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Our reference:

Your reference:

Date: Monday, 14 July 2025

To all Members of the Council

Dear Councillor

AGENDA SUPPLEMENT

Please note the attached documents below for the meeting of the Council to be held on Thursday, 17 July 2025, the agenda for which has already been published.

Yours sincerely



Sara Pregon
Monitoring Officer

AGENDA

11. Local Government Reorganisation Update (Pages 1 - 204)

The report of the Chief Executive is attached

Membership

Chairman: Councillor J Cottee

Vice-Chairman: Councillor R Butler

Councillors: M Barney, J Billin, T Birch, R Bird, A Brennan, A Brown, S Calvert, J Chaplain, K Chewings, N Clarke, T Combella, S Dellar, A Edyvean, S Ellis, G Fletcher, M Gaunt, E Georgiou, P Gowland, C Grocock, R Inglis, R Mallender, S Mallender, D Mason, P Matthews, H Om, H Parekh, A Phillips, L Plant, D Polenta, N Regan, D Simms, D Solomon, C Thomas, R Upton, D Virdi, J Walker, R Walker, L Way, T Wells, G Wheeler, J Wheeler and G Williams



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Council

Thursday, 17 July 2025

Local Government Reorganisation in Nottingham and Nottinghamshire

Report of the Chief Executive

**Cabinet Portfolio Holder for Strategic and Borough-wide Leadership,
Councillor N Clarke**

1. Purpose of report

- 1.1. The purpose of the report is to provide an overview of the Government's requirement for plans for Local Government Reorganisation to be developed in Nottingham and Nottinghamshire and to update on the work undertaken to respond to the requirements.

2. Recommendations

- 2.1. It is RECOMMENDED that Council:

- a) Receive and note the update;
- b) Endorse continuing to work collaboratively with the other local authorities across Nottingham and Nottinghamshire with a view to developing a final unitary proposal for submission to Government by 28 November 2025;
- c) Temporarily Pause any further work focusing on the Council's own 3 unitary option where Rushcliffe is joined with Newark and Sherwood and Gedling borough councils until clarity is obtained on options being taken forward as part of the all Nottinghamshire and Nottingham councils joint work;
- d) To endorse that if further support materialises for a three unitary option from other council's this option will be pursued further to a potential 'final bid' stage and further partnership working explored with other councils;
- e) Support the development of option 1(b) One unitary council covering Broxtowe, Gedling and Nottingham City and One unitary council covering the remaining County including Ashfield, Bassetlaw, Mansfield, Newark and Sherwood and Rushcliffe;
- f) To continue to ensure any proposal does not include any part of the current Rushcliffe Borough being absorbed into any new or expand city area;

- g) To ensure the development of the final proposal includes involvement of the Town and Parish Councils and other local community organisations and businesses, as part of the wider Engagement Strategy.

3. Reasons for Recommendation

- 3.1. To ensure that Council meets the requirements of the statutory invitation from Government to submit a proposal for Local Government Reorganisation for the area of the County of Nottinghamshire and Nottingham City by 28 November 2025.

4. Supporting Information

- 4.1. Councils in Nottinghamshire have received feedback from the Government in the first week in June following the submission of the Council's interim plan. The feedback did not give a definitive steer on which of the options put forward should be pursued or not pursued. The letter is attached as Appendix A. It should be noted this feedback was at least a month late and impacted on the timeline for the ensuing work by both PWC and KPMG.

- 4.2. In summary the feedback stated that:

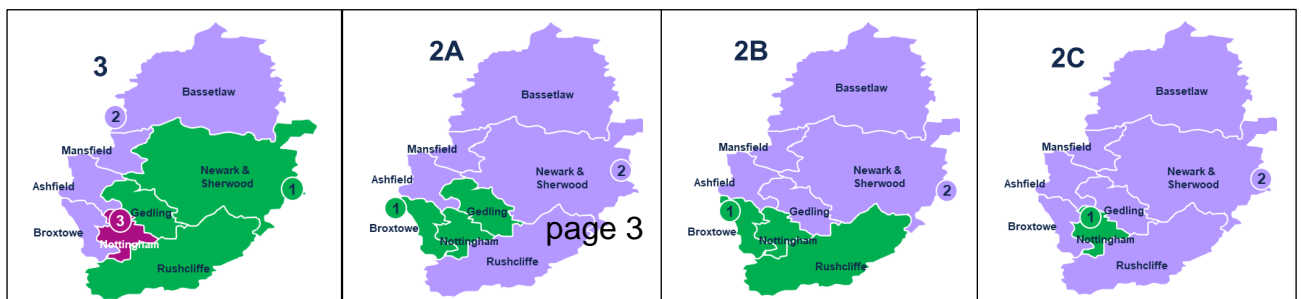
- The option comprising leaving the City on its existing boundaries and having one unitary council for the remaining authorities should fully justify its rationale, as it falls below the population threshold set out in the Government's criteria.
 - The importance of all authorities in an area using the same data on the basis of which to develop and appraise options. In this respect joint working is crucial.
 - The importance of the Government's criteria as the main method of weighing alternative models and the importance of evidence-based decision making.
- a) A proposal should seek to achieve for the whole of the area concerned the establishment of a single tier of local Government
 - b) Unitary local Government must be the right size to achieve efficiencies, improve capacity and withstand financial shocks
 - c) Unitary structures must prioritise the delivery of high quality and sustainable public services to citizens
 - d) 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
 - e) New unitary structures must support devolution arrangements
 - f) New unitary structures should enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment.

- The Government leaves open the door to additional or alternative models being explored and whilst it has a preference for agreement within an area, individual authorities can put forward one proposal that may be different from one which a majority of other local authorities agree.
- Finally, consultation with all relevant stakeholders is expected before submission of the final proposal in November.

4.3. Currently further work is being conducted to validate the financial information on the basis of which the current three options were constructed. Section 151 officers have considered this and are content that the interim plan financial assumptions are reasonable.

4.4. The current 4 options being considered are:

	KPMG Option Ref	PWC Option Ref	Councils included
Rushcliffe Only	3		<ul style="list-style-type: none"> • One Unitary Council covering Rushcliffe, Newark & Sherwood and Gedling • One Unitary Council covering Mansfield, Ashfield, Broxtowe Bassetlaw • One Unitary Council covering Nottingham City
All authorities in Nottinghamshire and Nottingham	2(A)	1(b)	<ul style="list-style-type: none"> • One unitary covering Broxtowe, Gedling and Nottingham City • One unitary covering the remaining County including Ashfield, Bassetlaw, Mansfield, Newark and Sherwood and Rushcliffe
	2(B)	1(e)	<ul style="list-style-type: none"> • One unitary covering Broxtowe, Nottingham City and Rushcliffe; • One unitary covering the remaining County including Ashfield, Bassetlaw, Gedling, Mansfield and Newark and Sherwood.
	2(C)	2	<ul style="list-style-type: none"> • One unitary covering Nottingham City (current arrangement); ▪ One unitary covering the County of Nottinghamshire.



4.5. Further work has also been commissioned from subject specialist officers on themes of:

- Housing
- Economic development and regeneration
- Community safety
- Community engagement
- Homelessness
- Critical services including adult social care, children's services and special educational needs.

This work has then been integrated with the work both Price Waterhouse Coopers and KPMG have done to assess and weigh the three options contained in the current reports.

4.6. The Preliminary results of this analysis by PWC show that the difference between option 1(b) and 1(e) is marginal, but option 1(b) may be judged to be slightly preferable to 1(e) because of factors including:

- 1(e) requires a mix of delivery models to service rural and urban communities which is more complex than 1(b)
- 1(b) provides the best opportunity for two viable future authorities
- 1(e) produces some high levels of inequality because of the very different demographic and socioeconomic features which are combined
- There are better chances for successful public sector reform under 1(b).

5. Rushcliffe Additional Proposal

5.1 In addition to the Nottinghamshire and Nottingham interim proposal options, Rushcliffe Borough Council have been developing an additional proposal supported by KPMG.

5.2 The two options based on the creation of 3 Unitary Councils, that have been analysed by KPMG on behalf of Rushcliffe are:

Unitary Council 1

Rushcliffe, Newark & Sherwood, Gedling (or also including Bassetlaw)

Unitary Council 2

Mansfield, Ashfield, Broxtowe (or also including Bassetlaw)

Unitary Council 3

City

5.3 The initial analysis by KPMG was to identify which of the two unitary models gave the best outcome to be worked up into a fully analysed option. The evidence and data lead outcome was that there is marginal difference between the 2 options, but the option of:

Council 1 - **Rushcliffe, Newark and Sherwood and Gedling**

Council 2 - **Mansfield, Ashfield, Broxtowe & Bassetlaw**

Council 3 – City

gives the best viability for a 3 unitary authority model from the two above and a better balance of population figures and geographic synergies.

