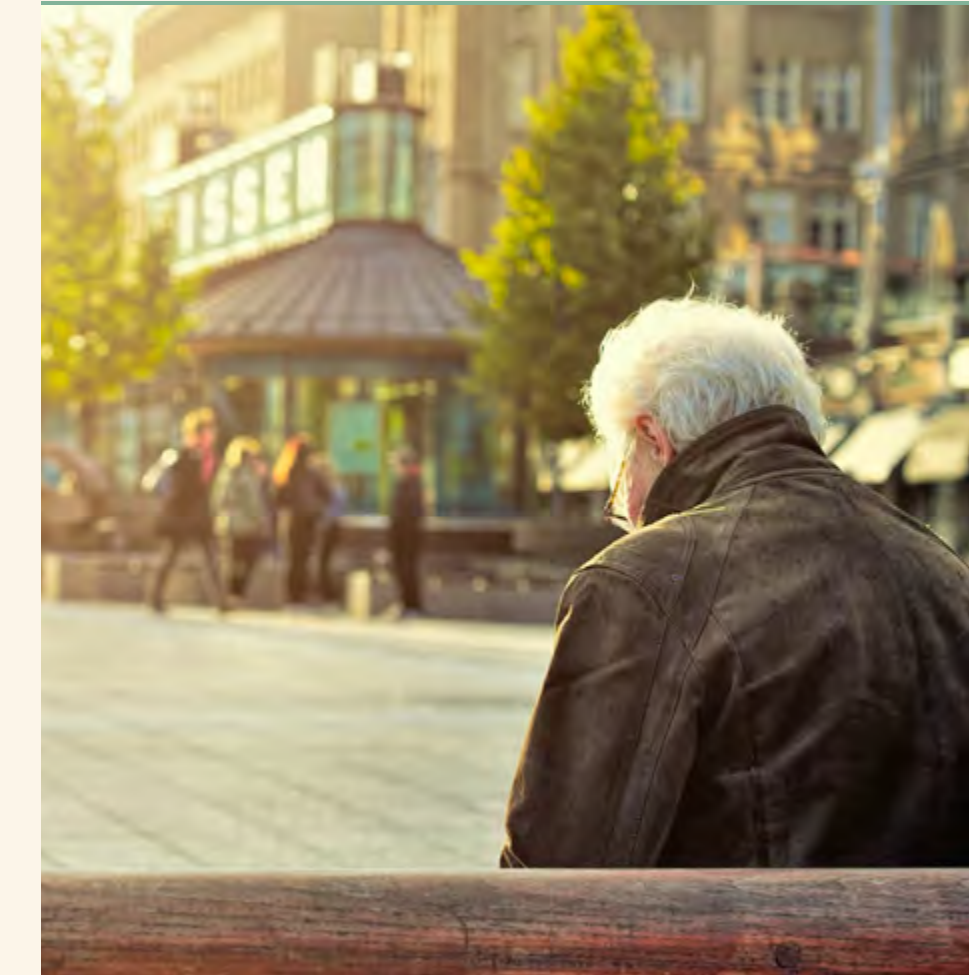


Embedding Housing in the Continuum of Prevention and Independent Living

Across our partnership we have significant experience as landlords, providers of successful and high quality preventative services and as social care providers – these are directly relevant to our ageing population. Our proposal presents an opportunity to enhance focus on prevention, maximise outcomes through the Better Care Fund and help reduce social care demand and escalation of need. Using the alignment made possible by a unitary arrangement, we will create a coherent and joined up model which responds to the needs of an ageing population and ensures a range of our preventive services, housing functions and social care functions are enhanced and developed to boost independent living, supporting people to live and age well and remain in their own homes for as long as possible.

Further enhancing this through wider public sector collaboration, we will be ready to support wider Government priorities including those of the Department for Work and Pensions (building on existing relationships with DWP colleagues in the Leicestershire and Northants area). Our stakeholder engagement as part of this process has already identified opportunities for enhanced collaboration and alignment on contextually relevant priorities for the footprints of the new unitary authorities; including supporting our older residents and those with health needs to remain in or return to work, supporting young people into work to avoid them becoming welfare benefit claimants and reaching our diverse and rural communities.

There are numerous examples where existing innovative service delivery is supporting the preventative focus of this proposal and making tangible savings to health and social care. Recognised nationally as a beacon of good practice, the Lightbulb Service provides an effective model of prevention and integrated service delivery, at a place-based level, which provides a range of practical housing support. This includes the core function of Disabled Facilities Grants, within a single service, ensuring that vulnerable residents remain safe and well in their own homes and aids the transition from hospital to home. Funded through the Better Care Fund, the service has continued to innovate through pilot projects which respond to emerging priorities.



These pilots include the Safe Space Hoarding Project, an innovative Assistive Technology Project and the Housing Respiratory Illness Project, which have embedded a proactive housing intervention programme, integrating housing, health, and social care to tackle damp and mould at the earliest stage.

