Nottingham & Nottinghamshire Councils

Local Government Reorganisation

July 2025

Purpose

This document summarises the outputs of the options analysis stage developed during the period January - June 2025. It set out an overview of the evidence base used to inform the interim plan submitted to Government in March 2025 and further analysis undertaken in the following three months including that undertaken by officer groups from across all 9 councils.

Contents

1. Background and context

National Context

Devolution and reform

The English Devolution White Paper published in late 2024 by MHCLG outlined a distinct shift in the approach and ambition for reorganising and decentralising power to Local Government in England.[1] It set out as the default an enhanced Devolution Framework clarifying the powers available to each type of Authority and the aspiration regarding the types of powers and funding arrangements that will exist in future. This was a distinct shift from previous approaches, built around bespoke devolution 'deals'. This new approach intends to further empower local government and help to address existing financial sustainability and local service challenges by:

- Allowing for increased powers to be vested in local and regional government supported by integrated funding settlements;
- Structuring these new entities to cover larger geographies, but to retain logical boundaries which avoid 'islands' between reorganised areas, and which resonate with local identity; and,
- Implementing these radical changes at pace, accelerating delivery of benefits.

"A once in a generation opportunity"

Government has set out their ambition to make the most of a '*once in a generation*' opportunity to improve the way that local and regional government works in England. The aim is to create the conditions for economic growth, reduce duplication and fragmentation and create greater efficiencies in public spending and service delivery. Further detail of this policy intention is set out below.

Transform service delivery

LGR is seen as a catalyst for transformation, beginning with the establishment of new unitary councils. This scale of change is seen as a rare opportunity to redesign ways of working from the ground up, capitalise on new service synergies, and to deliver greater consistency across all services. It also allows for the opportunity to share the best of what is done currently, and to deploy it at scale to support broader public service reform.

Increased efficiency

There is duplication and fragmentation across local government as a result of the way the two-tier system has developed over a number of years. LGR creates an opportunity to address this by consolidating common functions, bringing together services that are currently split across more than one tier (e.g. waste), make better use of new and emerging technology and reduce the volume of systems or assets that are used currently.

Establish a stronger voice for the place:

There is an opportunity for a stronger, more unified voice for the area which supports its growing presence on the regional and national stage. The Government has already expressed its view about the importance of unitary local government as part of the devolution agenda, and to future models of system or integrated funding.

Enhance connections with communities

LGR presents an opportunity to create even better connections with local communities, better understand their sense of belonging, and to design models of service delivery that are effective. A number of the unitary councils established during previous rounds of LGR have adopted similar new arrangements, using the raised profile of democratic accountability to promote and enhance the connection with their communities.

Growth & prosperity

Continued accelerated growth which reaches all parts of the area requires a strategy that builds on regional priorities and opportunities. The conditions for future prosperity will be influenced by new infrastructure and investment which require a place-based approach across a wider geography. This is a key priority for regional and local government who will need to work together in different ways to achieve this.

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1 MHCLG. English Devolution White Paper. December, 2024.

Local Context

Local government across Nottinghamshire has seen major changes over time. In 1992, unitary authorities were created, and by 1998, Nottingham City Council regained full responsibility for local services, while the county continued to operate a two-tier system with District councils.

Geography

Nottinghamshire is currently served by multiple tiers of local governance. Nottinghamshire County Council is a top tier county authority responsible for education, social care and highways, while seven district and borough councils provide services such as housing, waste collection and local planning. Nottingham City Council operates as a top tier unitary authority managing all local government functions within its boundaries. The county is represented by 11 parliamentary constituencies, many of which closely align with district and borough boundaries. Nottinghamshire shares a boundary with several neighbouring counties: Derbyshire to the west, South Yorkshire to the north, Lincolnshire to the east and Leicestershire to the south. The East Midlands Combined County Authority (EMCCA) covers the Nottinghamshire and Derbyshire areas and the cities of Nottingham and Derby.

Case for change in Nottingham and Nottinghamshire

Local government reform in Nottingham and Nottinghamshire presents an opportunity to address inefficiencies in the current two-tier system, which creates duplication, administrative complexity, and inconsistent service delivery.

Opportunities

Nottingham and Nottinghamshire have already embarked on a journey to devolution as part of EMCCA and LGR offers an opportunity to underpin this with a local structure that supports and complements the regional authority. A new unitary authority which encompasses an expanded city area would create space to grow, in turn providing opportunity to align urban planning and services. For example, with 6,565 additional homes required in Nottingham City over the forecast period 2022/27, reorganisation may enhance housing provision by balancing resources across a larger geographical area and tax base.

A simplified governance model would consolidate local service delivery under two new unitary authorities. This approach can enhance efficiency and consistency across a wider geography and community, ensuring seamless, equitable and cost-effective provision of key services. It also provides clarity for residents on where responsibilities for delivery of local services lies, and the respective layers of democratic representation.

Building on the Progress of EMCCA

1. **Strengthening Regional Governance** — LGR can help ensure that local councils work more efficiently with EMCCA, avoiding fragmented governance and complex decision-making processes.

2. **Attracting More Investment** — EMCCA can unlock significant funding and access to regional and national investment, while a streamlined local government structure simplifies bidding and fund management and delivery once funding is secured.

3. **Supporting Economic Growth** — Aligning LGR choices with the regional strategy and economic vision by simplifying the two-tier system decision-making and implementation.

4. **Enhancing Democratic Accountability** — LGR creates clearer governance, strengthening local authority ties with EMCCA and ensuring transparent, accountable decision-making for residents and businesses.

Rising financial and demand pressures on local councils also contribute to the urgent need for governance reform, with unitary authorities bringing together services with opportunities for future transformation, offering a pathway to improved stability, efficiency, and accountability.

Limitations

The current two-tier system can be confusing for residents and businesses regarding the responsibility for service provision (*see page 25*), and creates considerable customer demand in redirecting and supporting enquiries. Multiple district councils increases the challenge of coordination, and while collaboration across Nottingham and Nottinghamshire is generally productive and positive, delivering complex services such as housing, planning and economic growth is more challenging across multiple organisations. The recent reliance on bidding processes for central government funding places local areas in a competitive rather than collaborative space, resulting in potential gaps in service delivery, or in unequal provision of support across the area.

There are wider partnership challenges as the number of organisations that need to be involved in decision-making processes or operational delivery is significant. This is a system-wide issue and not just limited to local government arrangements.