- 5.4 KPMG then analysed this option further against the criteria set by government as well as a comparison analysis with the option being considered by the wider Nottingham and Nottinghamshire group. This report can be found in Appendix C.
- 5.5 The outcome that can be drawn from the analysis is that the 3 Unitary option although meeting some of the government criteria does not perform as well as some of the other options and from both KPMG and PWC, respectively, modelling does not demonstrate a better position than the option of 2(A) or the equivalent PWC option reference 1(b).
- 5.6 The above Rushcliffe proposal has been raised with other councils as part of the chief executive discussions and discussions with Leaders. Newark and Sherwood have written to the Leader of Rushcliffe Borough council making their position clear, in not supporting this option, see Appendix B.
- 5.7 At the current time this option does not have the support of any other council (from discussions with respective Leaders and Chief Executives) and also a challenge will remain with the City Council remaining on its own footprint. So, although this option would meet a number of the criteria, the sensible geography, economic viability and managing future pressures would remain a challenge against government's criteria.
- 5.8 Whilst there is no confirmed support it is possible other Nottinghamshire Councils may review the 3 unitary work undertaken and come to a different conclusion. Currently the work is on a 'temporarily pause' until clarity is obtained on options being taken forward by the other Nottinghamshire authorities as part of the all Nottinghamshire and Nottingham councils joint work and further partnership working explored with other councils (and the Nottingham City position will be clearer, section 6 refers).
- 5.9 This current phase of work with KPMG has a budget of £64k and no further commitment has been made at this time. This work is funded from the Council's Organisation Stabilisation Reserve. Any further work on the 3 unitary option is likely to incur significant cost (likely to be several hundred thousand pounds) not only in terms of the use of consultants to put a bid together but also professional expertise in areas such as Social Care, Education, Highways etc where we do not have the internal knowledge base. Furthermore, the more options being considered the more demand on senior officer time.

6. Nottingham City Proposal

- 6.1. Since the development of the interim plan and the feedback from Government a further proposal has been reported in the press and outlined at the Chief Executive Meetings. It is understood that Nottingham City Council is developing an additional proposal. It is understood that this would see smaller geographic

areas such as West Bridgford, Beeston, Hucknall, Arnold and Carlton being brought together with the City to form a new unitary council.

- 6.2. The detail around this option, has not yet been made available or any analysis provided or detail around how this would work with the other areas of Nottinghamshire or any steer from Government on the boundary review that would be required. Our decision is made on the basis that no such option would be accepted by this Council and that splitting up a number of districts is not feasible in the current LGR timeframe and is unlikely to be supported by Government.
- 6.3. An Informal Economic Prosperity Committee is being arranged in July to enable Leaders to discuss the current position and to try and generate consensus around a single model upon which all can agree on. To date, achieving such a consensus has not been possible and remains challenging.

7. Communication and Engagement

- 7.1 Consultation and Engagement are fundamental building blocks in democracy and considerations on how councils can involve their residents in these key proposals should be at the forefront of any planning discussions.
- 7.2 Whilst it is acknowledged that the views of the public should be crucial to understanding the best way to structure local Government in our area this has not been possible due to the guidance and timelines imposed by Government. Ideally, we would hope future public engagement to be joined-up with a wider public engagement exercise carried out with the other Nottinghamshire authorities (to avoid confusing the public). As well as our own engagement the expectation is the Government will undertake their own statutory consultation.
- 7.3 In addition, MHCLG in their Guidance have made it clear that any future engagement should include the relevant Mayor of the East Midlands Combined County Authority, Integrated Care Board, Police and Crime Commissioner, Fire and Rescue Authority, local Higher Education and Further Education providers, National Park Authorities, and the voluntary and third sector. We would also expect engagement with Town and Parish Councils and other local community organisations and businesses.

8. Risks and Uncertainties

- 8.1. Increasingly there will be further work pressures on services as a final option is drawn up. For example, increased financial analysis and consultation with stakeholders which will increase further if a 3 unitary option is taken forward.
- 8.2. The Government is currently reviewing how authorities are funded with a focus on deprivation. This could have an impact on the financial models going forward given the respective funding authorities will receive in the future will change particularly as a result of business rates reset.

- 8.3. Our decisions are being taken without the knowledge of what options the other Councils ultimately support and without knowing what the new Nottingham City Council option is. There is a risk that there will be no uniform support for one option which does create a challenge for both final decision making by the Government and partnership working on LGR going forward.
- 8.4. There is an expected timeline as detailed below. Given the Government failure to adhere to timelines and the complexity of this process, whether this is finally achieved by the ultimate deadline, remains to be seen.

Area	Timeline
Development of full proposal	July –October
Communication and engagement plan produced	July – early August
Communications and engagement undertaken	August – October Communication leads across all authorities supporting this joint activity
Agree final proposal	October / November 2025
Submit proposal	28 November 2025
Decision by Government	Early 2026
Shadow authority elections	May 2027
New authority vesting day	April 2028

9. Implications

9.1. Financial Implications

The costs of both KPMG work, and any prospective work to final submission stage, are covered in paragraph 5.9. Nottinghamshire authorities have received £0.369m in capacity funding from the Government which is largely expected to fund PWC work on behalf of all Nottinghamshire authorities.

Future structures of the new councils going forward will impact on the financial analysis. Further detailed work will need to be taken on validating all data between now and the final submission in November and understanding the costs of the proposed new organisation and the efficiencies and costs in reducing the number of Councils to a smaller number. Also understanding how all other elements of core spending power; in particular business rate baseline and business rate growth and any potential direction of travel and sensitivity analysis regarding wider local government financial reform impacts the modelling.

Any costs associated with the disaggregation of services, for example Social Care, have been modelled, along with the costs associated with the aggregation of councils and services into the new Authorities. However, this will need to be developed further and detailed analysis undertaken as the options are reduced and the proposal becomes more focused.

There is an implied increase in costs to supply services over a greater number of unitary authorities and this may be true in terms of management being replicated and other overheads (for example premises and system costs) However service teams should cost a similar amount as the same number of customers will require service provision, notwithstanding either changes in demand and/or further efficiencies being identified in working practices going forward.

9.2. Legal Implications

White Paper is a consultation document produced by a Government Department, in this case MHCLG. White Papers outline legislative proposals. The White Paper does not itself create legislative change. Any proposed reorganisation of Local Government will require primary legislation to be passed through the Houses of Parliament The English Devolution and Community Empowerment Bill has been published on July 10th.

It is expected that primary legislation will be passed later this year. As such, legal implications will emerge as part of the progression of reorganisation proposals and eventual legislation which would ultimately abolish existing local authorities, create a new unitary authority and transfer legal functions and obligations from the predecessor authorities to a new unitary authority.

9.3. Staffing Implications

As the implications for staff at this point are unknown it is important that we prepare the staff in awareness, upskilling and ensuring they are ready for what new unitary councils will bring. At the same time we need to manage retention and recruitment, ensuring Rushcliffe remains an authority and employer of choice. Whether this is to give them opportunities for career growth or utilising transferable skills in a new area of work or develop a specialism with a specific area of the council or step into broader management and leadership roles we want to ensure every member of staff has the best opportunity.

Through the Employee Liaison group and the wider leadership team we are creating a development programme which will support all our employees over the next 2 years and will include, opportunities to gain valuable knowledge and experience of working in a unitary council, recruitment and selection skills, identify knowledge gaps and match with training to help fill these as well as change management and how to navigate and support staff through this change. Any additional funding will be made either via in-year financial efficiencies or via the Council's Organisation Stabilisation Reserve with the Council's Medium Term Financial Strategy (MTFS) updated as appropriate and financial updates through the Council's normal governance arrangements (reports to COG, Cabinet and the MTFS to Full Council).

9.4. Equalities Implications

There are no equalities implications associated with this report. However, a full Equality Impact Assessment will be required to inform any final decision.

9.5. **Section 17 of the Crime and Disorder Act 1998 Implications**

There are no Section 17 of the Crime and Disorder Act 1998 Implications associated with this report

9.6. **Biodiversity Net Gain Implications**

There are no biodiversity net gain implications associated with this report

10. **Link to Corporate Priorities**

The Environment	The Council will continue to champion these priorities as plans for Local Government Reorganisation progress
Quality of Life	
Efficient Services	

11. **Recommendations**

It is RECOMMENDED that the Council:

- a) Receive and note the update;
- b) Endorse continuing to work collaboratively with the other local authorities across Nottingham and Nottinghamshire with a view to developing a final unitary proposal for submission to Government by 28 November 2025;
- c) Temporarily Pause any further work focusing on the Council's own 3 unitary option where Rushcliffe is joined with Newark and Sherwood and Gedling borough councils until clarity is obtained on options being taken forward as part of the all Nottinghamshire and Nottingham councils joint work;
- d) To endorse that if further support materialises for a three unitary option from other council's this option will be pursued further to a potential 'final bid' stage. and further partnership working explored with other councils;
- e) Support the development of option 1(b) One unitary council covering Broxtowe, Gedling and Nottingham City and One unitary council covering the remaining County including Ashfield, Bassetlaw, Mansfield, Newark and Sherwood and Rushcliffe;
- f) To continue to ensure any proposal does not include any part of the current Rushcliffe Borough being absorbed into any new or expand city area;
- g) To ensure the development of the final proposal includes involvement of the Town and Parish Councils and other local community organisations and businesses, as part of the wider Engagement Strategy.

