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Dear Councillor

CABINET - TUESDAY, 15TH JULY, 2025

I now enclose, for consideration the following report that was unavailable when the agenda was published.

Agenda No	Item
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| 4. | Local Government Reorganisation in Nottingham and Nottinghamshire (Pgs 2 - 11) |
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Report to: Cabinet Meeting - 15 July 2025

Portfolio Holder: Councillor Paul Peacock, Strategy Performance and Finance

Director Lead: John Robinson, Chief Executive

Report Summary	
Type of Report	Open Report / Key Decision*
Report Title	Local Government Reorganisation in Nottingham and Nottinghamshire
Purpose of Report	For Cabinet to consider the outcome of the Full Council debate on Local Government Reorganisation and resolve the Council's position on which option to develop as a final proposal(s) for submission to Government in November 2025.
Recommendations	<p>That Cabinet:</p> <ul style="list-style-type: none"> a) consider the options appraisal and summary document provided by PwC UK (Appendices 1 and 2 to the Full Council report); b) subject to the decision of the Full Council, develop Option 1e as this Council's preferred option for submission as a final proposal to Government by 28 November 2025; c) register as part of the submission, a request for consideration of including the whole of the Newark Parliamentary Constituency within the boundary of the proposed 1e unitary authority, to strengthen community identity and provide for more "sensible" geography; d) ensure the involvement of Town and Parish Councils and other local community and business organisations in the development of the final proposal; e) consider future reports on Local Government Reorganisation as required; and f) delegate the creation of a budget to the Leader of the Council through a Portfolio Holder decision in consultation with the Chair of the Governance, General Purposes and Local Government Re-organisation Committee.
Alternative Options Considered	A detailed options appraisal is contained in the PwC report (Appendices 1 and 2 to the Full Council report).

Reason for Recommendations	To ensure that the Council meets the requirements of the statutory invitation from government to submit a final proposal for local government reorganisation by 28 November 2025.
* Urgency for Key Decision	<p>In accordance with the Committee Procedure Rules, the Leader of the Council has agreed for this additional meeting of Cabinet.</p> <p>Key decisions should be advertised for a minimum of 28 days on the Council's website, but where this is not possible the decision may still be taken if it would be impracticable to defer the decision and the Monitoring Officer has informed the Chairman of the Policy & Performance Improvement Committee in advance in writing that the taking of the decision should not reasonably be deferred and should not be subject to call-in, and copies of that notice are made available to the public and the Council's office and on its website, and at least 5 clear days have elapsed since the Monitoring Officer has complied with these provisions.</p> <p>These provisions within the Constitution have been complied with.</p>

1.0 Background

- 1.1 The report to the earlier meeting of the Full Council is attached as **Appendix A** to this report and sets out in detail the background to local government reorganisation, the latest position, and asked the Council to make recommendations to the Cabinet in respect of progressing a preferred option.
- 1.2 The Cabinet is asked to consider the outcome of Full Council immediately prior to this meeting. As referenced in the report to Full Council at Appendix A, the invitation to submit proposals to the Government is considered to be an executive function, therefore the Cabinet is the appropriate body to take the final decision.

2.0 Implications

In writing this report and in putting forward recommendations, officers have considered the following implications: Data Protection; Digital & Cyber Security; Equality & Diversity; Financial; Human Resources; Human Rights; Legal; Safeguarding & Sustainability and where appropriate they have made reference to these implications and added suitable expert comment where appropriate.

The full report implications are contained within the report to the Full Council at Appendix A.

(Legal Implications Reference - LEG2526/7397)

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.



Report to: Meeting of the Full Council – 15 July 2025

Relevant Portfolio Holder: Councillor Paul Peacock, Strategy, Performance & Finance