Demonstrating its role and impact across the wider public sector, Lightbulb also delivers a Housing Enablement Team within LLR hospitals, placing specialist housing professionals directly in patient settings. This service is funded by the NHS and addresses housing related barriers that may delay hospital discharge, ensuring that patients can return to safe, suitable accommodation as quickly as possible thereby reducing bed blocking and costs to the health system.



Children's Services and Prevention

Children's services operate across a spectrum, from universal services such as education and early healthcare to targeted interventions and social care. These services depend on a strong foundation of Local Authority provisions, such as housing, leisure, and economic development, alongside partnerships with health services, the voluntary sector, and transport networks. Children's social care services are regulated services, both in terms of overall approach and individual provision. Some provision is delivered and managed by the Local Authorities and other provision is commissioned from other providers (including other Local Authorities, where required).

The establishment of three similarly sized unitary authorities across Leicestershire, Leicester, and Rutland, provides optimal provision for children and their families. This approach ensures equity in access to centrally based services and resources, reducing travel times and enhancing support across a more balanced geographical area.

Under the three council approach, children's social care services will integrate more effectively with existing district-level services, creating a holistic 'whole life' approach that enhances childhood well-being closer to communities. Directors of Children's Services will focus on a smaller population, increasing their capacity for early intervention and prevention work—key priorities in national children's services reform. This approach also strengthens the local authority's ability to manage placements for vulnerable children, ensuring they can grow up safely within their home communities.

A more localised council authority structure fosters a deeper understanding of community-specific needs, cultural contexts, and challenges. This proximity enhances personalised and responsive services, reduces bureaucratic barriers, and enables quicker decision-making. Stronger relationships with service users, more effective community outreach, and easier navigation of support pathways contribute to a more approachable and user-friendly care system, fostering trust and engagement.

The three council approach is particularly beneficial for the education sector, spanning early years to post-16 provision. Support for pupils with additional needs will be more readily available, with faster responses to emerging demands. School place planning, attendance management, and admissions will reflect the local population’s needs, ensuring statutory oversight is efficient and effective.

This approach also benefits from economies of scale while allowing strategy developers and decision-makers to remain close to their communities. A locality-based approach ensures services are tailored to address local needs, mitigating inequalities through targeted oversight. With fewer bureaucratic layers, communication is streamlined, enabling a more responsive and effective delivery of services. Education providers and the Local Authority will collaborate within a manageable geographic area to meet children and young people’s educational needs within their communities.

A unitary authority of this scale would more effectively support pupils with additional needs, including those with SEND, those at risk of exclusion, or those requiring alternative provision. Physical resource bases and support services will be locally accessible, allowing for swift responses to changing needs. A joint commissioning policy with health services, reflective of the current LLR arrangement, will remain relevant within the revised unitary approach, ensuring effective resource utilisation.

School place planning, attendance duties, and admissions through the Fair Access process will align more effectively with local populations. Statutory oversight will be more manageable, ensuring children and young people receive education within a reasonable distance from home without facing lengthy travel times.

Commissioning of services will maintain and enhance local community identity, allowing for agile and flexible service improvements. This ensures councils can address challenges like rurality while improving services to be reliable for all. Furthermore, it strengthens partnerships across public services, businesses, and the third sector, minimising disruption and maintaining a sharp focus on improving outcomes for the most vulnerable members of the community.



¹¹ See NALC All about Local Councils for case study examples of good practice (2018)
¹² Leicestershire and Rutland Local Plan allocations



Economic Prosperity

We believe councils of this scale are well equipped to develop a protocol around delivery of key economic priorities with the Strategic Authority. As the proposed boundaries of the three councils are based on functioning economic geographies this will provide scope for an appropriately focused agenda for action.

Key enabling actions on the part of the local authorities concerned will focus on the core functions of the Strategic Authority in relation to:

- 1. Transport and local infrastructure**
- 2. Skills and employment support**
- 3. Housing and strategic planning**
- 4. Economic development and regeneration**
- 5. Environment and climate change**
- 6. Health, wellbeing and public service reform**
- 7. Public safety.**

Early tasks will focus on alignment of strategic frameworks in relation to local plans and transport plans to provide an enabling framework for action. The clear division of infrastructure priorities and key sites into a north/south split will make this a more coherent process. It will also ensure that there are appropriately sized units of governance to engage with the delivery of the plans of the Strategic Authority.

The new unitary authorities will provide capacity for the Strategic Authority and councils to work thematically together on each of the seven agenda above. A vital role of the unitary councils will be to stimulate the multi-agency working which has the capacity to effectively direct the maximum resources to outcome delivery by brokering place-based partnerships which align broad constituencies of interest around the themes set out above.

Effective partnership working with employers is key to supporting employment and skills opportunities and vital to how we will drive economic growth in the area.