For more information contact:	Adam Hill Chief Executive ahill@rushcliffe.gov.uk
Background papers available for Inspection:	Full Council report 20 March 2025
List of appendices:	<ul style="list-style-type: none"> A. Letter local government reorganisation interim plan feedback: Nottinghamshire and Nottingham B. Letter from Newark and Sherwood District Council C. KPMG Local Government Reorganisation Report D. PWC Local Government Reorganisation Summary Document E. PWC Options Appraisal



Ministry of Housing,
Communities &
Local Government

3 June 2025

LOCAL GOVERNMENT REORGANISATION

INTERIM PLAN FEEDBACK: NOTTINGHAMSHIRE AND NOTTINGHAM

To the Chief Executives of:

Ashfield District Council
Bassetlaw District Council
Broxtowe Borough Council
Gedling Borough Council
Mansfield District Council
Newark and Sherwood District Council
Nottinghamshire County Council
Rushcliffe Borough Council
Nottingham City Council

Overview

Thank you for submitting your interim plan. The amount of work from all councils is clear to see across the range of options being considered. For the final proposals, each council can submit a single proposal for which there must be a clear single option and geography and, as set out in the guidance, we expect this to be for the area as a whole; that is, the whole of the area to which the 5 February invitation was issued, not partial coverage.

Our aim for the feedback on interim plans is to support areas to develop final proposals. This stage is not a decision-making point, and our feedback does not seek to approve or reject any option being considered.

The feedback provided relates to the following:

- The Nottingham and Nottinghamshire Interim Plan for Local Government Reorganisation
- The letter submitted by Nottingham City Council and proposed option
- The Rushcliffe Borough Council letter and proposed options
- The letter submitted by Broxtowe Borough Council
- The letter submitted by Bassetlaw District Council, Gedling Borough Council and Mansfield District Council

We have provided feedback on behalf of central government. It takes the form of:

1. A summary of the main feedback points,
2. Our response to the specific barriers and challenges raised in your plans,
3. An annex with more detailed feedback against each of the interim plan asks.

We reference the guidance criteria included in the invitation letter throughout, a copy can be found at [LETTER: NOTTINGHAMSHIRE AND NOTTINGHAM – GOV.UK](#). Our central message is to build on your initial work and ensure that the final proposal(s) address the criteria and are supported by data and evidence. We recommend that final proposal(s) should use the same assumptions and data sets or be clear where and why there is a difference.

We welcome the work that has been undertaken to develop local government reorganisation plans for Nottinghamshire and Nottingham. This feedback does not seek to approve or discount any option or proposal, but provide some feedback designed to assist in the development of final proposals. We will assess final proposals against the guidance criteria provided in the invitation letter and have tailored this feedback to identify where additional information may be helpful in enabling that assessment. Please note that this feedback is not exhaustive and should not preclude the inclusion of additional materials or evidence in the final proposal(s). In addition, your named area lead in MHCLG, Katrina Crookdake, will be able to provide support and help address any further questions or queries.

Summary of the Feedback:

We have summarised the key elements of the feedback below, with further detail provided in the Annex.

1. In some of the options you are considering populations that would be below or above 500,000. As set out in the Statutory Invitation guidance and in the English Devolution White Paper, we outlined a population size of 500,000 or more. This is a guiding principle, not a hard target – we understand that there should be flexibility, especially given our ambition to build out devolution and take account of housing growth, alongside local government reorganisation. **All proposals, whether they are at the guided level, above it, or below it, should set out the rationale for the proposed approach clearly.**
2. The criteria ask that 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 public safety (see criterion 3). **For any options where you are considering disaggregation, further detail will be helpful on how the different options might impact on these services and how risks can be mitigated.**

3. We welcome steps taken to come together to prepare proposals as per criterion 4:
 - a. **Effective collaboration between all councils across the invitation area will be crucial; we would encourage you to continue to build strong relationships and agree ways of working, including around effective data sharing. This will support the development of a robust shared evidence base to underpin final proposals.**
 - b. **It would be helpful if final proposal(s) use the same assumptions and data sets.**
 - c. **It would be helpful if final proposal(s) set out how the data and evidence supports all the outcomes you have included, and how well they meet the assessment criteria in the invitation letter.**
 - d. **You may wish to develop the options appraisal to help demonstrate why your proposed approach in the round best meets the assessment criteria in the invitation letter compared to any alternatives.**
4. We welcome the consideration of the implications and potential benefits of unitarisation for the East Midlands Combined County Authority (EMCCA). Further information would be helpful on the implications of the proposed local government reorganisation options for the governance arrangements in EMCCA. It would also be helpful to outline how each option would interact with EMCCA and best benefit the local community.

Response to specific barriers and challenges raised

Please see below our response to the specific barriers and challenges that were raised in your interim plans.

1. Public feedback and consultation requirements

You asked about the approach to consultation and the weighting given to public feedback in the assessment of the final proposal(s).

Once a proposal has been submitted it will be for the Government to decide on taking a proposal forward and to consult as required by statute. The Secretary of State may not implement a proposal unless she has consulted with other councils affected by it and any other appropriate person. We are happy to engage further on these consultation requirements and the likely process for areas undergoing reorganisation in due course.

Decisions on the most appropriate option for each area will be judgements in the round, having regard to the guidance and the available evidence. As set out in the answer to question three, the criteria are not weighted.

It is for you to decide how best to engage locally in a meaningful and constructive way with residents, voluntary sector, local community groups, Neighbourhood Boards, parish councils, public sector providers, such as health, police and fire, and local

businesses to inform your proposals. We note the interim plans helpfully set out a range of engagement with stakeholders.

2. Additional costs for developing proposals and capacity funding

You have requested confirmation on the capacity funding that will be provided from government to meet the costs of developing proposals.

£7.6 million will be made available in the form of local government reorganisation proposal development contributions, to be split across the 21 areas. Further information will be provided on this funding shortly.

3. Consideration of local criteria and clarity of feedback

You asked whether government will consider locally applied criteria or use a weighting for the criteria against which final proposals are assessed. The criteria are not weighted. Our aim for this feedback is to support areas to develop final proposals that address the criteria and are supported by data and evidence. Decisions on the most appropriate option for each area will be judgements in the round, having regard to the guidance and the available evidence.

You also noted the importance of timely feedback and decision making to support local government reorganisation work to move at pace. Katrina Crookdake has been appointed as your MHCLG point person and will be ready to engage with the whole area, to support this work to continue at pace.

4. Support for local partners to introduce new or alternative options

You note that your interim plan contains indicative proposals and that additional options may be put forward. For the November submission, each council can submit a single proposal for which there must be a clear single option and geography. These options are not limited to those you have outlined in your interim plan. We will not provide written feedback on additional options. As set out above, Katrina Crookdake, as your MHCLG point person, will be happy to support you as you work towards the submission of your final proposal(s).

5. Engagement with officials during proposal development

We note the request to have direct engagement and ongoing dialogue with officials to support the development of proposals. Government is committed to supporting all invited councils equally while they develop proposal(s). As set out above, Katrina Crookdake will be your named area lead and is ready to engage with the whole area on issues you wish to discuss further ahead of the deadline for final plans on 28 November 2025.

6. Boundary changes

You have requested information on the implications of a boundary review for reorganisation in Nottinghamshire and Nottingham. As the invitation letter sets out boundary changes are possible, but “existing district areas should be considered the

building blocks for proposals, but where there is a strong justification more complex boundary changes will be considered.”

The final proposal must specify the area for any new unitary council(s). If a boundary change is part of your final proposal, then you should be clear on the boundary proposed, which could be identified by a parish or ward boundary, or if creating new boundaries by attaching a map.

Proposals should be developed having regard to the statutory guidance which sets out the criteria against which proposals will be assessed (including that listed above).

If a decision is taken to implement a proposal, boundary change can be achieved alongside structural change. Alternatively, you could make a proposal for unitary local government using existing district building blocks and consider requesting a Principal Area Boundary Review (PABR) later. Such reviews have been used for minor amendments to a boundary where both councils have requested a review – such as the recent Sheffield/Barnsley boundary adjustment for a new housing estate. PABRs are the responsibility of the Local Government Boundary Commission for England who will consider such requests case-by-case.

7. Treatment of debt

We note your request for dialogue with Government with respect to the levels of indebtedness among councils and on the treatment of debt. We expect proposals to set out how they will meet criterion 2 under the statutory invitation, and, as per criterion 2f, proposal(s) should reflect the extent to which debt can be managed locally, including as part of efficiencies possible through reorganisation. We will consider the financial analysis and evidence provided in final proposals.

8. Impact of the Spending Review on proposals

You asked about the impact of the Spending Review on proposals for local government reorganisation.

Government recently consulted on funding reforms and confirmed that some transitional protections will be in place to support areas to their new allocations. Further details on funding reform proposals and transition measures will be consulted on after the Spending Review in June.

We will not be able to provide further clarification on future allocations in the meantime but are open to discussing assumptions further if we can assist in financial planning.

9. Implications for Charter Towns and impact on ceremonial roles

You asked about the implications for Charter Towns within the proposed new unitary arrangements and the impact on ceremonial roles. This is important to the Government, as we know it is to local communities.

Where local government re-organisation might affect ceremonial privileges, we will work with local leaders to ensure that areas retain their ceremonial rights and privileges.

There is no intention that the priorities set out in the English Devolution White Paper will impact on the ceremonial counties or the important roles that Lord Lieutenants and High Sheriffs play as the Monarch's representatives in those counties, and ceremonial counties will be retained. The Government recognises and values the work they do in relation to civic, business, social and community life in the ceremonial counties, and will ensure that the ceremonial rights and privileges of an area will be maintained after any reorganisation of local government.

10. Guidance on Town and Parish Councils

You asked whether further guidance could be issued on town and parish councils.

The English Devolution White Paper was clear that we know people value the role of governance at the community scale.