Escalating challenges in Financial Stability

Nottingham City Council
Nottingham City Council is under a Best Value Intervention Framework review due to financial challenges. To comply with the Best Value Duty, it developed a framework within its 'Together for Nottingham' plan, aimed at improving service delivery and meeting statutory obligations. Rising demand for key services, particularly adult social care, alongside economic pressures has intensified financial strain. In 2024/25, the council required **£41.0m** in Exceptional Financial Support to balance its budget. To address ongoing challenges, it proposed **£17.9m** in savings and income measures for 2025/26, focusing on financial stability while maintaining essential services.

Nottinghamshire County Council and District Councils
Projections indicate a budget shortfall of **£30.8m** from 2024/25 onwards, necessitating identification of significant savings in subsequent years up to 2026/27. To address financial challenges, the council has proposed various service efficiencies aimed at maintaining value for money while delivering its priorities.

2. Options Appraisal

To identify a preliminary shortlist of options to take forward to implementation, an initial long list of options were analysed using a comparative methodology.
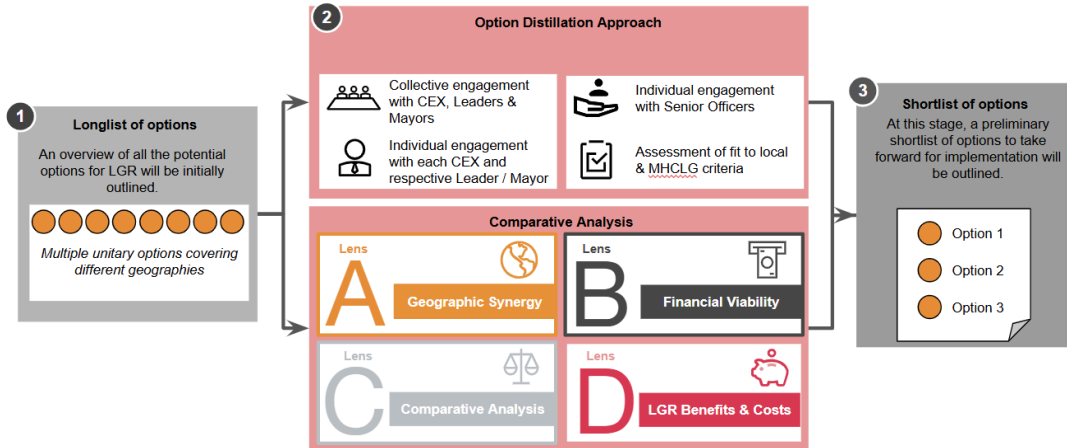
Local criteria

In response to the English Devolution White Paper and in advance of the statutory invitation being received from MHCLG, local authorities across the area first agreed a four-point framework to test potential options.

How people live their lives

- Covers a credible geography – reflecting how places function economically and how people live their lives
- Reflects community identity and makes sense as a "Place" including spatial characteristics
- Enables sustainable operational delivery for public services
- Seeks to improve connectivity especially for communities that most need support

Financial and fiscal sustainability

- Financially sustainable local authorities, which are resilient to longer-term economic or policy changes by balancing income and need
- 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

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

- Enables solutions to challenges impacting on residents' outcomes and which risk long-term financial stability
- Provides safe and resilient support, help and protection and care to vulnerable children, families and adults
- Aligns with EMCCA to enable creation and delivery of services for Nottinghamshire and Derbyshire
- Considers alignment with all other key strategic partners
- Maximises opportunity to enhance delivery through innovation

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

MHCLG criteria

MHCLG then officially set out their formal criteria in an open letter to the Leaders / Mayor of two-tier councils and unitary council in Nottinghamshire on 5th February 2025,[2] with supplementary guidance provided in June 2025 in response to the interim plan.[3]

Criteria 1	Criteria 2	Criteria 3	Criteria 4	Criteria 5	Criteria 6
Establishing a single tier of government for the whole area	Improve efficiencies, capacity and withstand financial shocks	Unitary structures must prioritise the delivery of high quality and sustainable public services to citizens	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	New unitary structures must support devolution arrangements	New unitary structures should enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment
Sensible economic areas, with an appropriate tax base.

A sensible geography which will help to increase housing supply and meet local needs.

Proposals need to be supported by robust evidence and analysis and include an explanation of the outcomes.

There is a need to 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. | New councils should aim for a population of 500,000 or more. There may be scenarios in which this does not make sense for an area, including on devolution.

Efficiencies should be identified to help improve councils' finances and make sure that council taxpayers are getting the best possible value for their money.

Proposals should set out how an area will seek to manage transition costs, including planning for future service transformation opportunities from existing budgets. | Proposals should show how new structures will improve local government and service delivery, and should avoid unnecessary fragmentation of services.

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

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. | It is for councils to decide how best to engage locally in a meaningful and constructive way.

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

Proposals should include evidence of local engagement, an explanation of the views that have been put forward and how concerns will be addressed. | Proposals will need to consider and set out for areas where there is already a Combined Authority (CA) or a Combined County Authority (CCA) established, how that institution and its governance arrangements will need to change to continue to function effectively; and set out clearly (where applicable) whether this proposal is supported by the CA/CCA /Mayor.

Proposals should ensure there are sensible population size ratios between local authorities and any strategic authority, with timelines that work for both priorities. | Proposals will need to explain plans to make sure that communities are engaged.

Where there are already arrangements in place it should be explained how these will enable strong community engagement. |
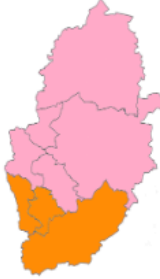
Longlist and shortlist of options

