

Nottingham and Nottinghamshire Interim Plan for Local Government Reorganisation

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1. Our People and Our Place

a) Introduction

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

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

b) Population

Nottingham and Nottinghamshire have a combined population of 1,173,770 persons. This includes 844,494 persons living across the 7 District Authorities within the County of Nottinghamshire, alongside a Nottingham City population of 329,276.¹

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

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

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

c) History, Heritage and Innovation

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

¹ ONS 2023 Mid-year population estimates.

² ONS Subnational Population Projections (2018-based).

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

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

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

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

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

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

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

d) Outcomes that people experience

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

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

Table: English Indices of Deprivation 2019⁵

³ Income Deprivation Affecting Children Index

⁴ Income Deprivation Affecting Older People Index

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

2. The Strategic Case for Change

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

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

b) The case for change in Nottingham and Nottinghamshire

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

Improve residents’ outcomes and experiences through public service reform

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

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

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

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

Support financial sustainability through increased efficiency

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

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

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

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

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

Enables strong, local accountability and connection to communities and neighbourhoods

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

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

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

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

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

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

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

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

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

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

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

a) Our collaborative approach

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

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

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

Financial and fiscal sustainability

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

How local people live their lives

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

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

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

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

Enables strong, local accountability and connection to communities and neighbourhoods

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

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

b) Independent options generation and appraisal by PwC

Approach and methodology

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

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

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

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

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

Comparative analysis

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

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

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

The three core options considered by Leaders / Mayor are:

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

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

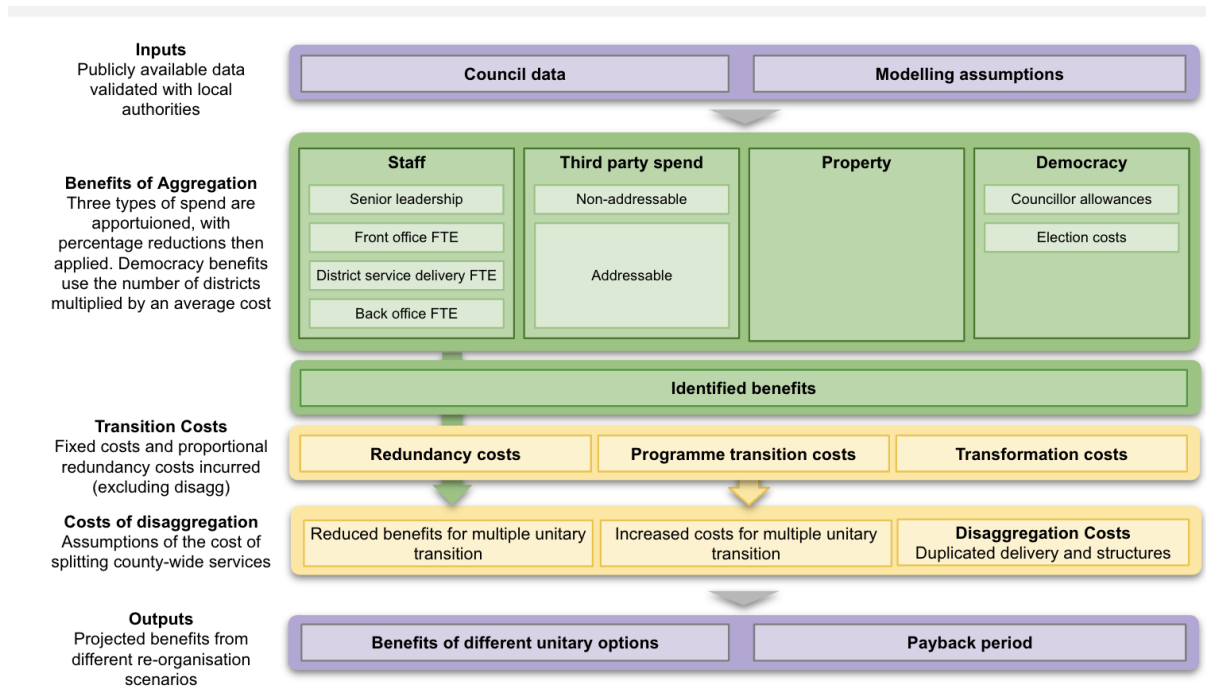
- **Geographic synergy:** Analysis of publicly available data to understand the geographic synergy of the two unitary authority options. This included developing an understanding of each areas' proportion of rural and urban populations, Mosaic Segmentation Profiles and the average time or distance to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

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

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

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



Financial model definitions

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

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

High level analysis of potential financial benefit

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

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

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

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

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

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

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

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

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

d) Wider stakeholder engagement

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

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

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

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

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

e) Input from Commissioners

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

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

4. Outline plan for April to November

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

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

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

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

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

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

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

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

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

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

4.3 Communications and engagement (April to November)

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

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

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

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

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

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

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

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

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

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

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

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

Process

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

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

Boundaries

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

Finances

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

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

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

Civic and ceremonial arrangements

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

Policy reform

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

People Services, quality, risk and regulatory impact

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