All levels of local government have a part to play in bringing improved structures to their area through reorganisation. We will therefore want to see stronger community arrangements when reorganisation happens in the way councils engage at a neighbourhood or area level.

We recognise the value that parish councils offer to their local communities and continue to support the work they do; but this is not a replacement for local authorities hardwiring local community engagement into their own structures, preferably through neighbourhood Area Committees. Parish councils are independent institutions and are not a substitute for meaningful community engagement and neighbourhood working by a local authority. Areas considering new parish councils should think carefully about the distinct role they will play and how they might be funded, to avoid putting further pressure on local authority finances and/or new burdens on the taxpayer.

In final proposal(s), we would welcome further information on neighbourhood-based governance, the impact on parish councils, and the role of neighbourhood Area Committees.

11. Engagement on wider policy reform

You noted the importance of joined up communication with other government departments as well as MHCLG in respect of wider policy reform. As set out above, Katrina Crookdake will be your point person in MHCLG and will be able to support your engagement with other government departments.

12. Risk assessment of local government reorganisation on sustainability of care services

You note that some of your services are on improvement journeys and ask what support will be available during the reorganisation process to support the resilience of these services. In the final proposal(s) we would welcome further detail on your

concerns, including details of the particular risks in these instances and potential mitigations you may consider to manage this issue. Particular consideration of these issues would be welcome where you are considering disaggregation and amalgamation of services which are on improvement journeys. As set out above, Katrina Crookdake, as your point person will be happy to further discuss any particular concerns and connect you where helpful with relevant sector support

13. Regulatory impact

You asked that any upcoming regulatory inspections take account of the local government reorganisation process.

We recognise the additional demands on councils during reorganisation. Inspectorates are independent of central government and set their own timelines and frameworks. Inspectorates and regulators (such as Ofsted and the CQC) are a vital part of accountability, and support improvement for the benefit of local people. However, we will seek to work with them to ensure that they are well-informed of local government reorganisation and devolution processes and they can, at their discretion, factor them into their independent plans, for example, by tailoring or scheduling inspections and assessments to support local government reorganisation

14. Public consultation or referendum on final proposals

We note the request in the letter from Rushcliffe Borough Council for a public consultation exercise or referendum on the final proposals. As stated above, it is for you to decide how best to engage locally in a meaningful and constructive way with stakeholders, including residents.

Once a proposal has been submitted it will be for the Government to decide on taking a proposal forward and to consult as required by statute. The Secretary of State may not implement a proposal unless she has consulted with other councils affected by it and any other appropriate person. We are happy to engage further on these consultation requirements and the likely process for areas undergoing reorganisation in due course.

15. Request to pause reorganisation process

We note the concerns outlined in the letter from Broxtowe Borough Council on any unitary authority that includes the areas of Broxtowe and Nottingham City. We also note your request to pause the reorganisation process in the invitation area until Nottingham City Council is financially stable. We welcome the positive progress that has been made in Nottingham City Council's improvement to date, as outlined in the Commissioners' second report published on 8 May. Ministers are clear that the full range of reforms at the Council must now be embedded, alongside working collaboratively to develop proposals for local government reorganisation.

ANNEX: Detailed feedback on criteria for interim plan

Ask – Interim Plan Criteria	Feedback
<p>Identify the likely options for the size and boundaries of new councils that will offer the best structures for delivery of high-quality and sustainable public services across the area, along with indicative efficiency saving opportunities.</p> <p>Relevant criteria:</p> <p>1 c) Proposals should be supported by robust evidence and analysis and include an explanation of the outcomes it is expected to achieve, including evidence of estimated costs/benefits and local engagement</p> <p>&</p> <p>2 a-f) - Unitary local government must be the right size to achieve efficiencies, improve capacity and withstand financial shocks</p> <p>&</p> <p>3 a-c) Unitary structures must prioritise the delivery of high quality and sustainable public services to citizens</p>	<p>We welcome the initial thinking on the options for local government reorganisation in Nottinghamshire and Nottingham and the engagement that has been started with stakeholders. We note the local context and challenges outlined in the proposals and the potential benefits that have been identified for the options put forward.</p> <p>We also welcome the input that has been sought from Commissioners appointed to Nottingham City Council and would encourage you to continue to engage with them as proposals are developed further.</p> <p>We welcome the analysis that has been developed to date in the joint proposal. Your plans set out your intention to develop this further, and this additional detail and evidence, on the outcomes that are expected to be achieved of any preferred model would be welcomed.</p> <p>You may wish to consider developing the options appraisal against the criteria set out in the letter to provide a rationale for the preferred model against alternatives.</p> <p>Where there are proposed boundary changes, the proposal should provide strong public services and financial sustainability related justification for the change.</p> <p>Proposals should be for a sensible geography which will help to increase housing supply and meet local needs, including future housing growth plans. All proposals should set out the rationale for the proposed approach.</p> <p>Given the financial pressures you identify it would be helpful to understand how efficiency savings have been considered alongside a sense of place and local identity.</p> <p>We recognise that the options outlined in the interim plans are subject to further development. In final proposal(s) it would be helpful to include a high-level financial assessment which covers transition costs</p>

	<p>and overall forecast operating costs of the new unitary councils.</p> <p>We will assess final proposal(s) against the criteria in the invitation letter. Referencing criteria 1 and 2, you may wish to consider the following bullets:</p> <ul style="list-style-type: none"> • high level breakdowns for where any efficiency savings will be made, with clarity of assumptions on how estimates have been reached and the data sources used, including differences in assumptions between proposal(s) • information on the counterfactual against which efficiency savings are estimated, with values provided for current levels of spending • a clear statement of what assumptions have been made and if the impacts of inflation are taken into account • a summary covering sources of uncertainty or risks with modelling, as well as predicted magnitude and impact of any unquantifiable costs or benefits • where possible quantified impacts on service provision, as well as wider impacts <p>We recognise that for the joint plan submitted, initial modelling, including financial modelling has been conducted and note the financial pressures outlined in the joint interim plan. The bullets below indicate where information would be helpful across all options. As per criteria 1 and 2, it would be helpful to see:</p> <ul style="list-style-type: none"> • data and evidence to set out how your final proposal(s) would enable financially viable councils across the whole area, including identifying which option best delivers value for money for council taxpayers • further detail on potential finances of new unitaries, for example, funding, operational budgets, potential budget surpluses/shortfalls, total borrowing (General Fund), and debt servicing costs (interest and MRP); and what options may be available for rationalisation of potentially surplus operational⁴¹ assets • clarity on the underlying assumptions underpinning any modelling e.g. assumptions of future funding, demographic growth and pressures, interest costs, Council Tax, savings earmarked in existing councils' MTFS
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	<ul style="list-style-type: none"> • financial sustainability both through the period to the creation of new unitary councils as well as afterwards • As criterion 2e states and recognising that Nottingham City Council has received exceptional financial support, proposals must additionally demonstrate how reorganisation may contribute to putting local government in the area on a more sustainable footing, and any assumptions around what arrangements may be necessary to make new structures viable <p>The joint plan has indicated a high level of debt amongst some authorities. As per criterion 2f, proposals should set out how debt can be managed locally, including as part of efficiencies possible through reorganisation. This could include appraisal of total borrowing and debt servicing costs within new structures (and assessment of affordability against funding/operational costs), and the potential for rationalisation of surplus operational assets.</p> <p>For options that have implications for Nottingham City, we would welcome your analysis of any impacts for the operation of the tram PFI contract & street lighting PFI.</p> <p>For proposals that would involve disaggregation of services, we would welcome further details on how services can be maintained where there is fragmentation such as social care, children's services, SEND, homelessness, and for wider public services including public safety. With reference to criteria 3c you may therefore wish to consider:</p> <ul style="list-style-type: none"> • how each option would deliver high-quality and sustainable public services or efficiency saving opportunities • what would the different options mean for local services provision, for example: <ul style="list-style-type: none"> • do different options have a different impact on SEND services and distribution of funding and sufficiency planning to ensure children can access appropriate support, and how will services be maintained? • what is the impact on adults and children's care services? Is there a differential impact on the number of care users and infrastructure to support them among the different options? How will quality of service
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	<p>be maintained or where necessary improved in each option?</p> <ul style="list-style-type: none"> • what partnership options have you considered for joint working across the new unitaries for the delivery of social care services? • do different options have variable impacts as you transition to the new unitaries, and how will risks to safeguarding be managed? • do different options have variable impacts on schools, support and funding allocation, and sufficiency of places, and how will impacts on schools be managed? • what are the implications for public health, including consideration of socio-demographic challenges and health inequalities within any new boundaries and their implications for current and future health service needs? What are the implications for how residents access services and service delivery for populations most at risk? <p>We note the initial thinking on opportunities for public service reform set out in the interim plan and the steps taken to explore these with strategic partners as part of your engagement on local government reorganisation. We would encourage you to provide further details on how your proposal(s) would maximise these opportunities, so that we can explore how best to support your efforts.</p>
<p>Include indicative costs and arrangements in relation to any options including planning for future service transformation opportunities.</p> <p>Relevant criteria: 2d) Proposals should set out how an area will seek to manage transition costs, including planning for future service transformation opportunities from existing budgets, including from the flexible use of capital</p>	<p>We welcome initial thinking on opportunities for service transformation and back-office efficiencies and note the history of local authorities working together in the area. We also welcome the commitment to multi-agency working and a focus on prevention and early intervention across the joint plan submitted.</p> <p>As per criterion 2, the final proposal(s) should set out how an area will seek to manage transition costs, including planning for future service transformation opportunities from existing budgets, including from the flexible use of capital receipts that can support authorities in taking forward transformation and invest-to-save projects.</p> <ul style="list-style-type: none"> • within this it would be helpful to provide more detailed analysis on expected transition and/or disaggregation costs and potential efficiencies of