Eight options were identified in the long-list with a two Unitary Authority (UA) option (of some configuration) being the preferred option for the majority across the councils and against the MHCLG and agreed local criteria. Each option was assessed against the local and MHCLG criteria with further analysis and discussion undertaken to understand the implications of each. Through independent analysis, engagement with Chief Executives and Section 151 officers, the eight options were distilled down to three, which were subsequently discussed by all council Leaders / Mayor. It was agreed these options would be included in the interim plan submitted to Government.
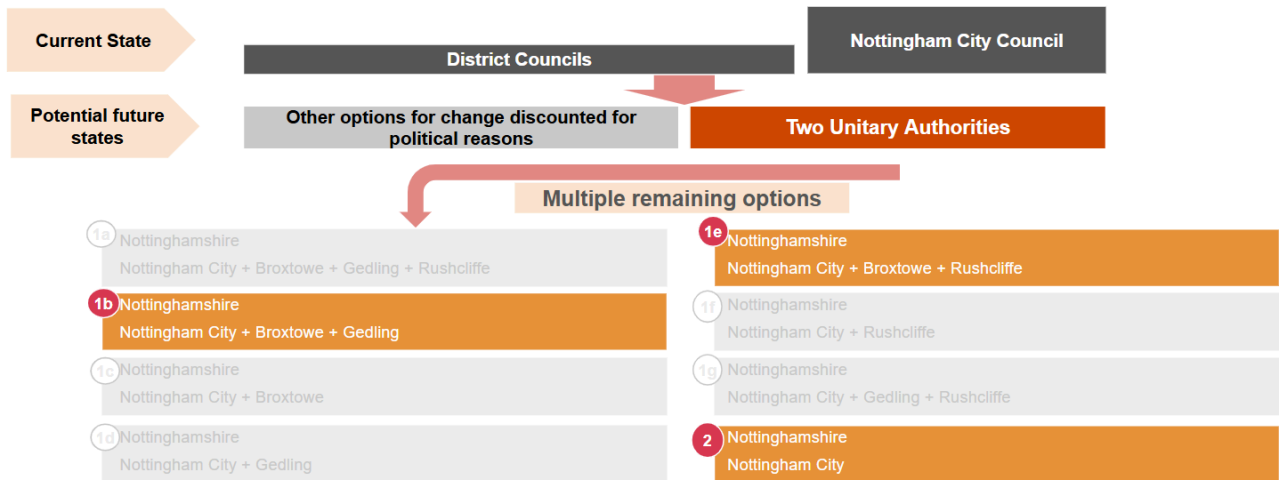
2 MHCLG. Correspondence: Nottinghamshire and Nottingham. February, 2025.

3 MHCLG. Local government reorganisation: summary of feedback on interim plans. June, 2025.

1b Nottinghamshire and Nottingham City + Broxtowe + Gedling	1e Nottinghamshire and Nottingham City + Broxtowe + Rushcliffe	2 Nottinghamshire and Nottingham City
1. Nottingham City conurbation to include **Broxtowe and Gedling** 2. The **rest of Nottinghamshire** becomes a new unitary authority	1. Nottingham City conurbation to include **Broxtowe and Rushcliffe** 2. The **rest of Nottinghamshire** becomes a new unitary authority	1. **Nottingham City remains the same** 2. **The rest of the Nottinghamshire** becomes a new unitary authority

Further detailed analysis of shortlisted options

Given the rapid timeframes required for the interim plan, it was agreed in May 2025 that the identified options should be further appraised against the Government's framework. The intention was to develop a more comprehensive set of information in order that a decision on which option(s) to take forward to develop into a full business case for LGR can be made. The additional analysis focussed primarily on three areas which are set out below. There was also further discussion with the sect. 151 officers of all councils on the financial modelling.

Topic	Analysis	MHCLG criteria
Sensible economic area	implications for achieving government ambitions around growth	Criteria 1(a): Sensible economic area
Sensible geography	implications for achieving government ambitions around housing supply	Criteria 1(b): Sensible geography
Impact on crucial services	Adult and Children's Social Care, Children's SEND, Homelessness and Public safety	Criteria 3: Impacts for crucial services

Each of the three options offers different strengths and challenges, though Options 1(b) and 1(e) were found to provide the strongest alignment to MHCLG criteria. The additional analysis re-affirmed that Option 2 is the least sustainable option and concluded that the differences between Options 1(b) and 1(e) within each criteria are marginal.

1(b) Nottinghamshire and Nottingham City + Broxtowe + Gedling	1(e) Nottinghamshire and Nottingham City + Broxtowe + Rushcliffe	2 Nottinghamshire and Nottingham City
This option demonstrates a somewhat stronger fit against the MHCLG criteria compared to other options. Whilst constraints such as urban capacity and Green Belt review may impact future housing delivery, it combines authorities that are already the most alike in terms of rural / urban settings and aligns with the City's demography and geography, potentially creating a more even requirement for service delivery and equal population / debt-to-reserve ratio based on analysis.	This option demonstrates a strong fit against the MHCLG criteria. It is a marginally stronger fit on travel to work and housing market areas, has a balanced population split, similar deprivation levels, (to 1b) and is comparable in terms of the financial analysis completed to date. The city-based conurbation authority would become predominantly rural with the more diverse Mosaic characteristics, potentially leading to a requirement of different services models across the place.	This option demonstrates the weakest alignment against the MHCLG criteria of the three options under further consideration. It would provides the greatest degree of fragmentation of travel to work, hospital and housing market areas, a significant population and debt-to-reserve imbalance which is the highest amongst all options, significant challenges in coordinating and financing services, and may leave communities that identify with the city in a different geography.
01 02 03 04 05 06	01 02 03 04 05 06	01 02 03 04 05 06

The full Options Appraisal is a separate document which sets out how each of the three options aligns to the MHCLG criteria, including updated financial modelling to reflect a review of the assumptions which has been discussed with s151 officers.

Overview of Options 1b and 1e

Option 1b

This option creates two new unitary councils and aligns to the criteria associated with identifying sensible geographies in that it would see the establishment of one authority serving a primarily urban area and another service primarily towns and rural areas. It also aligns to the requirement to consider how housing supply would be increased in that it provides room for the conurbation to grow.

It would not unduly create an advantage or disadvantage for one or other as part of the wider area and is comparable in terms of the financial analysis completed to date to option 1e. It would meet the requirement to establish new unitaries serving 500,000 people or more and would deliver efficiencies and manage transition costs. It would also appear to satisfy the criteria relating to areas which include a council in Best Value intervention.

To some extent it would avoid the unnecessary fragmentation of key service areas and would ensure consideration is given to the "crucial services" as set out in the MHCLG framework. Including a greater proportion of rural areas with the city conurbation would require services to provide more tailored approaches and different models of community support. Consideration needs to be given to the benefit of creating two new unitary organisations where population densities and needs are more aligned rather than dispersing this further as would be the case in option 1e.

Finally, it would establish a reasonable basis to support current and future devolution arrangements.

Option 1e

This option would also create two new unitary authorities albeit they would blend some urban and rural areas. It would find it somewhat harder to satisfy the Government's criteria relating to sensible geographies for that reason. It would align to the criteria in terms of population, delivering efficiencies, providing the means to manage transition costs. It would appear to satisfy the requirements relating to areas which include a council in Best Value intervention. It is comparable in terms of the financial analysis completed to date to option 1b in that the costs and benefits are largely the same.