Director Lead: John Robinson, Chief Executive

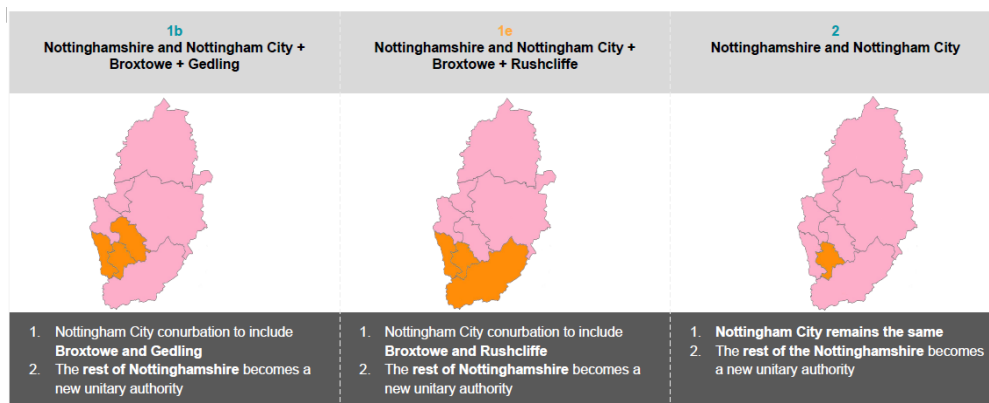
Report Summary	
Report Title	Local Government Reorganisation in Nottingham and Nottinghamshire
Purpose of Report	To provide Full Council with an update on the Government's requirement for Local Government Reorganisation, including the work undertaken to determine which option to develop as a final proposal(s) for submission in November 2025.
Recommendations	<p>That Full Council endorses the following recommendations to Cabinet for formal approval:</p> <ul style="list-style-type: none"> a) to consider the options appraisal and summary document provided by PwC UK (Appendices 1 and 2 to the report); b) to recommend to Cabinet the development of Option 1e as this Council's preferred option for submission as a final proposal to Government by 28 November 2025; c) to register as part of the submission, a request for consideration of including the whole of the Newark Parliamentary Constituency within the boundary of the proposed 1e unitary authority, to strengthen community identity and provide for more "sensible" geography; d) to ensure the involvement of Town and Parish Councils and other local community and business organisations in the development of the final proposal; e) to request regular updates to and from the Governance, General Purposes & Local Government Reorganisation Committee to ensure all members are kept informed and have an opportunity to input their views; and f) to delegate the creation of a budget to the Leader of the Council through a Portfolio Holder decision in consultation with the Chair of the Governance, General Purposes & Local Government Reorganisation Committee.
Reason for Recommendations	To ensure that the Council meets the requirements of the statutory invitation from Government to submit a final proposal for local government reorganisation by 28 November 2025.