<p>receipts that can support authorities in taking forward transformation and invest-to-save projects.</p>	<p>proposals. This could include clarity on methodology, assumptions, data used, what year these may apply and why these are appropriate.</p> <ul style="list-style-type: none"> • detail on the potential service transformation opportunities and invest-to-save projects from unitarisation across a range of services -e.g. consolidation of waste collection and disposal services, and whether different options provide different opportunities for back-office efficiency savings • where it has not been possible to monetise or quantify impacts, you may wish to provide an estimated magnitude and likelihood of impact. • summarise any sources of risks, uncertainty and key dependencies related to the modelling and analysis • detail on the estimated financial sustainability of proposed reorganisation and how debt could be managed locally <p>We note the financial pressures that councils are facing. It would be helpful if detail on the councils' financial positions and further modelling is set out in the final proposal(s).</p>
<p>Include early views as to the councillor numbers that will ensure both effective democratic representation for all parts of the area, and also effective governance and decision-making arrangements which will balance the unique needs of your cities, towns, rural and coastal areas, in line with the Local Government Boundary Commission for England guidance.</p> <p>Relevant criteria: 6) New unitary structures should enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment.</p>	<p>We note the initial thinking on councillor numbers and that detailed analysis will be undertaken during the next phase of the work, and ahead of the deadline for final submissions in November. We will share these initial assumptions with the Local Government Boundary Commission for England (LGBCE). There are no set limits on the number of councillors although the LGBCE guidance indicates that a compelling case would be needed for a council size of more than 100 members.</p> <p>New unitary structures should enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment.</p> <p>We note the planned work on local engagement models that will take place after the interim plan submission. Additional details on how the community will be engaged specifically how the governance, participation and local voice will be addressed to strengthen local engagement, and democratic decision-making would be helpful.</p> <p>In final proposal(s) we would welcome detail on your plans for neighbourhood-based governance, the</p>

	impact on parish councils, and the role of formal neighbourhood partnerships and Area Committees.
<p>Include early views on how new structures will support devolution ambitions.</p> <p>Relevant Criteria: 5) New unitary structures must support devolution arrangements.</p>	<p>We note the benefits and opportunities that local government reorganisation provides in relation to the EMCCA, as outlined in your interim plan. For example, the plan highlights planning, health and integrated care as areas in which local government reorganisation would have a benefit to the delivery of EMCCA's priorities.</p> <p>Further information would be helpful on the implications of the proposed local government reorganisation options for the governance arrangements in EMCCA. It would also be helpful to outline how each option would interact with EMCCA and best benefit the local community. We would also recommend consulting with the Mayor of EMCCA and note that you indicate that formal engagement with the mayor will take place in the next phase.</p>
<p>Include a summary of local engagement that has been undertaken and any views expressed, along with your further plans for wide local engagement to help shape your developing proposals.</p> <p>Relevant criteria: 6a&b) new unitary structures should enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment</p>	<p>We welcome the commitment to undertaking 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, including your intent to hold a public consultation on this topic.</p> <p>It is for you to decide how best to engage locally in a meaningful and constructive way with residents, the voluntary sector, Neighbourhood Boards, local community groups and councils, public sector providers such as health, police and fire, and local businesses to inform your proposal.</p> <p>For proposals that involve disaggregation of services, you may wish to engage in particular with those residents who may be affected. It would be helpful to see detail that demonstrates how local ideas and views have been incorporated into the final proposal(s).</p>
Set out indicative costs of preparing proposals and standing up an implementation team as well as any arrangements proposed to coordinate potential capacity funding across the area.	<p>We note your initial thinking on your approach to preparing proposals. We recognise that work is ongoing to consider the costs of this work and of standing up an implementation team.</p> <p>£7.6 million will be made available in the form of local government reorganisation proposal development contributions, to be split across the 21 areas. Further information will be provided on this funding shortly.</p>

<p>Relevant criteria: Linked to 2d) Proposals should set out how an area will seek to manage transition costs, including planning for future service transformation opportunities from existing budgets, including from the flexible use of capital receipts that can support authorities in taking forward transformation and invest-to-save projects.</p>	<p>We would welcome further detail in your final proposal(s) over the level of cost and the extent to which the costs are for delivery of the unitary structures or for transformation activity that delivers additional benefits.</p>
<p>Set out any voluntary arrangements that have been agreed to keep all councils involved in discussions as this work moves forward and to help balance the decisions needed now to maintain service delivery and ensure value for money for council taxpayers, with those key decisions that will affect the future success of any new councils in the area.</p> <p>Relevant criteria: 4 a-c) 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.</p>	<p>We welcome the steps taken to facilitate joint working across the area (see criterion 4). Continuing effective collaboration between all councils, will be crucial; areas will need to build strong relationships and agree ways of working, including around effective data sharing.</p> <p>This will enable you to develop a robust shared evidence base to underpin your final proposal(s) (see criteria 1c). We recommend that your final proposal(s) should use the same assumptions and data sets or be clear where and why there is a difference.</p> <p>We would expect the final proposal(s) to have regard to the implications for the whole invitation area and mayoral strategic authority area.</p>



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15 May 2025

Dear Neil

Local Government Reorganisation

I hope all is well with you and congratulations on your re-election to the County Council. I imagine things are 'interesting' to say the least!

Anyway, John has fed back to me on yesterday's LGR discussion amongst Notts CEOs and that Adam had passionately and constructively sought support for including Rushcliffe's 'fourth options' within the ongoing workstreams and options appraisals.

I have some sympathy with your position. I'm aware of the local feeling and there is of course some rationale for your options that join our two authorities together. I'm afraid though that I can't support the inclusion of any other option, not just yours, and my Council mandate is to progress things in accordance with the Interim Plan. As Leaders, we've all tried really hard to hold things together as a collective, even if this has meant compromise and against our personal views. I've not spoken with other Leaders but my worry is that if Rushcliffe progress an option that is not included within the Interim Plan, this could unravel the County-wide commitment to joint working and a number of individual Councils will coalesce and work separately on their preferred option(s). My additional concern is that the options you are promoting fail to meet the Government's criteria and whether we agree with this criteria or not, they are the rules of the game.

While I completely respect yours and Rushcliffe's freedom to progress whatever option(s) it chooses, my clear position to John is that we will not support any work or public communication associated with any option other than those included in the Interim Plan.

Kind regards

Councillor Paul Peacock
Leader, Newark and Sherwood District Council

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Local Government Reorganisation (LGR) Options Appraisal

Potential three-unitary model

14th July 2025





Report contents

	Report section	Page
1	Purpose and approach	3
2	Options evaluation results	12
3	Financial model: LGR costs and savings	21
4	Key considerations informing decision to proceed	25
	Appendix	Page
A1	Data sources	33
A2	Key metrics and factors by criteria	36
A3	Financial model assumptions and inputs	41
A4	Selecting a three-unitary model	48

1. Purpose and approach

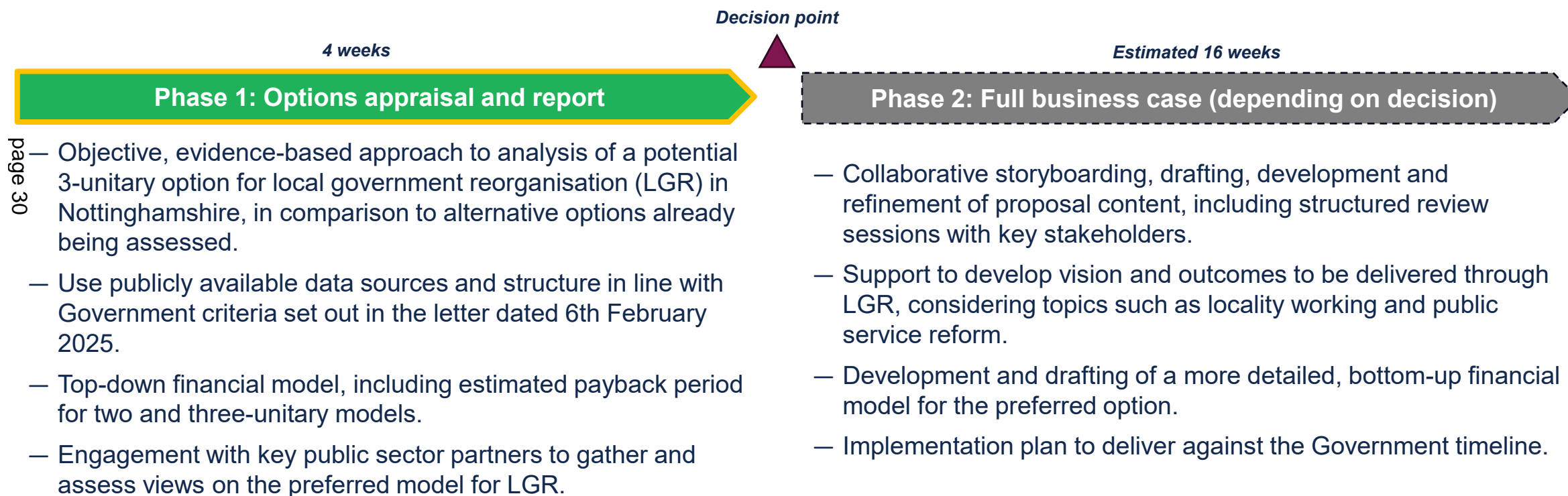
page 29





Scope of work: Phase 1 and potential Phase 2

An options appraisal, focussed on a three-unitary model and summarised in this report, has been completed to enable the leadership of Rushcliffe Borough Council to determine whether to proceed to the development of a full business case for submission to Government.