There are significant sources of future housing supply in the combination of Nottingham, Rushcliffe and Broxtowe to meet the new local housing need estimates and help offset the historic under delivery of housing in some areas which would likely be required by the strategic authority. Delivery of future growth and housing of the wider urban area / 'expanded city' would be controlled by one of the new authorities. However, this option excludes Gedling which is integral to the functioning geography of the Nottingham conurbation and would mean housing and growth decisions required to support economic needs of the conurbation would be made by the more predominantly rural new authority.

To some extent it would avoid the unnecessary fragmentation of key service areas and would ensure consideration is given to the "crucial services" named in the MHCLG framework. Some consideration would need to be given to development of service models that are able to function across two authorities that have a blend of rural and urban areas, one of which would include Nottingham city. Finally, it would establish a reasonable basis to support current and future devolution arrangements.

Further detailed analysis of Options 1(b) and 1(e)

In summary, both options meet MHCLG criteria 2, 5 and 6 based on the analysis.

Option 1b is marginally stronger against criteria 3 and 4.

Option 1e is marginally stronger against criteria 1.

The summary of this analysis is outlined below:

Criteria		Option 1(b)	Option 1(e)

Criteria 1	**Strengths**	● Creates a sensible economic area, providing:
		  ○ (i) alignment with HMAs (70.41% of population within the existing Inner Nottingham HMA residing in the city-based authority and 15.33% in the county-based authority)
		  ○ (ii) alignment with TTWAs (65.21% of Nottingham TTWA residing in the city-based authority and 20.46% in the county-based authority)[4]
		  ○ (iii) some fragmentation with Hospital Trust boundaries.
		  ○ (iv) medium levels of economic self-containment (71% for the city-based and 60% for the county-based authority)
		● Creates a sensible geography which would help increase housing supply and
			● Creates a sensible economic area that aligns slightly more in terms of Government criteria than 1(b) providing:
			  ○ (i) alignment with HMAs (70.89% of pop. in the existing Inner Nottingham HMA resides in city-based authority and 14.85% in the county-based authority)[4]
			  ○ (ii) stronger alignment with TTWAs that option 1b (66.7% of Nottingham TTWA residing in the city-based authority and 18.98% in the county-based authority)
			  ○ (iii) least fragmentation to Hospital Trust boundaries
			  ○ (iv) medium levels of economic self-containment (71.1% for city-based authority and 60% for county-based authority),
			● Creates a sensible geography which would help increase housing supply and meet local needs, evidenced through:

		meet local needs, evidenced through: ○ (i) the smallest difference in new housing needed and planned over next 15 years ○ (ii) Potential for additional housing development in Nottingham on brownfield land negating reliance on greenfield and large geography available for county-based authority ● Relatively equal deprivation levels (city-based authority at 26.5 and county-based authority at 20.7) ● More balanced in terms of how rural and urban areas come together in the new authorities	○ (i) Joint working on housing needs as part of the Greater Nottingham Strategic Plan ○ (ii) grouping of the three authorities with major proposals for the Nottingham area "Trent Arc" together ○ (iii) potential to release land in the Green Belt area as Grey Belt to enable higher levels of affordable housing and wide geography in county authority. ○ Relatively equal deprivation levels (city-based authority at 24.7 and county-based at 22.3) ● Less balanced in terms of how rural and urban areas come together in the new authorities
	Challenges	● In TTWA terms it is not an optimum fit with the sensible economic area criteria overall, as it significantly fragments the Nottingham TTWA for Rushcliffe residents (-3.50), leaving more residents working outside their resident authority than within ● Constraints such as urban capacity, Green Belt review and splitting of current strategic growth areas across the built-up area of Nottingham between two authorities may dominate and impact accelerated housing delivery and future growth options beyond current plan allocations, requiring higher levels of coordination and agreement which may hinder long-term housing supply in a way which would not in Option 1(e) ● There is a larger deprivation gap between the two new authorities in Option 1b compared to the configuration of Option 1(e)	● In TTWA terms it is not an optimum fit with the sensible economic area criteria overall, as it significantly fragments the Nottingham TTWA for Gedling residents (-15.1), leaving more residents working outside their resident authority than within ● Has the greatest difference in terms of new housing needed and planned over the next 15 years, with the county-based authority having a shortfall of 6,500 and each authority at different stages in their Local Plan making cycle, whilst the city authority has a surplus of 8,700 ● Gedling is integral to the functioning geography of the Nottingham conurbation hence its exclusion presents a limitation as it would mean housing and growth decisions would be determined by a different local authority
	Considerations	● Prioritise brownfield development to reduce reliance on using greenfield land for housing ● Conduct an early review of Green Belt boundaries in Broxtowe and Gedling to identify potential Grey Belt areas that could be developed	● Conduct an early review of Green Belt boundaries to identify potential Grey Belt areas that could be developed into housing ● Establish an inter-authority working group to align housing and growth decisions in the wider Nottingham conurbation (especially Gedling,

		into housing and estimate volume ● Use EMCCA Inclusive Growth Commission to manage cross-authority planning issues related to strategic growth locations now split across authorities, and drive shared transport and housing interests across divided TTWAs and HMAs.	which is integral to the functioning geography of Nottingham) ● Utilise existing GNSP planning frameworks and evidence bases as the foundation for new Local Plans, and align timelines for new plans ● Continued monitoring of TTWAs and HMAs data to detect further fragmentation early
Criteria 2	**Strengths**	● Relatively equal population level with Nottingham City conurbation authority projected to have 603,185 residents by 2035 and the Nottinghamshire authority projected to have 661,460, meeting the 500,000 population criteria. ● Financial resilience criteria based on analysis to date likely to be met with Nottingham City conurbation authority debt-to-reserve rating improving to 53.5, with the Nottinghamshire authority standing at 14.0	● Relatively equal population level with Nottingham City authority projected to have 611,518 residents by 2035 and the Nottinghamshire authority projected to have 653,127. Option 1(e) meets the 500k population criteria. ● Financial resilience criteria based on analysis to date are likely to be met with Nottingham City authority debt-to-reserve rating improving to 47.4, with Nottinghamshire authority standing at 14.7.
	Challenges	● Both options meet the MHCLG criteria based on the analysis to date. However, there will be a need to - in developing a full business case for submission to Government in November - develop a more detailed financial case and look at a range of additional data e.g. capital, assets, debts and liabilities. Based on the financial analysis to date, there are no substantial differences between the two options.	
	Considerations	● As part of developing a full business case, consideration will need to be given to what service delivery models the two new authorities will put into place recognising growing levels of demand and costs. ● Disaggregation of services will have a cost impact in both options so mitigations will need to be considered. ● Option 1e combines more rural areas with urban areas so may have an impact on models of service delivery and therefore resourcing costs.	
Criteria 3	**Strengths**	● Authorities providing Adult Social Care services to areas with greater commonality of needs (i.e. urban in the city-authority and towns/villages in the county), help to drive strategic and operational advantages not able to be realised in Option 1(e), e.g. providing ASC city services is most straightforward given infrastructure, town centre, travel and crossover to facilities ● Based on ASC need and income (estimation of self-funders and contributors),	● Demonstrates a relatively balanced distribution of ASC services, with the projected social care-to-council tax spending rating being 0.87 for the city authority and 0.92 for the county-authority, which is on par to Option 1(b) (0.94 and 0.87) ● The mix of urban, suburban and rural dynamics may foster new innovative approaches to public safety, leveraging diverse community resources to address shared challenges. ● Public safety strategies that address a continuum of crime