An overview as set out above of the strategic priorities relating to each proposed economic development intervention, forms a clear agenda for action. We have identified how, through our theory of change the three authorities will be able to assemble partnerships and manage the structural arrangements at the most effective level to deliver the national and sub-regional agenda in partnership. In relation to the new councils proposed this will involve:

- Commissioning activities based on multi-agency partnerships delivered at the sub-county level
- Focused and financially efficient partnership working, informed by a thorough understanding of localities
- Creation of inclusive and engaging structures which provide opportunities for local people and neighbourhoods to influence inclusive economic development
- Extra-county partnerships focused around functioning economic geographies which provide a structure for planning and delivery outside traditional administrative boundaries

In alignment with more traditional approaches to economic growth as outlined in the White Paper, our strategy emphasises the importance of bottom-up approaches that leverage locality-based drivers. By incorporating insights from the Centre for Local Economic Strategies (CLES) and the Community Wealth Building Centre of Excellence, we aim to foster community-level infrastructure through our three councils. This approach will ensure that economic development is not solely reliant on strategic input and investment from above but is built from the ground up.

Avoiding Fragmentation

This section describes how we are aggregating and disaggregating services.



Our proposal for Leicestershire and Rutland is centred around the establishment of three unitary councils, which aligns with the government's criteria of avoiding unnecessary splitting of services. This approach ensures the retention of three social care authorities within the Leicester, Leicestershire, and Rutland (LLR) area, while rebalancing responsibilities among them. Key points around aggregation of services within our approach are set out below:

Government Criteria Compliance

- The government's criteria emphasises not splitting services unnecessarily.
- Our proposal retains three social care authorities in LLR, albeit over different geographies, ensuring continuity and stability.



Successful Examples of Disaggregation

- Disaggregation has been successfully implemented in other regions, such as Cumbria and Dorset.
- These examples demonstrate that disaggregation should not be a barrier to progress, given the broader benefits of prevention and integration of services with a localised, three-unitary approach.

Efficient Aggregation of Services

- Our approach requires the aggregation of district and Rutland services from only four local authorities, compared to the eight required for a single county unitary.



Civic Engagement

As set out above, we believe the restructuring of local government provides an opportunity to re-engage with communities at the level of place.

The creation of two new councils will re-scale the number of councillors and senior paid officials in full-time local government paid roles.

To avoid creating a democratic deficit linked to the removal of the district tier of local authority engagement, we will create a network of new governance structures to enable all the core settlements, which characterise Leicestershire and Rutland, to have an enhanced local council base.

We also propose to undertake a detailed review of the challenges and opportunities to effectively enable the capacity of established parish and town councils. This will address, in part, particularly in our rural communities, any emerging deficit in the scope for local governance and leadership.

There are no significant costs associated with local council participation for councillors, and through their precepting powers, there is the scope for these organisations to engage comprehensively with local delivery issues. This agenda is a fundamental part of our planning to engage localities and neighbourhoods in the new local government agenda.

We plan to combine the capacity of a re-energised community sector with a strengthened engagement with the social enterprise and VCS community. This will create an innovative model of local service delivery and community capacity building. We appreciate that the sector currently has some challenges around scale and capacity, and we will work at the local level, with a focus on delivery, to build the potential of partners in the sector to work with us. Where possible, we will look to enhance the commissioning of the VCS sector and to link local councils into this process in terms of both commissioning and delivery through their actions.

Additionally, we will build a community partnership infrastructure that operates at a delivery scale around communities. We envisage locality managers within the new councils to provide the convening role for these partnerships and oversee delivery. This approach will ensure that community engagement and service delivery are effectively managed and tailored to the specific needs of each locality.

Summary

We believe our design principles for the delivery of services responds to a once in a generation opportunity. We have made enabling the agenda of the Strategic Authority a key priority.

We are certain that two new councils working alongside Leicester, based on functioning economic geographies provide the best approach to service delivery.

This approach drives out significant short term transitional costs. It provides a balanced portfolio of assets and debt from our historic council base going forward. It delivers multi-agency partnership focused, locality planned commissioning, which works with the grain of local places. This will deliver long term preventive savings by investing in communities at a sub-county level. It is built on a radical three-cornered approach of unitary, local council and VCS engagement. Ultimately it provides excellent value for money and a sustainable long-term future for Leicestershire and Rutland.



Devolution Processes and Interim Plan Summary



Timescales

We believe the timescales for the implementation of LGR should be synchronised with the implementation of devolution on the basis of the key steps set out below:

- **Initial Planning and Consultation:** Engage with stakeholders to gather input and build consensus – currently in play
- **Formal Proposal Submission:** Submit the detailed proposal to the Government for approval – November 2025
- **Elections for new Strategic Authority Mayor:** May 2027
- **Legislative Process:** Establish the new unitary authorities – April 2028
- **Implementation Phase:** Transition to new governance structures, ensuring continuity of services and minimal disruption – By April 2028.