1.0 Background

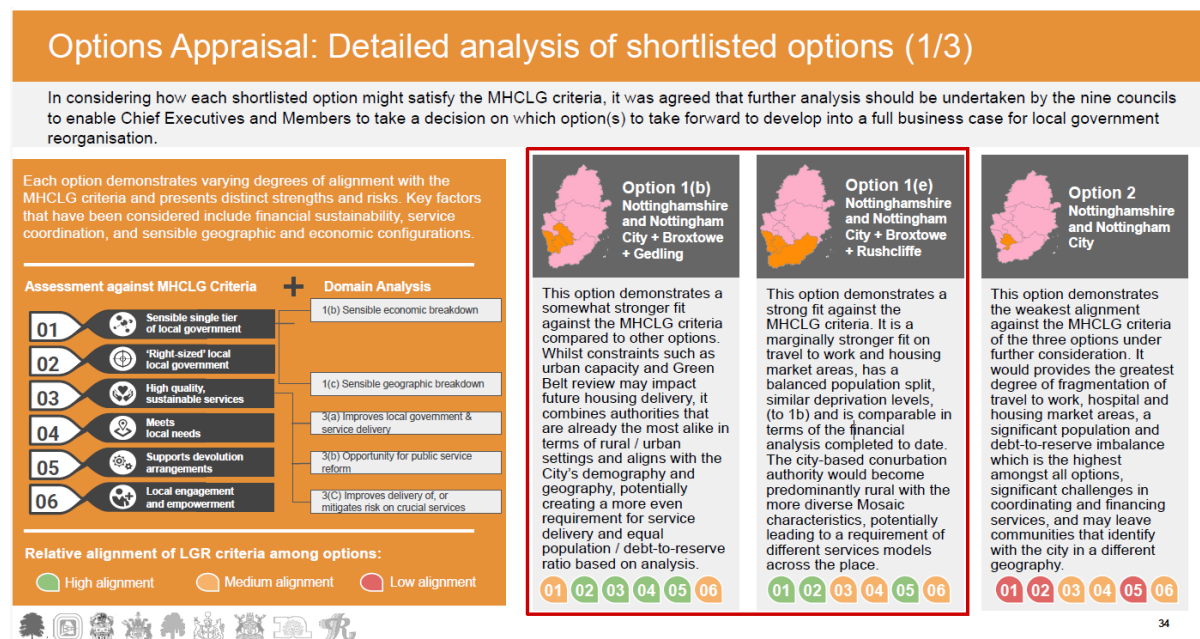
- 1.1 On 16 December 2024, the Government published the [English Devolution White Paper](#). The White Paper aims to devolve greater powers to regions and local areas to improve public services and drive economic growth. The White Paper describes a new architecture of streamlined government, including Mayoral Strategic Authorities and the replacement of all two-tier areas of local government with unitary Councils.
- 1.2 On 5 February 2025, the Minister of State issued a formal, statutory invitation to the nine council leaders within Nottinghamshire, asking each leader to work collectively with other council leaders in the area to develop a proposal for local government reorganisation (**Appendix 3**). The first step in the process was a request to submit an interim plan containing options for new unitary councils to be submitted on or before 21 March 2025.
- 1.3 The interim plan (**Appendix 4**) was developed by officers from across the nine councils, with independent support and advice from PwC UK.
- 1.4 At an Extraordinary Meeting of Full Council on 19 March 2025, Newark and Sherwood District Council agreed to endorse the Interim Plan for submission to Government.
- 1.5 On 3 June 2025, the Ministry of Housing, Communities and Local Government (MHCLG) issued its feedback on the Interim Plan (**Appendix 5**). The feedback reiterated Government's encouragement for areas to work together to submit a single proposal, whilst acknowledging the opportunity for individual Councils to submit their own proposals. One key theme that emerged more prominently was the need to demonstrate how new unitary structures would enable neighbourhood empowerment, with local areas being invited to come forward with proposals to create local area committees or other local engagement and decision-making forums.

2.0 Proposal/Options Considered

- 2.1 The interim plan contains the following three options for unitary structures in Nottingham and Nottinghamshire. The guidance stated that "existing district areas should be considered the building blocks for proposals, but where there is a strong justification more complex boundary changes will be considered," possibly in parallel with structural change but more likely as a later date.



- 2.2 PwC's appraisal concludes that Option 2 demonstrates the weakest alignment against the MHCLG criteria, leaving Nottingham City Council on its existing boundary and a lack of balance between the two unitary Councils. It is anticipated that this option will be rejected by all Nottinghamshire Councils.
- 2.3 PwC's independent appraisal concludes that options 1b and 1e both meet the Government's criteria and "that the differences between options 1b and 1e within each criteria are marginal". This can be seen from the following extract from the appraisal.



- 2.4 In addition, PwC's options appraisal accounts for the cost of delivering the new structure in terms of transition and ongoing disaggregation costs but does not provide the cost of future service delivery in a new structure, which will be dependent on choices made by the new Councils.
- 2.5 Officers have given careful consideration to the steer that should be provided to Full Council, including whether to reserve our position pending the development of final proposals. There is some logic to this but the tightness of the timetable and the detailed work that is needed between now and November to develop a final proposal means that we really need to focus our capacity and energy on a single option.
- 2.6 On 1 July, the Council's Senior Leadership Team and Business Managers met to weigh up the relative merits of the different options, having regard to PwC's appraisal. As to be expected, the focus was on the operational, service delivery implications in relation to options 1b and 1e, recognising of course that the expertise and experience was primarily in relation to District and Borough Council services. The differences in geography and land area covered by the proposed new unitary councils was a particular area of consideration. Connectivity to, and reliance on Nottingham City, is true for parts of Rushcliffe and Gedling. However, rural Gedling connects with mid and north Notts (option 1e) much more closely than rural Rushcliffe (Option 1b). In addition, the substantial geography of option 1b was considered likely to be more challenging in relation to service delivery and design and potentially more resource intensive, requiring more satellite buildings, with additional energy, asset management, staffing, ICT connectivity, fuel and travel costs, increased vehicle replacement and maintenance arising from greater distances and journey times.