		Option 1(b) is also more balanced for self-funders. ● Children's SEND demand and service delivery is more equally balanced under Option 1(b), and does not pose a significant challenge to resources, caseloads and workload ● Less impact on delivery than Option 1(e) as demand for SEND in Broxtowe and Gedling in average band ● This is reflected for Children's Social Care services, with Option 1(b) providing the most equal balance of expenditure (51% and 49% for the county and city authorities respectively) ● Urban crime and public safety issues spanning the city and its densely populated suburban areas are more effectively addressed through Option 1(b), through better coordination of homelessness, domestic abuse and substance abuse services; targeting where demand is the highest. ● For example, a city and county authority may have more capacity to invest in specialised programmes that address both complex urban challenges that have cross-county implications, and specific rural crime.	patterns from urban to rural areas could be addressed by the city authority. The addition of Rushcliffe may enhance the tax base, potentially providing more financial capacity for public safety initiatives, but it could also affect per capita funding distribution. ● The geographical split between north and south county simplifies oversight for county-wide services, enhancing operational efficiency for services like emergency planning. It would allow Ashfield, Mansfield, Bassetlaw, Newark and Gedling to focus on common public safety issues related to industrial histories and market towns. ● Homelessness services could be further streamlined as many Rushcliffe rough sleepers have a local connection to Nottingham City, which would provide an easier customer experience if Rushcliffe was to align with the City. ● For Children's Social Care services, Option 1(e) offers a fairer share of the tax base across the two new unitary authorities.
	Challenges	● Additional strain on existing public safety services and infrastructure, with the distinct challenges of suburban areas (e.g. property crime, youth anti-social behaviours) being potentially overshadowed by more intense city/urban issues [12] ● Risk of disaggregation and quality of ASC services is significant but no greater risk than Option 1(e).	● Balancing the high-demand, public safety needs of Nottingham City and Broxtowe with the different priorities of the less deprived and safer areas of Rushcliffe, leading to a perceived, or actual dilution of dedicated public safety provision ● Potential loss of revenue to fund statutory SEND services in the new authority (mainly from Rushcliffe), which has lower rates of children with Education, Health and Care (EHC) plans. ● Significant impact to Children's Social Care Services, with income being reduced for the county authority; the percentage point gap of 6% between the share of children's total expenditure is 3 times that of Option 1(b). ● Risk of disaggregation and quality of ASC services is significant but

|			
			no greater risk than Option 1(e), though Rushcliffe demographics differ to the city and are more similar to Bassetlaw and Newark in that there is overall an older adult population
	Considerations	- Agree transition principles to enable continuity of care should services be transferred to another authority and/or service levels change - Harmonise provider contracts across the county-based authority - as far as is possible - to minimise cost inequalities, with potential transitional funding to alleviate cost shocks - Establish joint service commissioning or shared delivery models across the two authorities for small, high-demand specialist ASC services (e.g. Safeguarding) and SEND services to ensure balanced benefit and equitable access, with potential co-production and delivery of the Local Offer across both authorities - Implement a single homeless pathway and joint protocols across the two authorities, and agree that the city-based authority leads coordination with the NHS Hospital Trust Area in the South for homelessness challenges on behalf of both authorities (i.e. for Nottingham, Gedling, Broxtowe and Rushcliffe) - Create a rural-focussed public safety framework tailored to specific needs such as agricultural theft, flooding and access to services, underpinned by a service delivery model that reflects the demographic and safety needs of each authority area and preserves localised intelligence and response capabilities - Phased transition to systems (Mosaic, CCTV), with dedicated training for both legacy and target systems and allocated funding for digital harmonisation	
Criteria 4	**Strengths**	- When assessing the types of areas that exist across the Nottingham and Nottinghamshire geography, combines authorities that are the most alike in terms of rural/urban settings of the two options (i.e. Urban Minor Conurbation and Rural Town/Fringe). - Has the most similar clustering of demographics across the two options when assessing mosaic characteristics. For the Nottingham City conurbation authority, these are mainly Aspiring Homemakers, Senior Security, Rental Hubs, Family Basics, Transient Renters and Domestic Success (non-exhaustive). - Given the similar grouping of rural and urban populations, this suggests that each authority could best tailor its services to the specific needs of its demographic	- Has some similar Mosaic demographics groupings when comparing the city-based authority in Option 1(b), including Rental Hubs, Domestic Success, Family Basic, Senior Security, and Aspiring Homemakers (non-exhaustive) - Incorporates a diverse range of communities (urban and semi-rural/rural), fostering a diverse identity with more flexible delivery models