Barriers and Challenges

Our greatest concern is the proposed threshold of 500,000 in terms of population. We believe adherence to this does not reflect the way people live their lives in Leicestershire and Rutland. The three unitary approach we propose follows much more logical functioning economic geographies and we hope that the case we have made above makes this clear to Government. We also passionately believe that the scale of authority proposed and their more local credentials is the best level within our geography at which to plan and assemble prevention-based long-term service delivery approaches.

Boundaries, Structures and Efficiency Savings

We have a clear approach based on a three unitary solution, which involves the following current local authority boundaries:

- North Leicestershire and Rutland encompasses the current boundaries of: North West Leicestershire, Charnwood, Melton and Rutland.
- South Leicestershire comprises: Hinckley and Bosworth, Blaby, Oadby and Wigston and Harborough Council areas.
- Leicester City.

We propose an approach of operation which recognises a sensible scale of division between strategy and delivery, with a focus on unitary authorities which enable the delivery of the plans of the Strategic Authority.

Our approach is predicated on strengthening the local council and VCS networks within the geographies concerned to maximise the scope for both local delivery and inclusive governance around localities.

Our approach posits structural savings of £43 million and through preventive impacts driven out by locally delivered and co-designed services a ramp up to an ultimate goal of reducing service delivery costs by a further 5%.

Indicative Costs for Future Service Transformation

We have calculated the transition costs for the programme at £18.86m

Delivery of Devolution

We propose a protocol around delivery of economic priorities is agreed between each of the three unitary authorities and the Strategic Authority to govern their role in facilitating the economic aspirations of the organisation. We will provide a delivery focused foil to the planning and development role of the Strategic Authority. As the proposed boundaries of the new unitary authorities are based on functioning economic geographies this will provide scope for a very insightful and appropriately focused agenda for action.

Key enabling actions on the part of the local authorities concerned will focus on the core functions of the Strategic Authority in relation to:

- 1. Transport and local infrastructure**
- 2. Skills and employment support**
- 3. Housing and strategic planning**
- 4. Economic development and regeneration**
- 5. Environment and climate change**
- 6. Health, wellbeing and public service reform**
- 7. Public safety.**

More information is set out in the wider narrative above.

Conclusion

As we embark on this transformative journey, we stand united in our vision for a brighter future for Leicestershire and Rutland. Our plan is not just a roadmap but a commitment to building vibrant, inclusive, and prosperous communities. By aligning our efforts and embracing innovative approaches, we will create a dynamic environment where every resident can thrive.

Our new governance structures will empower local voices, foster economic growth, and enhance the quality of life for all. With a focus on preventive services, community engagement, and sustainable development, we are poised to overcome challenges and seize opportunities.

Together, we will shape a future that reflects the aspirations and needs of our diverse communities. Let us move forward with confidence, determination, and a shared sense of purpose, knowing that our collective efforts will lead to a stronger, more resilient Leicestershire and Rutland.

Criteria for Unitary Local Government and Our Approach

Checklist

- 1. A proposal should seek to achieve for the whole of the area concerned the establishment of a single tier of local government.**
Our proposal establishes three unitary authorities, North, City, and South, ensuring a single tier of local government for the entire area. It is focused on effectively enabling the new Strategic Authority through delivering excellent public services.
- 2. Proposals should be for sensible economic areas, with an appropriate tax base which does not create an undue advantage or disadvantage for one part of the area.**
The proposed unitary authorities are based on functioning economic geographies, ensuring a balanced tax base and equitable economic opportunities, whilst maximising economic growth opportunities.
- 3. Proposals should be for a sensible geography which will help to increase housing supply and meet local needs.**
The North and South areas are designed to align with key growth corridors, facilitating housing growth and supply and meeting local needs through strategic planning.
- 4. 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.**
Our proposal is backed by detailed options appraisal and analysis, projecting savings of £43 million per year and a reduction in care service demand through innovative preventive measures.
- 5. 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.**
The document clearly outlines the structure of the three unitary authorities and explains how they will deliver efficient and effective services, enhancing local democracy and community engagement.

Unitary Local Government Criteria

- 1. Unitary local government must be the right size to achieve efficiencies, improve capacity and withstand financial shocks.**
The proposed unitary authorities are designed to be large enough to deliver services efficiently while being resilient to financial shocks. They are financially well balanced with modest debt gearing.
- 2. As a guiding principle, new councils should aim for a population of 500,000 or more.**
While the proposed authorities have populations around 400,000, this is justified by the unique socio-economic characteristics and functioning economic geographies of the area and cross boundary relationships.
- 3. 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.**
The proposal explains that the three-unitary approach better reflects the natural communities and economic geographies of Leicestershire and Rutland.
- 4. Efficiencies should be identified to help improve councils' finances and make sure that council taxpayers are getting the best possible value for their money.**
The proposal identifies significant savings and efficiencies, including a projected £43 million annual saving and preventive measures to reduce service demand.
- 5. 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.**
The proposal outlines a clear plan for managing transition costs and leveraging existing budgets for future service transformation.