- 2.7 To illustrate the point about geography, the table below shows the land mass under options 1b and 1e. Under Option 1b, Newark and Sherwood would be part of a new unitary covering 729 square miles, 112 square miles more than under option 1e.

Option 1b	sq Miles	%	Option 1e	sq Miles	%
Rest of Nottinghamshire	729.47	87%	Rest of Nottinghamshire	617.79	74%
Broxtowe/ Nottingham/ Gedling	106.03	13%	Broxtowe/ Nottingham/ Rushcliffe	217.71	26%

- 2.8 Care should be taken of course not to place too much emphasis on this or any other individual factor but when the choice between options 1b and 1e is marginal, there has to be some means of identifying difference and preference.
- 2.9 As part of the recommendation to progress the development of Option 1e as the Councils preferred option, there is a further recommendation to register, as part of the Council's submission to amend the boundary so the whole of the Newark Parliamentary Constituency would form part of the 'north Notts' unitary authority (see a map of the proposal at **Appendix 6**). This would mean that the Bingham North; Bingham South; Cranmer; East Bridgford and Newton Wards of the current Rushcliffe Borough Council would move into the 'north Notts' unitary authority¹.
- 2.10 The Government's interim feedback does refer to boundary changes being possible but a strong justification for complex boundary changes to be considered. This suggestion would not be complex, but as it effectively requires the splitting of an existing Council area, it would require strong justification which would need to be built into any final proposal.
- 2.11 The clear rationale for such a change is that this would strengthen community identity and provide for more "sensible" geography with the whole of the Newark Parliamentary Constituency being covered by a single unitary authority, rather than being split across two. Electors within those Wards referred to above, already question why they fall under the Newark Parliamentary Constituency when they reside in the Rushcliffe Borough and it is considered to be an ideal opportunity to align this constituency boundary with a proposed new unitary authority.

¹ It should be noted as a result of a local government boundary review of Rushcliffe Borough Council that Upper Saxondale is in the Newton Ward but in the Rushcliffe Parliamentary Constituency and Barnstone is in the Nevile & Langar Ward but in the Newark Parliamentary Constituency this will also need to be addressed in any proposal.

2.12 Next Steps

The headline timetable for the wider activities are as follows:

Activity	By when
Build full business case for the preferred option	July– November 2025
Communication and Engagement	Communication leads from across the nine Nottinghamshire councils continue to work collaboratively; together preparing an engagement plan for local government reorganisation and developing appropriate channels to be used to launch once finalised – On-going
General Purposes, Governance and LGR Committee	Committee due to be established on 15 July 2025 and hold first meeting in September 2025.
Agree preferred option and submit final plan	28 November 2025
Decision by Government	Spring 2026
Elections for shadow authority	May 2027
New unitary authority vesting day	April 2028

3.0 Implications

In writing this report and in putting forward recommendations, officers have considered the following implications: Data Protection, Digital and Cyber Security, Equality and Diversity, Financial, Human Resources, Human Rights, Legal, Safeguarding and Sustainability, and where appropriate they have made reference to these implications and added suitable expert comment below where appropriate.

Financial Implications - FIN25-26/7163

- 3.1 From the work completed by PWC to date, there is a marginal difference in financial sustainability between options 1(b) and 1(e). It is estimated that transitional costs of creating the new authorities and potential annual cost savings would be similar in both options.
- 3.2 Ratio indicators for Debt to Reserves per capita (being the amount of General Fund borrowing per person divided by the amount of General Fund unallocated reserves per person) and Social care demand to Council tax take (based on current levels of Council tax) are more favourable in option 1(e) than in option 1(b) as each of the options are closer aligned rather than having a greater divide between the two authorities.
- 3.3 Further work will be necessary to fully understand the financial sustainability of the proposed option which will be built throughout the creation of the final business case. However, policy decisions and resource allocation will be determined by the new authorities once created and hence would have an impact on their financial sustainability.

- 3.4 Once the next stage of work, being the creation of the final business case, has been scoped and costed, the Leader of the Council will create a budget through a Portfolio Holder decision in consultation with the chair of the Governance, General Purposes and Local Government Re-organisation Committee, funded by the Change Management Reserve.