	Challenges	- For a variety of reasons to it is key to consider the implications of having a wider variance of authorities in terms of rural/ urban settings, introducing contrasting service needs, cost profiles and expectations - Option 1e would merge areas such as Nottingham and Rushcliffe and as a result become predominantly rural, whilst the county-based authority would also remain predominantly rural - Best exemplified through mosaic characteristics being introduced for the city-based authority in Option 1(e) (when adding in Rushcliffe demographics) that are not evident in Option 1(b), such as Prestige Positions and Country Living	
	Considerations	- In both options there would be a need to consider new models of service delivery. In option 1e there is a need to consider the potential additional cost and complexity of delivery services across very different local areas. - Consideration could be given to establishing sub-locality planning zones within the city-based authority to preserve place-based service design, local identity and cultural/ historic importance (i.e. inner urban, suburban fringe and rural villages) - Consideration could be given to how functions would need to be established to respond to contrasting community needs	
Criteria 5	**Strengths**	- This option supports effective governance arrangements with the two new Unitary Authorities and the EMCCA as the reorganisation reduces complexity and bureaucracy by limiting the number of governance structures and elected representatives for the region, allowing efforts to be focussed on driving more investment and economic growth - EMCCA is expected to have a population of ~2.38 million by 2035. The two new authorities will make up just over half of this population, with the Nottingham City conurbation authority projected to have 603,185 residents by 2035 and the Nottinghamshire authority projected to have 661,460. This represents a relatively sensible population size ratio between authorities and EMCCA	As with Option 1(b), this option supports effective governance arrangements with the two new Unitary Authorities and the EMCCA, and will make up just over half of the expected EMCCA population of ~2.38 million by 2035., with the Nottingham City conurbation authority projected to have 611,518 residents by 2035 and the Nottinghamshire authority projected to have 653,127. This represents a sensible population size ratio between the authorities and EMCCA, and is the most sensible of the two options
	Challenges	Consideration will need to be given to the difference between Option 1b and Option 1e in terms of providing Nottingham City a large enough conurbation - of the appropriate rural / urban mix in which to generate growth and also operate as a Core City	
	Considerations	- Define the respective roles of EMCCA and Unitary Authorities to help unlock devolution opportunities (e.g. e.g. EMCCA responsible for strategic oversight and funding and Authorities responsible for placed-based delivery and community engagement) - Work closely with EMCCA and wider system partners to agree the scope and relative responsibilities of the strategic authority and delivery. This will immediately concern areas such as transport, skills, economic	

		growth, housing and planning where EMCCA will have strategic oversight and the new unitary authorities - along with those in the Derbyshire footprint - will be accountable for operational delivery	
Criteria 6	**Strengths**	● Community engagement and neighbourhood empowerment is likely to be supported by this option as there is some overlap with existing wider system provision and several cross-boundary community networks already operate across this geography, offering a foundation for continuity and low-friction integration for the UA. ● Gedling, Broxtowe and Nottingham residents also share similar urban characteristics, challenges, and infrastructure needs — enabling more targeted and aligned engagement approaches and genuine opportunity for neighbourhood empowerment	● As with Option 1(b), there is some overlap with existing wider system provision and several cross-boundary community networks already operating across this geography ● Rushcliffe, Broxtowe and Nottingham have already collaborated on shared strategic planning priorities through the Greater Nottingham Strategic Plan - indicating an established approach to strong community engagement. ● Both Broxtowe and Rushcliffe also have strong transport and economic links to Nottingham, only further supporting stronger communities
	Challenges	● While building on existing provision, the existing engagement channels may not be sufficient for the demands of a new unitary structure, as there may be gaps in reaching less engaged, underrepresented, or emerging communities	● The rural mix of rural and urban populations within the city-based authority will present unique needs and therefore potentially new and bespoke channels will be required. ● Rushcliffe's affluent rural/suburban demographics may feel disconnected from Nottingham's urban-focused narrative, leading to perceived urban bias or underrepresentation ● The divergent identities and community priorities across urban Nottingham and rural Rushcliffe could result in less effective messaging and engagement, lower participation, and challenges in building a unified local identity
	Considerations	● As part of developing a full business case for change, there will be a need to ensure there are mechanisms in place for local community engagement ● In terms of empowering communities to be part of identifying appropriate solutions for their localities, a strengths based approach, identifying where existing community structures are strong and where new challenges (e.g. digital, faith-based, rural connectors) need to be developed could be taken. This could include implementation of tailored area-based engagement strategies	

Rural-Urban comparative analysis of 11 core cities in the UK

At the meeting of Chief Executives on 06 June, it was agreed that further consideration should be given to the extent of the different types of geography covered by the two options, as a contributing factor to MHCLG Criteria 1(b): Sensible geography.

The table below shows the percentage distribution between rural and urban areas within the UK's eleven core cities. Option 1(b) most closely aligns with the average UK city demography offering an urban density of 96.1% against the UK average of 98.41%, which is greater than the urban density offered in Option 1(e) of 87.6%. If Option 1(e) was progressed, the Nottingham City authority would have the lowest urban density of the 11 core cities within the UK.[4]
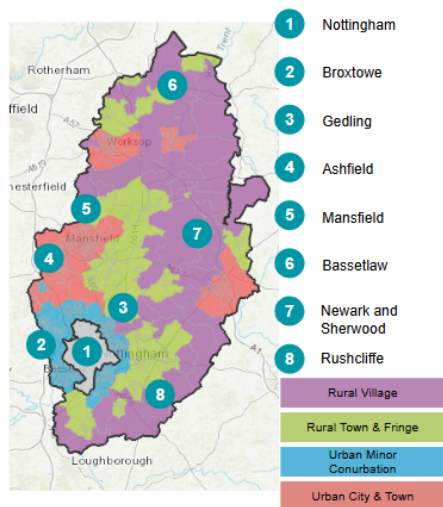
Average proportion of rural population
Department for Rural Affairs - Rural Urban Classification Map - Nottingham Observatory

11 core cities	Rural %	Urban %
Bristol	0%	100%
Liverpool	0%	100%
Manchester	0%	100%
Nottingham (currently)	0%	100%
Birmingham	0.10%	99.90%
Glasgow [1]	0.40%	99.60%
Belfast [2]	0.43%	99.57%
Newcastle	2%	98%
Cardiff [3]	3%	97%
Sheffield	4.10%	95.90%
Leeds	7.50%	92.50%

The primary focus is a comparison of the percentage of rural and urban areas within each city, highlighting the predominance of urban regions. A key observation is that Option 1(b) is more aligned with demographic characteristics of a typical UK city, with an urban density of 96.1%, whilst Option (1e) would have the lost urban density of all UK cities at 87.6%.

Option	Rural %	Urban %	Difference between %'s
Option 1(b)			
Nottingham City + Broxtowe + Gedling (future Nottingham City)	3.9%	96.1%	34.4%
Nottinghamshire + Remaining LAs	38.3%	61.7%	
Option 1(e)			
Nottingham City + Broxtowe + Rushcliffe (future Nottingham city	12.4%	87.6%	18.3%
Nottinghamshire + Remaining LAs	30.7%	69.3%	

Note: The urban domain is defined as comprising physical settlements with a usually resident population of 10,000 people or more, all other areas being considered rural.[5]

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4 Department for Environment, Food & Rural Affairs. *2011 Rural Urban Classification lookup tables for all geographies.* October, 2023.