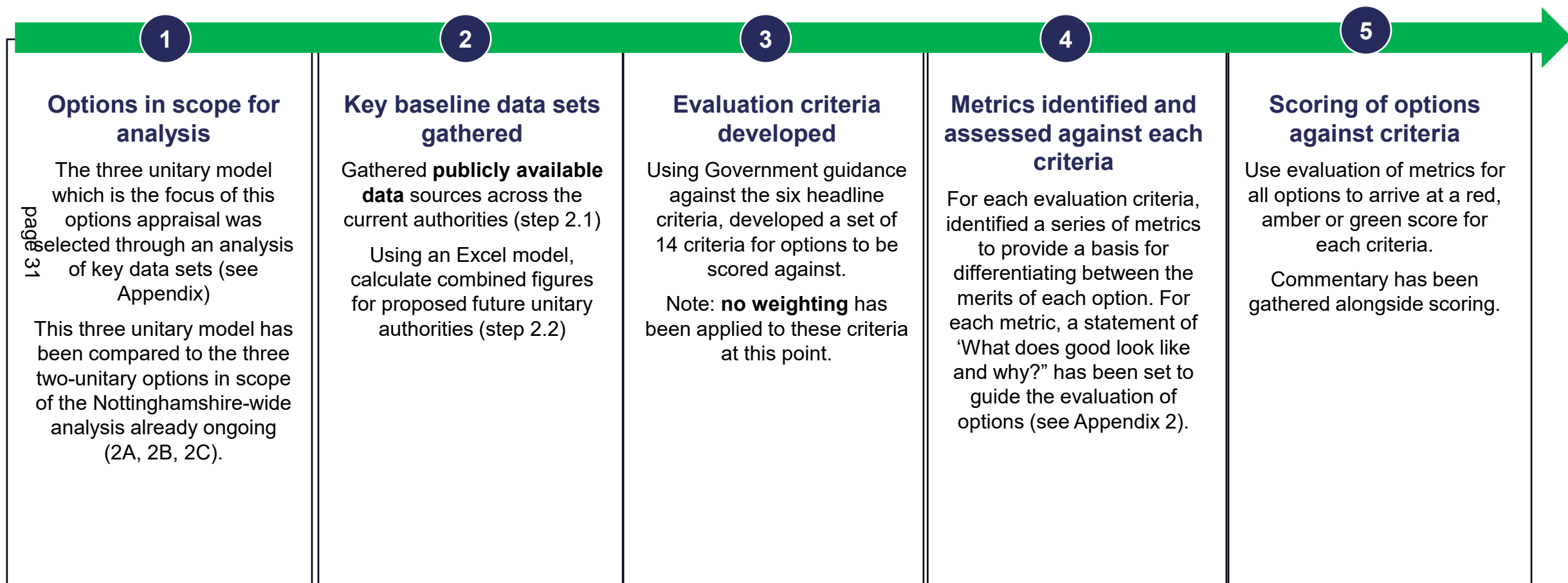




Summary of approach to options analysis

A summary of the approach taken to complete this options evaluation exercise are set out below.

Each step has a supporting page with additional detail.



page 31



Rushcliffe
Borough Council

Step 1: Options in scope for analysis

1

2

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4

5

page 32

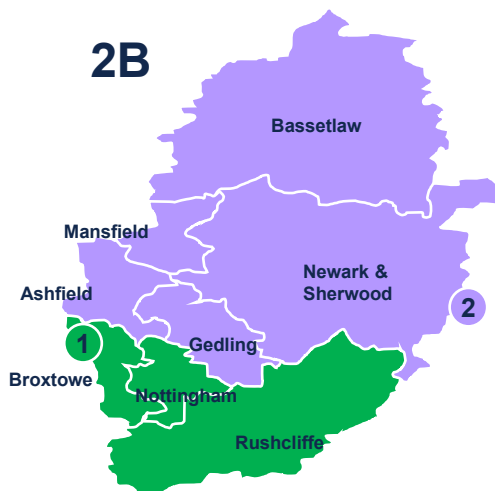
Options being analysed in analysis being performed on behalf of all nine authorities

2A



	1	2
Population	561,011	612,759
GVA per Capita (£)	27,957	22,428

2B



	1	2
Population	566,302	607,468
GVA per Capita (£)	30,817	19,712

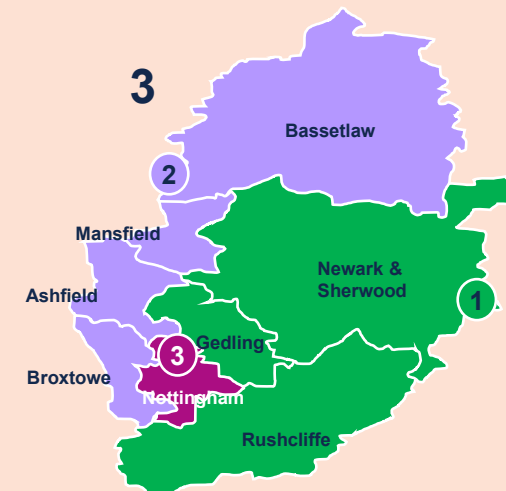
2C



	1	2
Population	329,276	844,494
GVA per Capita (£)	34,855	21,255

Core focus of this scope of work

3



	1	2	3
Population	368,585	475,909	329,276
GVA per Capita (£)	21,951	20,716	34,855



Rushcliffe
Borough Council

Step 2.1: Key baseline data sets gathered

Publicly available data has been gathered to support the case. The table below shows baseline data across all current Council areas including total figures across Nottingham and Nottinghamshire Councils. Please refer to the Appendix for all data sources.

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Metric	Nottingham City (unitary)	District and Borough councils							Nottinghamshire County Council	Total / Average
		Ashfield	Bassetlaw	Broxtowe	Gedling	Mansfield	Newark and Sherwood	Rushcliffe		
Population (2023)	329,276	128,360	122,286	113,172	118,563	112,091	126,168	123,854	844,494	1,173,770
Geographic area (sq km) (2023)	74	109	639	80	119	76	651	409	2086	2,161
Population density (people per sqkm) (2023)	4,412	1,172	191	1,413	988	1,461	194	303	817	1,267
Total GVA (£ million) (2022)	11,477	2,895	2,608	2,478	1,729	1,878	2,865	3,497	17,950	29,427
GVA per capita (£) (2022)	34,855	22,554	21,327	21,896	14,583	16,754	22,708	28,235	21,151	22,864
65+ Population (2023)	38,732	25,553	27,217	24,711	25,917	22,139	28,823	27,034	181,394	220,126
Deprivation score (2019)	0.20	0.15	0.12	0.10	0.10	0.16	0.11	0.06	0.11	0.12
Homelessness Rate (per 1,000 Households) (Apr-Jun 2024)	3.38	1.16	1.22	0.34	0.74	1.28	0.45	1.10	0.90	1.21
Unemployment rates (%) (Oct 23-Sept 24)	6.58	4.79	4.19	3.98	3.79	4.67	3.34	2.55	3.90	4.24
Total Crime Rate per 1,000 Population (2024)	118.4	79.5	78.3	TBC	TBC	97.5	68.3	TBC	80.9	88.4
Housing Delivery Test Measurement (2023) (%)	115%	86%	354%	88%	109%	176%	188%	173%	168%	161%
Council tax base (number of band D equivalent properties) (2024)	71,062	34,682	39,238	35,568	39,664	31,290	42,720	47,769	270,934	42,749
Council Tax band D (average) (£) (2024-26)	2,656	2,562	2,567	2548	2482	2494	2626	2,394	2,525	2,541
Retained Business Rates (£m) (2024-25)	62.2	19.9	20.3	31.0	10.5	11.0	18.1	11.6		128.2
Non-Earmarked Reserves (£m) (2023-24)	17.6	27.4	2.5	6.1	13.5	15.5	32.7	2.6	327.3	445.2
Net revenue expenditure (£m) (2023/24)	231.4	15.3	15.3	11.1	12.3	13.4	21.3	14.5	590.9	924.9
Financing Costs (£m) (2023/24)	30.9	3.4	0.6	3.2	4.1	2.3	4.2	2.0	19.7	70.2
Financing Costs as % Net revenue expenditure (2023-24)	13%	22%	4%	29%	33%	17%	20%	13%	3%	7%



Rushcliffe
Borough Council

Step 2.2: Key data sets: future unitary options

An Excel model has been used to calculate combined figures for proposed future unitary authorities. The table below shows the key data sets applied for each of the 6 identified options.