Public Service Delivery Criteria

1. Unitary structures must prioritise the delivery of high quality and sustainable public services to citizens.

The proposal emphasises the delivery of high-quality, sustainable public services through innovative local prevention services and multi-agency partnerships. It has a highly coherent theory of change aligned to the Government's 5 missions. It builds on the excellent partnership working that exists between local authorities and other organisations.

2. Proposals should show how new structures will improve local government and service delivery and should avoid unnecessary fragmentation of services.

The proposal outlines how the new unitary structures will streamline service delivery and avoid fragmentation by aligning with functioning economic geographies, building neighbourhood level partnership to drive out prevention outcomes and enabling economic growth. This will build on neighbourhood level partnerships.

3. Opportunities to deliver public service reform should be identified, including where they will lead to better value for money.

The proposal identifies opportunities for public service reform, including preventive measures, a democratic reset and growing local prosperity, combined these three themes will lead to better value for money.

4. 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.

The proposal considers the impacts on crucial services and outlines how the new structures will address these needs effectively.

Local Engagement Criteria

1. 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.

The proposal emphasises the creation of new town councils and strengthening the voluntary and community sector to enhance community engagement and empowerment. It operates around the concepts of: place, neighbourhood, multi-agency working, co-design and lived experience.

2. 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.

The proposal includes evidence of local engagement and outlines how councils have worked together to develop the new structures.

3. Proposals should consider issues of local identity and cultural and historic importance.

The proposal takes into account local identity and cultural and historic importance, ensuring that the new structures reflect these values. It is predicated on a contemporary understanding, in terms of economic geography about how people live their lives. It also respects the long term cultural and community associations people have with place and respects the civic and ceremonial aspect of that going forwards.

4. Proposals should include evidence of local engagement, an explanation of the views that have been put forward and how concerns will be addressed.

The proposal provides evidence of local engagement and explains how the views and concerns of local communities have been addressed.

Devolution Support Criteria

1. New unitary structures must support devolution arrangements.

The proposal supports devolution arrangements by aligning with the strategic framework set by the new mayor-led Strategic Authority. It recognises the lead on strategy which sits with the new Strategic authority. It focuses on delivery and it provides a balanced population and administrative structure (in terms of financial capacity and geography) which avoids public confusion about the roles and responsibilities of the institutions which serve people.

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

The proposal explains how the new unitary structures will help unlock devolution by providing a clear and effective framework for local governance building on the principles set out above.

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

The proposal ensures sensible population size ratios between the new unitary authorities and the Strategic Authority, with timelines that align with both priorities. It is far more balanced than a single county unitary, which excludes Rutland and provides a major popular imbalance between the City of Leicester and an administrative construct based on the concept of Leicestershire.

Community Engagement Criteria

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

The proposal emphasises the creation of new town councils and strengthening the voluntary and community sector to enhance community engagement and empowerment. It operates around the concepts of: place, neighbourhood, multi-agency working, co-design and lived experience.

2. Proposals will need to explain plans to make sure that communities are engaged.

The proposal outlines plans for engaging communities through new town councils and multi-agency partnerships. It enshrines key themes relating to community wealth building and asset based community development. It looks outwards and is driven by a nuanced, partnership approach to delivery, which drives prevention and builds resilient, inclusive communities.

3. Where there are already arrangements in place it should be explained how these will enable strong community engagement.

The proposal explains how existing arrangements will be leveraged to enable strong community engagement. It proposes a neighbourhood level of engagement, the creation of new participatory opportunities through a democratic reset and increasing the capacity of the voluntary and community sector. It seeks to avoid information sharing through outmoded concepts such as Area Committees and instead concentrates on co-design, multi-agency working and social value.

Boundary Changes Criteria

1. 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.

The proposal uses existing district areas as the building blocks for the new unitary structures, ensuring a logical and coherent approach.