5 Department for Environment, Food & Rural Affairs. *2011 Rural-Urban Classification of Local Authority Districts and Similar Geographic Units in England.* April, 2016.

Why Option 2 has been deprioritised

Based on the analysis, Option 2 demonstrates the weakest alignment against the MHCLG criteria, and it was agreed that this option should be de-prioritised. Overall, Option 2 would provide the greatest degree of fragmentation of travel to work, hospital and housing market areas, a significant population and debt-to-reserve imbalance (between the two new authorities) which is the highest amongst all three options, significant challenges in coordinating and financing services, and may leave communities that identify with the city in a different geography. An assessment of Option 2 against the MHCLG criteria is summarised below:

Criteria	Advantages and Disadvantages
Criteria 1	This option presents the least alignment with the Sensible Economic Area criteria of all three options, providing the lowest degree of economic self-containment, and the greatest fragmentation of travel to work and NHS Hospital Trust areas, and the Inner Nottingham housing market area. Similarly, it presents the weakest alignment with the Sensible Geography criteria, as the ability to increase housing supply is limited by restrictions on available land for housing in Nottingham City. Whilst present supply figures look strong, housing supply may not be able to be increased in the long-term due to reduction in sources of supply over time (e.g. absence of Green / Grey Belt land). Nottinghamshire + Remaining LAs have a significant shortfall and require the highest number of houses to be identified across a large authority; a challenge not faced by the other options. The contrast in deprivation levels are the highest amongst all options, with Nottingham City's average deprivation score at 34.9, significantly higher than Nottinghamshire's 19.
Criteria 2	This has the weakest alignment with criteria 2, as it presents a significant population imbalance and the highest difference amongst all options, with Nottingham City projected to have 352,463 residents by 2035, fewer than Nottinghamshire's 912,182. Additionally, financial resilience - key to the criteria 2 - is a concern, as Nottingham City's debt-to-reserves ratio stands at 83.9, exceeding Nottinghamshire's 16.5. This increases the potential for financial vulnerability when compared to other option 1(b) and option 1(e), and has the highest difference amongst all options.
Criteria 3	Option 2 is partly aligned with criteria 3, as the unitary councils would have potential viability issues and service imbalances. There is a high social care cost imbalance in this option as the projected social care-to-council tax spending ratio is 1.12 for Nottingham City and 0.8 for Nottinghamshire. This would cause financial strain due to high care demands paired with a limited tax base.While this option presents a greater GP availability it is not enough to outweigh its structural weakness.
Criteria 4	Option 2 is partly aligned with criteria 4. Looking at the types of areas that exist across the Nottingham and Nottinghamshire geography, Option 1(b) combines authorities that are already the most alike in terms of rural / urban settings of all three options. Arguably, Option 2 would be less likely to satisfy the requirement as it may leave communities that do identify with the city in a different geography.
Criteria 5	This option presents the weakest alignment with criteria 5. Whilst there is already an existing combined authority (EMCCA), it does not meet the requirements for a sensible population size ratio, with Nottingham City projected to have 352,463 residents by 2035 and Nottinghamshire to have 912,182. This would not meet the threshold for a population of 500,000 or more.
Criteria 6	Community engagement and neighbourhood empowerment will need to be supported. Consolidating most rural communities into one new authority allows for a concentrated focus on specific community issues like rural crime, flooding, and access to support services, though the sheer size of the rural/mixed urban-rural unitary could make it challenging to maintain the depth of local engagement and partnership.

3. Financial case

Approach

In Phase 1 an initial evidence based options analysis was completed for local government reform. The financial model formed a part of the quantitative analysis to investigate the costs and benefits for a wide range of options all of which were based on current district and unitary authority Boundaries.

The s151 Officers met on 15 May to review the financial model and assumptions being applied. During that session there were some further clarifications sought. It was agreed that the analysis undertaken at this stage was sufficient to enable the s151 Officers to provide assurance to their Councils. This position was further confirmed at the Finance Officers meeting on 23 May.

The financial analysis, methodology and assumptions applied have been shared, tested and talked through with s151 officers. All councils have accepted the financial analysis as complete with each s151 officer providing assurance on the model and underlying assumptions. This analysis is to support the options analysis stage only. Significantly more work will be needed for a financial case that supports a full proposal.

In addition the County Council has undertaken some analysis on the potential impact on Options 1b &1e of social care self funders in the event that leads to an important difference in the cases. It has been concluded that this does not.

Methodology

The financial analysis model relies on a number of assumptions, primarily based on publicly available revenue outturn data and by applying assumptions which have been demonstrated across previous LGR proposals. This logic and assumptions applied have been tested with the s152 Officer group.

It looks at revenue only data and there are some considerations for the full financial case that have not been included at this stage including potential impact of the Fair Funding Review 2.0 which is currently in live consultation.

Analysis

The financial model incorporates key structural and management costs, including redundancy estimates, senior leadership changes and estimated savings across cost categories. The updated financial analysis evaluated Option 1(b) & (e) and Option 2. A single unitary authority has been included for comparative purposes only. It takes into account estimated transition costs, annual benefits, net benefits over a five-year-period and payback period. Option 1(b) & (e) incurs an estimated transition cost of £28.8m, providing circa £24.6m of annual benefits and circa net benefit of £64.7m after five years, with a payback period of 1.3 years. Option 2 on the other hand estimates transition costs of £21.3m (there are anticipated lower levels of change e.g. less disaggregation) and estimated annual benefits similar in scale to Option 1(b) & (e).

	Transition costs (£)	Annual benefits (£)	Net benefit after five years (£ total)	Payback period (years)
Option 1: 1(b) & 1(e)	£28,848,294	£24,620,878	£64,711,043	1.3
Option 2: Nottinghamshire & Nottingham City	£21,250,744	£24,620,878	£72,308,593	Less than 1 year
Option 3: Single Unitary Authority `Comparative purposes only`	£19,249,433	£30,044,575	£94,919,953	Less than 1 year

4. Next steps

Indicative timeline to implementation

A significant range of activities will need to be completed prior to final submission of the proposal in November 2025. This includes stakeholder engagement, legal, financial and organisational development activity, which will likely require some specialist support. The immediate next step is for Chief Executives and Members to make a decision on which option(s) to take forward to develop into a full business case in July 2025.