* Including County Council allocations

Metric	Option 2A		Option 2B		Option 2C		Option 3		
	Br,Ge,NC	As,Ba,Ma,NS,Ru	Br,NC,Ru	As,Ba,Ge,Ma,NS	NC	Remaining	Ru,NS,Ge	Ma,As,Br,Ba	NC
Population (2023)	561,011	612,759	566,302	607,468	329,276	844,494	368,585	475,909	329,276
Geographic area (sq km) (2023)	275	1,887	565	1598	75	2,087	1,181	906	75
Population density (people per sqkm) (2023)	2,042	325	1,004	380	4,412	404	312	525	4,412
Total GVA (£ million) (2022)	15,684	13,743	17,452	11,975	11,477	17,950	8,091	9,859	11,477
GVA per capita (£) (2022)	27,957	22,428	30,817	19,713	34,855	21,255	21,952	20,716	34,855
65+ Population (2023)	89,369	130,766	90,477	129,649	38,732	181,394	81,774	99,620	38,732
Deprivation score (2019)	0.13	0.12	0.12	0.13	0.20	0.11	0.09	0.13	0.20
Homelessness Rate (per 1,000 Households) (Apr-Jun 2024)	2.21	1.04	2.27	0.97	3.38	0.90	0.76	1.01	3.38
Unemployment rates (%) (Oct 23-Sept 24)	4.78	3.91	4.37	4.16	6.58	3.90	3.23	4.41	6.58
Total Crime Rate per 1,000 Population (2024)	69.50	64.15	68.85	64.71	118.41	46.55	23.37	64.50	118.41
Housing Delivery Test Measurement (2023) (%)	109%	182%	126%	167%	115%	158%	158%	158%	115%
Council tax base (number of band D equivalent properties) (2024)	146,295	195,702	154,400	187,596	71,062	270,934	130,154	140,779	71,062
Council Tax band D (average) (£) (2024-26)	2,562	2,528	2,533	2,547	2,656	2,525	2,501	2,543	2,656
Retained Business Rates (£m) (2024-25)	84.8	81.8	85.9	80.0	62.2	103.7	40.3	63.4	62.2
Non-Earmarked Reserves (£m) (2023-24)*	101.8	251.6	92.4	261.1	17.6	335.8	151.6	184.2	17.6
Net revenue expenditure (£m) (2023/24)*	417	508	423.1	502	231	694	306	387	231
Financing Costs (£m) (2023/24)*	43.6	26.7	41.6	28.7	30.9	39.5	18.9	20.6	30.9
Financing Costs as % Net revenue expenditure (2023-24)*	10%	5%	10%	6%	13%	6%	6%	5%	13%



Step 3. Evaluation criteria developed

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page 35

Fourteen evaluation criteria have been defined by direct reference to Government guidance in the letter dated 6th February 2025 and the guidance provided by Government in June 2025.

The letter includes clear requirements to be included within LGR proposals. These have been used to develop the evaluation criteria shown here where they enable comparison between options.

Some of the government requirements are not included in the evaluation criteria where they have been deemed to be statements of requirements for proposals rather than differentiating factors for LGR geographies.

Evaluation criteria defined to structure options analysis

Headline Government Criteria	Evaluation criteria based on Government guidance
1. Establishing a single tier of local government	1.1 Sensible economic areas with an appropriate tax base 1.2 Sensible geography to increase housing supply and meet local needs 1.3 Single tier governance structures
2. Efficiency, capacity and withstanding shocks	2.1 Population of 500,000 or more as a guiding principle 2.2 Efficiencies to improve council finances and taxpayer value for money 2.3 Transition costs and transformation opportunities 2.4 Putting local government finances on a firmer financial footing
3. High quality and sustainable public services	3.1 Improving service delivery and avoiding unnecessary service fragmentation 3.2 Public service reform and better value for money 3.3 Impact on crucial services such as social care, children's services, SEND and homelessness
4. Working together to understand and meet local needs	4.1 Local identity, culture and historical importance 4.2 Views expressed through local engagement, and ability to address any concerns
5. Supporting devolution arrangements	5.1 Sensible population ratios between local authorities and any strategic authority
6. Stronger community engagement and neighbourhood empowerment	6.1 Enabling strong community engagement



Step 4: Metrics identified against each criteria

For each of the 15 evaluation criteria, a series of metrics have been identified. Each of these has been included in the analysis on the basis that it provides a potential means for differentiating between options.

For each metric identified, a statement of 'What does good look like and why?' has been set to guide the evaluation of options.

Example metrics identified: Evaluation Criteria 1.1 - Sensible economic areas with an appropriate tax base

Metrics / factors	What does good look like and why?
Gross Value Added (GVA) per Capita	Balanced GVA per capita between unitaries, suggesting balanced levels of productivity and positive implications for the distribution of economic prosperity.
Total Gross Value Added (GVA)	Each unitary has a sufficient GVA to generate tax and there is balance between unitaries, meaning good long-term prospects for all future authorities.
Council tax base (number of properties at Band D equivalent)	All authorities with a sufficient number and profile of properties to provide a Council tax base which can sustainably support services, with a reasonable balance between authorities.
Business rates tax base	All authorities with a strong Business rates tax base sufficient to provide all unitaries with a strong, stable economic foundation, with a reasonable balance between authorities.
Council Tax harmonisation / difference in Band D rates	Councils within a unitary have low to no difference between council tax rates. The least difference between councils within a unitary would provide minimal administrative and resident disruption in harmonising rates.
Functional economic areas and travel to work areas	Alignment with functional economic areas / travel to work areas (TTWAs), allowing all unitaries to form clear and coherent economic strategies and plans.
Ability to drive economic growth	Future unitary geographies should allow all areas to deliver strong economic growth and take advantage of the opportunities presented by devolution.

This example is one of 14 evaluation criteria included in this report.



Step 5: Scoring options against criteria

For each metric across all 14 evaluation criteria, a Red, Amber, Green ('RAG') approach has been taken to provide a summary view of how each option performed against "what good looks like".

Green = Option meets the definition of 'what good looks like'

Amber: Option partially meets the definition of 'what good looks like'

Red: Option does not meet the definition of 'what good looks like'

The greens, ambers and reds across each of the metrics have then been used to arrive at a score of '1', '2' or '3' across the evaluation criteria.

'3' = Option meets the combined definition of 'what good looks like' across the evaluation criteria

'2': Option partially meets the definition of 'what good looks like' across the evaluation criteria

'1': Option does not meet the definition of 'what good looks like' across the evaluation criteria

Example scoring against evaluation criteria: Evaluation Criteria 1.1 – Sensible economic areas with an appropriate tax base

Evaluation criteria based on Government guidance	Scoring by option				Summary analysis
	3	2A	2B	2C	
1.1 Sensible economic areas with an appropriate tax base	2	2	2	2	<ul style="list-style-type: none"> For the three-unitary model (and option 2C) the economic prospects of Nottingham City are a key factor. The City has significantly higher GVA per capita than other potential unitaries. The two new unitaries proposed under the three-unitary model are well balanced and will enable a more targeted economic growth strategy for each unitary (e.g. East Midlands Freeport in Rushcliffe and Fusion Power Plant in Bassetlaw, with Nottingham City remaining a major economic centre).

This example is one of 14 evaluation criteria included in this report.