Appendix

Finance Summary Tables

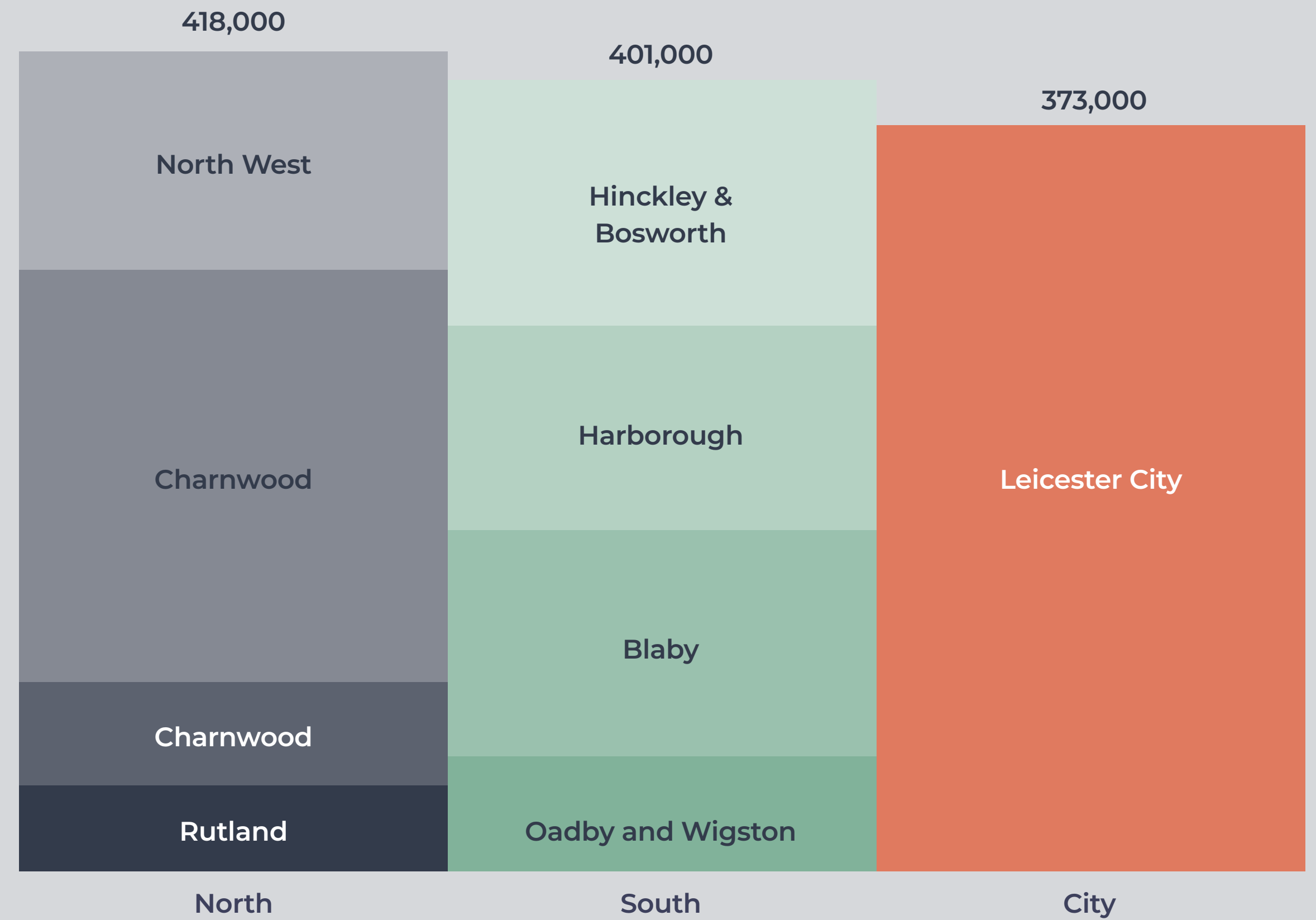


Population figures used in the financial model.

Unitary Combination Areas Option - North: South: City - Geographical Alignment

NORTH	Population 418,000
Rutland	43,000
Melton	52,000
Charnwood	204,000
North West	118,000
South	Population 401,000
Blaby	115,000
Harborough	102,000
Hinckley & Bosworth	125,000
Oadby and Wigson	59,000
City	Population 373,000

North : South : City Unitary Councils within Leicestershire by population & Council Split



Council Tax Equalisation

Council Tax Equalisation	Equalised Council Tax Band D	Band D Properties
North	£1,998.95	134,696
South	£1,955.25	133,920
City	£2,096.84	81,719
Total		350,335