April	May	June	July	August	September	October	November

Elections

Council decisions on options

Council decisions on business case

Ongoing analysis of options and evidence base

Developing the full proposal(s)

Submission of full proposal(s)

Developing the full financial case(s)

Communications and engagement

Mid-July
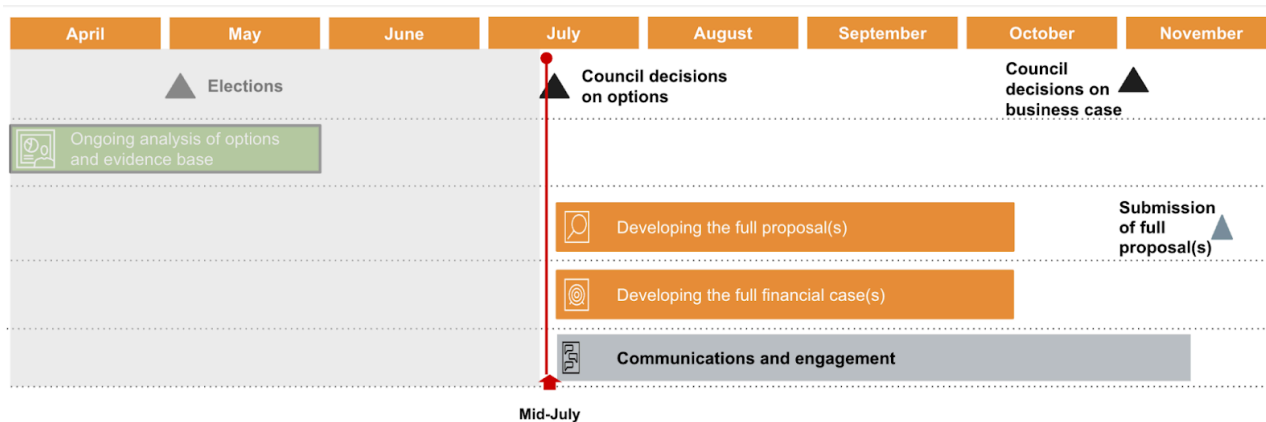
Requirements for the full proposal and financial case

Set out below are the activities required once a decision is made on which option(s) to take forward to develop into the full business case. These will need to be commenced as soon as possible in order to undertake a reasonable level of analysis and to meet the November 2025 deadline.

Refining the options appraisal	• Since submission in March, the Options Analysis has been narrowed down to three options: Option 1(b), Option 1(e) and Option 2. • Deep dives have been conducted against MHCLG criterion such as sensible economic area, sensible geography and crucial services. • The financial analysis has been updated.
Developing the full proposal 2	• The stated intention is to develop a single proposal, working collaboratively. The points set out below would need to be developed in any full business case proposal. • A vision for the new council(s), including the improved outcomes expected to be delivered for people and the place. • Design of 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 etc. and describing what residents will experience. • Identifying opportunities for service synergies - consolidation of existing functions, simplification of processes and opportunities arising from bringing district and county together (e.g. housing and social care), as well as district and existing unitary functions together. • Designing the arrangements that will be put in place at a locality level to build engagement and ensure the new councils 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. • Determining how the new council(s) will work with EMCCA • Describing how the the new councils 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).

Developing the financial case 3	• Identifying the costs and benefits 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 MRP); 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.

5. Appendix

Appendix A: List of criteria deep-dives prepared to inform analysis

Title	Prepared by	Date	Description	Conclusion
'Sensible Economic Areas' for Local Government Reorganisation in Nottingham and Nottinghamshire	Council officers across the nine Nottingham Nottinghamshire authorities.	23/05/2025	The analysis provides an overview of travel to work, economic self-containment, housing market areas and service market for consumers for the three options.	Concludes that the differences in degree of fit are too narrow to be able to identify a clear better fit, though Option 1(e) marginally (< 1 percent) provides a stronger fit with the Travel to Work Area (TTWA) and the Housing Market Area (HMA).
Assessment of proposed options for unitary local government in Nottinghamshire in terms of increasing housing supply and meeting local needs	This report has been prepared in conjunction with Nottingham and Nottinghamshire Heads of Planning and has been shared with officers of the East Midlands Combined County Authority.	07/05/2025	The analysis provides an overview of impact on potential to increase long term housing supply, impact on transition to system of a Spatial Development Strategy & Local Plans, impact on meeting local housing needs and impact on other issues such as mineral and wasting planning.	Concludes that Option 1(b) may not accelerate housing supply in the same way that Option 1(e) might, with 1(e) potentially having a wider mix of housing supply sources and reflecting existing joint workings on GNSP.
Assessment of potential options for unitary local government in Nottingham and Nottinghamshire in context of Adult Social Care services	Council officers across the nine Nottingham Nottinghamshire authorities.	05/2025	The analysis provides an overview of homelessness in Nottingham and Nottinghamshire along with the opportunities, risk, service delivery impacts and data analysis of the three options.	Option 1(b) is the preferred option due to its alignment with geographic and demographic characteristics of Nottingham City. Broxtowe and Gedling are better integrated with the city's infrastructure and facilities.
Assessment of potential options for unitary local government in Nottingham and Nottinghamshire in context of Homelessness	The document has been developed by a core group of lead officers representing the local authorities with the support and consultation of a wider cohort of officers from each district, borough, City and also the County Council.	05/2025	The analysis provides an overview of homelessness in Nottingham and Nottinghamshire along with the opportunities, risk, service delivery impacts and data analysis of the three options.	The analysis does not identify a preferred option. Under both Option 1(b) and Option 1(e) there could be reduced homelessness impact due to changes in administrative boundaries and service configurations.
Assessment of potential options for unitary local government in Nottingham and Nottinghamshire in context of Children's SEND services	Council officers across the nine Nottingham Nottinghamshire authorities.	05/2025	The analysis provides an overview of SEND services in Nottingham and Nottinghamshire along with the opportunities, risk, service delivery impacts and data analysis of the three options.	Option 1(b) is the preferred option as it best aligns with the goals of local government reorganisation, offering a balanced distribution of demand and service delivery for SEND and not posing challenges to the reallocation of resources, workforce, or caseloads.
Assessment of potential options for unitary local government in Nottingham and Nottinghamshire in context of Children's Social Care services	Council officers across the nine Nottingham Nottinghamshire authorities.	05/2025	The analysis provides an overview of Children's Social Care Services in Nottingham and Nottinghamshire along with the opportunities, risk, service delivery impacts and data analysis of the three options.	Option 1(b) is the preferred option as Broxtowe and Gedling more closely align to Nottingham City in terms of levels and types of safeguarding needs, which would allow for more targeted / focused service delivery models to be deployed.