Legal Implications – LEG2526/3117

- 3.5 Full Council is the appropriate body to consider the content of this report in a consultative capacity as the decision is an executive function.
- 3.6 Under the Local Government Act 2000 (the 2000 Act) any function which is not specified in the Local Authorities (Functions and Responsibilities) (England) Regulations 2000 (the Functions Regulations) is to be the responsibility of the executive (Leader and Cabinet). The invitation to submit proposals to MHCLG falls under Part 1 of the 2007 Act. The 2007 Act is not referred to in the Functions Regulations and is therefore an executive decision – exercisable either by the Cabinet collectively or the Leader individually. The decisions therefore cannot be discharged by full Council (or any other committee). The full Council (or another committee) can act in a consultative capacity by discussing and guiding Cabinet.
- 3.7 Structural and boundary change in England is governed by the Local Government and Public Involvement in Health Act 2007. If, following due process including statutory consultation, a structural change is approved by Government, a structural change order will be made by way of secondary legislation to implement the change and establish a single tier of local government and abolish the relevant councils. An order would include provision for transitional arrangements and elections.

HR implications - HR2526/2362 SL

3.8 Impact on Staff

- 3.8.1 At this early stage, it is difficult to predict the full impact on the Council's workforce, however we can be sure that there will be some changes in the uppermost tiers of management, for the remaining majority of the workforce it is unlikely there will be any significant changes prior to the Unitary Council being formed. We continue to reassure staff of this, in simple terms bins will still need emptying, our council homes will still need maintaining and our streets still need to be swept.
- 3.8.2 We are planning to connect with other Unitary organisations who have been through this process previously to help inform our implementation plans. It is likely to be some time before it becomes clear what changes might be made in the uppermost tiers of management, however, once it is available information should be shared at the earliest opportunity.
- 3.8.3 A new larger organisation will offer many new opportunities for our staff to progress their careers, with larger and/or broader management roles, a wider range of specialist roles, opportunities to step into different business units such as social services etc.

- 3.8.4 It is thought that turnover is not likely to be affected in the early stages of the project, partly due to the timescales but also due to the fact other councils will be going through the same process. later in the project though we may see an increase in turnover and we may experience some staff looking for roles in the private sector where skills are transferable for some stability or security.
- 3.8.5 It is thought that staff with long service and those who are close to early retirement age (55) or above, or a combination of these factors, are less likely to leave the council prior to the transfer to the new Unitary Council.
Communication with Staff
- 3.8.6 Any largescale change management programme such as this can have positive and negative impacts on staff so it will be important to continue the range of inclusive communication activity to keep staff informed of progress on the project and key milestones. Equally important will be opportunities for staff to take part in 2-way communication activities and feedback in a variety of ways.
- 3.8.7 Currently, the feeling amongst most staff who have shared their thoughts is that as any changes are some ways in the future it is not causing too much concern at this time. Many staff are keen to develop their careers and are keen to upskill, so they are well placed for future opportunities.

3.9 Getting Staff Ready for LGR

- 3.9.1 We have a workforce which is committed to delivering excellent services, their commitment and expertise will stand them in good stead in any new authority, however we are looking to support and prepare them over this period through committing additional funding to the Learning & Development budget over the next 3 years.
- 3.9.2 These funds will be used to support staff to gain new qualifications, develop their knowledge and skills to be LGR ready and we are working on a number of options for consideration.
- 3.9.3 Our change leaders will be offered training to fill any skills or knowledge gaps so that we can navigate through LGR as efficiently as possible.
- 3.9.4 We will also provide support opportunities for staff with training on 'resilience through change' to support the wellbeing of our workforce.
- 3.9.5 Additional funding has been committed to creating a new Digital and Data Apprenticeship Program for existing staff.

3.10 Policies and Procedures

- 3.10.1 We understand that staff employed by the Council at the time of the transfer to the new Unitary Authority, will transfer to the new organisation by way of a Statutory Order issued by Central Government.

3.10.2 The Statutory Order will set out the terms of the transfer which we expect will not be unlike a TUPE transfer.

3.10.3 When the time comes for implementing contractual changes Staff and the JCC will be consulted on proposals in line with Employment Legislation, all relevant Council Policies and Procedures and the terms within the Statutory Order.

Background Papers

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

[English Devolution White Paper](#)

[19 March 2025 Report to Full Council – Item 72](#)