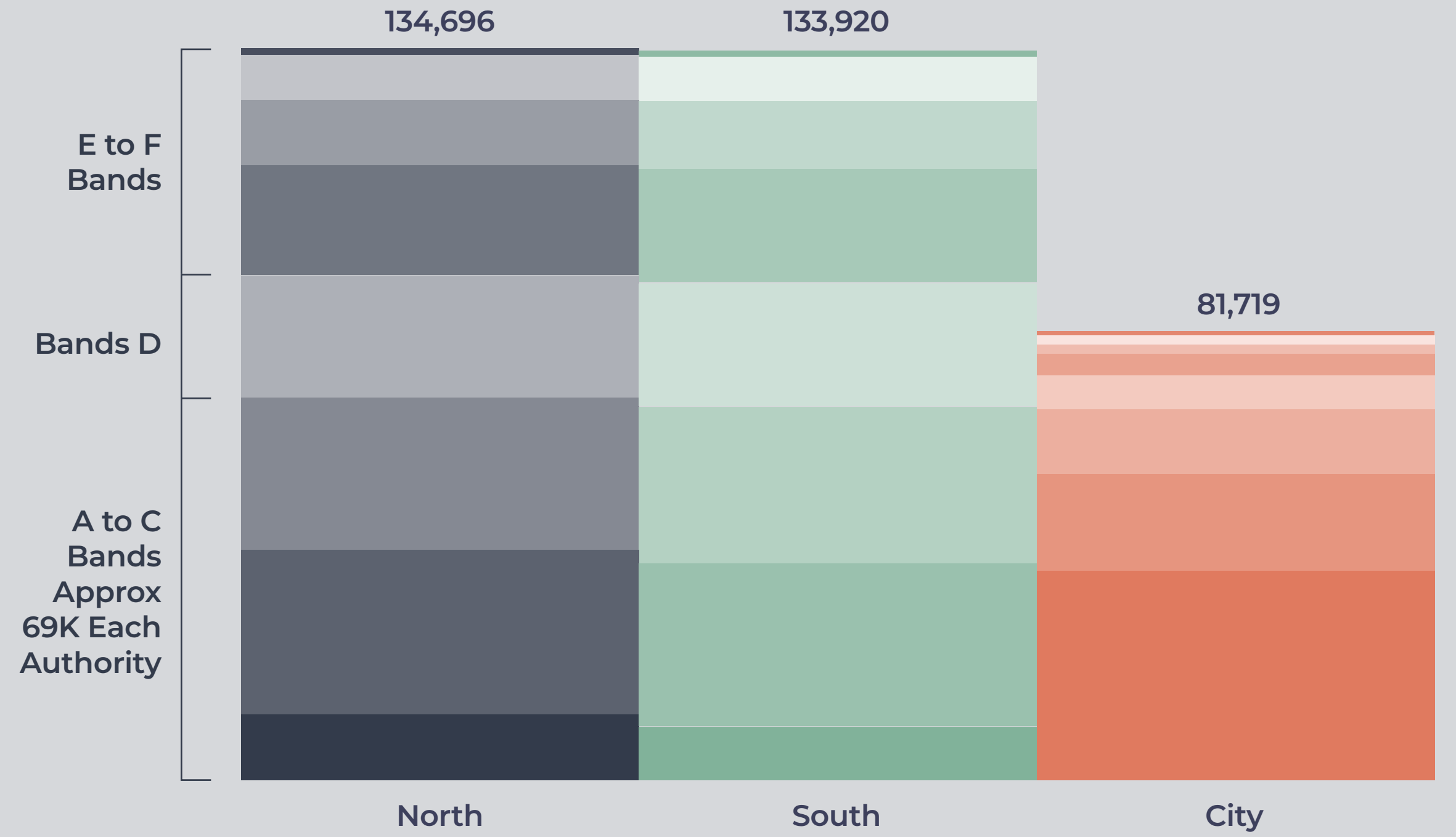
North	Current Band	Band Dwellings	Range
Rutland County	£2,218.48	16,132	
Melton	£1,912.51	20,300	
Charnwood	£1,845.07	60,722	
North West	£1,858.73	37,542	£373.41 20.24%
WEIGHTED AVERAGE	£1,903.76		
5% increase	£1,998.95		
Diff in Council Tax under equalisation		% change	Range
Rutland County	-£219.53	-9.90%	
Melton	£86.44	4.52%	
Charnwood	£153.88	8.34%	
North West	£140.22	7.54%	£373.41

South	Current Band	Band Dwellings	Range
Blaby	£1,867.17	34,847	
Harborough	£1,855.36	39,945	
Hinckley & Bosworth	£1,831.33	40,477	
Oadby and Wigston	£1,934.14	18,651	£102.81 5.61%
WEIGHTED AVERAGE	£1,903.76		
5% increase	£1,998.95		
Diff in Council Tax under equalisation		% change	Range
Blaby	£88.08	4.72%	
Harborough	£99.89	5.38%	
Hinckley & Bosworth	£123.92	6.77%	
Oadby and Wigston	£21.11	1.09%	£102.81

Council Tax Bands

Bands	North	South	City
A	12,846	10,159	38,871
B	30,212	30,471	17,696
C	26,748	29,029	12,119
D	23,132	22,517	6,013
E	20,421	21,288	3,867
F	11,881	11,819	2,111
G	8,545	7,843	972
H	911	794	70
Total	134,696	133,920	81,719
% A-C Bands	52%	52%	84%
% D Bands	17%	17%	7%
% E+ Bands	31%	31%	9%

Council Tax Base & Bands by North:South Unitary model



Financial Sustainability

Debt Analysis - as at 2023/24	Debt Value £000	% of Net Revenue Expenditure
North	329,787	111%
South	262,964	98%
City	290,165	85%
Total	882,916	

North	Debt £000	NRE £000	% NRE to Debt
Rutland County	21,386	38,728	55%
Melton	31,456	8,835	356%
Charnwood	81,190	19,989	406%
North West	62,638	9,685	647%
Share of Leicestershire	133,117	218,854	61%
Total	329,787	296,091	111%
South	Debt £000	NRE £000	% NRE to Debt
Blaby	6,385	16,618	38%
Harborough	1,490	12,681	12%
Hinckley & Bosworth	91,148	16,656	547%
Oadby and Wigson	34,069	7,904	431%
Share of Leicestershire	129,872	213,520	61%
Total	262,964	267,379	98%
City	Debt £000	NRE £000	% NRE to Debt
Leicester City	290,165	342,200	85%
Total	882,916	905,670	97%

Financial Sustainability

Reserves Analysis - as at 2023/24	Useable Reserves £	Useable Reserves
North	242,178	82%
South	223,450	84%
City	381,914	112%
Total	847,542	

North	Use Reserves £000	NRE £000	% NRE to Reserves
Rutland County	32,973	38,728	85%
Melton	6,215	8,835	70%
Charnwood	7,571	19,989	38%
North West	13,866	9,685	143%
Share of Leicestershire	181,553	218,854	83%
Total	242,178	296,091	82%
South	Use Reserves £000	NRE £000	% NRE to Reserves
Blaby	17,565	16,618	106%
Harborough	13,073	12,681	103%
Hinckley & Bosworth	13,021	16,656	78%
Oadby and Wigson	2,663	7,904	34%
Share of Leicestershire	177,128	213,520	83%
Total	223,450	267,379	84%
City	Use Reserves £000	NRE £000	% NRE to Reserves
Leicester City	381,914	342,200	112%
Total	847,542	905,670	94%

Summary of baseline costs & net saving opportunities over a 5 year payback period

	1	2	3	4	5	Total
North	(21,423)	(21,423)	(21,423)	(21,423)	(21,423)	(107,114)
South	(21,549)	(21,549)	(21,549)	(21,549)	(21,549)	(107,745)
City	0	0	0	0	0	0
Total Gross Saving	(42,972)	(42,972)	(42,972)	(42,972)	(42,972)	(214,859)
North	2,876	1,376	1,376	1,376	1,376	8,378
South	3,298	1,798	1,798	1,798	1,798	10,489
City	0	0	0	0	0	0
Transition costs of LGR	6,173	3,173	3,173	3,173	3,173	18,866
Net (Savings) / Costs	(36,799)	(39,799)	(39,799)	(39,799)	(39,799)	(195,993)

Asks of Government and Next Steps

To enable our November submission to be comprehensive, innovative and reflect the views of Government, our communities and Stakeholders we have the following asks from Government:

1

Direct Ministerial Engagement with all Leaders

We are grateful for the engagement we have had to date from Ministers and we would welcome ongoing dialogue to enable effective decision making locally, and to ensure our collective efforts are heading in the right direction.

2

Capacity Funding Support

The Government are aware of the costs involved in developing proposals to support devolution and local government reorganisation and some of the complexities associated with this. We join others in seeking support from Government to fund these additional costs associated with the work required.

3

Decision Making

We are working at pace across complex public sector arrangements to develop the best solution for the communities across LLR. We would ask the Government to provide greater clarity on the timetable, particularly relating to feedback to enable us to continue to move at pace and reflect this in the next iteration of our proposals for submission.

4

Access to Government Departments

When contemplating the future size and shape of services for our area it would be helpful to have access to treasury, home office, DfE and DHSC to ensure any proposals are the best they can be and informed by the most current understanding of Government thinking and policy.

5

Funding reforms

Proposed funding reforms may impact negatively on our ability to deliver both business as usual and delivery of Devolution and LGR. As such we would ask that during the transition period to a new local government arrangement that we are protected from any significant changes to the funding regime.

6

Boundary Changes

We would welcome views on your expectations regarding boundary changes and the extent to which these should be included in our November submission, to reflect the needs of the City Council to be financially sustainable.

7

Devolution Engagement

Our plan includes a proposal for a strategic mayoral authority for the LLR region, to date being mainly districts and boroughs we have been excluded from any devolution discussions, as these have been held with the County and City authorities in the area. We feel we have been disadvantaged through the lack of engagement and would want to reflect the current Government position regarding devolution within our November submission. On this basis we would ask to be engaged in future discussions involving devolution in LLR.

Next Steps

We look forward to receiving your feedback on our interim plans and discussing these points with Ministers and their officials over the coming months. We will continue to work with our partners, and undertake further public and stakeholder engagement, as we refine and develop our proposals in anticipation of the November submission.



A large print version of this document is available upon request.



Hinckley & Bosworth
Borough Council



NORTH
CITY
SOUTH