2. Options evaluation results

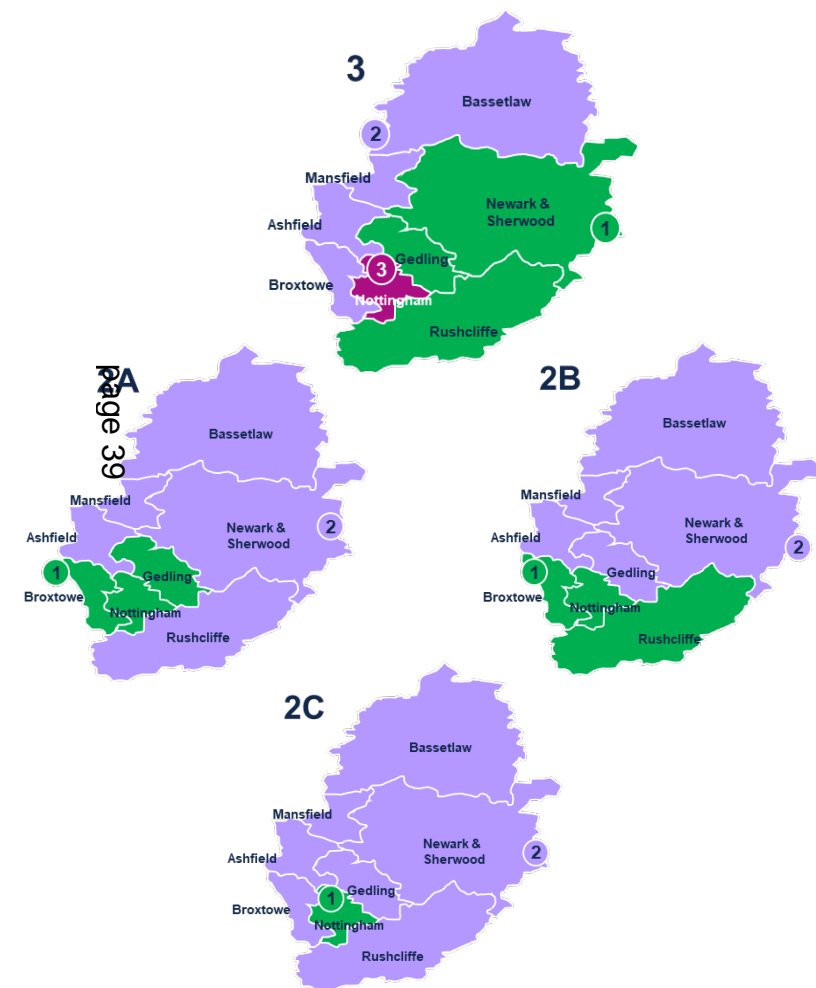
page 38





Rushcliffe
Borough Council

Summary scoring by evaluation criteria



Headline Government Criteria	Evaluation criteria based on Government guidance	Scoring by option			
		3	2A	2B	2C
1. Establishing a single tier of local government	1.1 Sensible economic areas with an appropriate tax base	2	2	2	2
	1.2 Sensible geography to increase housing supply and meet local needs	2	2	3	1
	1.3 Single tier local government structures	3	3	3	2
2. Efficiency, capacity and withstanding shocks	2.1 Population of 500,000 or more as a guiding principle	2	3	3	2
	2.2 Efficiencies to improve council finances and taxpayer value for money	1	3	3	2
	2.3 Transition costs and transformation opportunities	2	2	2	3
	2.4 Putting local government finances on a firmer financial footing	1	3	3	1
3. High quality and sustainable public services	3.1 Improving service delivery and avoiding unnecessary service fragmentation	2	2	2	2
	3.2 Public service reform and better value for money	2	2	2	2
	3.3 Impact on crucial services such as social care, children's services, SEND and homelessness	2	2	2	2
4. Working together to understand and meet local needs	4.1 Issues of local identity and cultural and historic importance	3	2	1	2
	4.2 Views expressed through local engagement, and ability to address any concerns	3	2	1	3
5. Supporting devolution arrangements	5.1 Sensible population ratios between local authorities and any strategic authority	3	3	3	2
6. Stronger community engagement and neighbourhood empowerment	6.1 Enabling strong community engagement	3	2	2	1
Total		31	33	32	27
Rank		3	1	2	4



Headline criteria 1: Establishing a single tier of local government

Evaluation criteria based on Government guidance	Scoring by option				Summary analysis
	3	2A	2B	2C	
1.1 Sensible economic areas with an appropriate tax base	2	2	2	2	<ul style="list-style-type: none"> For the three-unitary model (and option 2C) the economic prospects of Nottingham City are a key factor. The City has significantly higher GVA per capita than other potential unitaries. The two new unitaries proposed under the three-unitary model are well balanced and will enable a more targeted economic growth strategy for each unitary (e.g. East Midlands Freeport in Rushcliffe and Fusion Power Plant in Bassetlaw, with Nottingham City remaining a major economic centre).
1.2 Sensible geography to increase housing supply and meet local needs	2	2	3	1	<ul style="list-style-type: none"> For the three-unitary model (and option 2C) the ability of Nottingham City to deliver housing growth despite its high population density is a key factor. The City has a strong housing delivery test measurement of 115%. The three-unitary model enables stronger transport connectivity, and lower travel times across future unitaries. Option 2B has a more sensible geographic split in terms of travel than options 2A or 2C and has more balanced population density than option 2C. Option 2C leaves a challenging geography for travel and service delivery in the 'County' unitary, whilst also leaving Nottingham City with potential challenges in delivering housing growth given it will not have access to green belt sites.
1.3 Single tier local government structures	3	3	3	2	<ul style="list-style-type: none"> All options have population numbers that would enable an effective local government governance structure to be established, with reasonable population ratios and council numbers compared to comparator unitary authorities across the country. Option 2C would be the most imbalanced of all options given the geographic scale of the City versus all other district areas of the County.



Headline criteria 2: Efficiency, capacity and withstanding shocks

Evaluation criteria based on Government guidance	Scoring by option				Summary analysis
	3	2A	2B	2C	
2.1 Population of 500,000 or more as a guiding principle	2	3	3	2	<ul style="list-style-type: none"> Government set a guiding principle of 500k but also communicated that there is flexibility based on local circumstances. The three-unitary model is reasonably well balanced on population, with populations ranging from 329k to 476k – all with significant scale and potential for growth. Options 2A and 2B are all well balanced with populations between 561k and 613k, clearly meeting the governments guide level of 500k. Option 2C is imbalanced with one unitary significantly larger than the other, and well over the 500k guiding principle: 844k vs 329k.
2.2 Efficiencies to improve council finances and taxpayer value for money	1	3	3	2	<ul style="list-style-type: none"> In the three-unitary model and option 2C, LGR efficiencies are limited to the County Council area, with Nottingham City remaining unchanged. Option 2C being slightly more efficient in terms of savings with creation of 2 new unitaries. Options 2A and 2B have greater opportunity for LGR-associated efficiency, with Nottingham City Council participating in LGR. Arguably in a three-unitary model, long-term focus on outcomes and improvement can be delivered through a more local model. It is clear that the disaggregation of reserves alone will leave Nottingham City significantly imbalanced with other authorities (determining the status of option 3 as red)
2.3 Transition costs and transformation opportunities	2	2	2	3	<ul style="list-style-type: none"> Implementation complexity, risk and cost is reduced with option 3 as it leaves Nottingham City Council unchanged. However, implementation costs associated with splitting County Council services and establishing the two new Councils will be incurred during transition. Option 2C minimises transition costs by keeping current County and City footprints unchanged. Transformation opportunities exist in all potential future authorities.
2.4 Putting local government finances on a firmer financial footing	1	3	3	1	<ul style="list-style-type: none"> A key challenge for the three-unitary model (and option 2C) is the financial position of Nottingham City Council, following the issuing of a Section 114 notice in November 2023. It could be argued that the City could benefit from joining with more financially healthy neighbours and receiving a proportion of current County Council reserves. However, it can also be argued that LGR has the potential to impact NCC's recovery journey. Options 2A and 2B provide more even distributions of reserves and debt, but in all cases the unitary containing the City remains more financially challenged.



Headline criteria 3: High quality and sustainable public services

Evaluation criteria based on Government guidance	Scoring by option				Summary analysis
	3	2A	2B	2C	
3.1 Improving service delivery and avoiding unnecessary service fragmentation	2	2	2	2	<ul style="list-style-type: none"> The three unitary model will involve fragmentation of current County Council services, but does not cause disruption to Nottingham City, which is on an existing improvement journey. Option 2C avoids County Council or City service fragmentation but does not provide as much of an opportunity for improving Nottingham City service delivery and leaves a less manageable geography for local service delivery. Options 2A and 2B, whilst maintaining the same number of upper tier authorities, will involve significant change and potential disruption to current service delivery.
3.2 Public service reform and better value for money	2	2	2	2	<ul style="list-style-type: none"> The ability to drive public service reform will be largely determined by the strategies adopted by each of the individual new Councils. Arguably the 3 unitary model can enable more effective localism, forming three more local unitaries with a more consistent, coherent identity. Options 2A and 2B combine the City with rural areas; combining areas with fundamentally different identities and priorities of residents.
3.3 Impact on crucial services such as social care, children's services, SEND and homelessness	2	2	2	2	<ul style="list-style-type: none"> The three unitary model allows Nottingham City to continue its improvement journey without disruption but will entail a split of current county level services. Option 2C minimises disruption to County level services but has less associated opportunity for potential improvement in Nottingham City services. Options 2A and 2B involve significant disruption to current service delivery.



Headline criteria 4: Working together to understand and meet local needs

Evaluation criteria based on Government guidance	Scoring by option				Summary analysis
	3	2A	2B	2C	
4.1 Issues of local identity and cultural and historic importance	3	2	1	2	<ul style="list-style-type: none"> The three unitary model preserves identities across rural district authorities by allowing them to remain separate from Nottingham City. The two unitary model poses a greater risk to a meaningful sense of identity to Districts currently bordering the City. Option 2C suggests a large geography which is likely to present challenges in retaining a meaningful connection to local identity Options 2A & 2B challenge bringing rural areas into a City identify with stronger sentiment from residents and Councillors against option 2B.
4.2 Views expressed through local engagement, and ability to address any concerns	3	2	1	3	<ul style="list-style-type: none"> Within more rural District and Borough council areas there is evidence of strong preferences for remaining separate from Nottingham City. This strength of feeling is most evident within Rushcliffe. Partner organisations understandably wish to remain apolitical but have expressed views that fewer organisations to coordinate across will drive administrative efficiencies, whilst needing to retain the ability to engage at a local/neighbourhood level.



Headline criteria 5: Supporting devolution arrangements

Evaluation criteria based on Government guidance	Scoring by option				Summary analysis
	3	2A	2B	2C	
5.1 Sensible population ratios between local authorities and any strategic authority	3	3	3	2	<ul style="list-style-type: none">• The East Midlands Combined County Authority (EMCCA) was created through a devolution deal and involves Derbyshire County Council, Nottinghamshire County Council, Derby City Council and Nottingham City Council all working together to support the region as a whole. The total population of the Combined County Area is c2.3m. Derbyshire currently has around 1.1million residents, compared to 1.2m in Nottinghamshire.• Intelligence indicates that a two-unitary model is likely to be proposed in Derbyshire. Assuming a two or three unitary model in Nottinghamshire, that would mean either four or five future members of a Combined County Authority. The decision to form either two or three unitary authorities in Nottinghamshire will not significantly impact the function of the strategic authority.• Option 2C presents potential challenges for governance of the future strategic authority given the imbalance in size of the two Nottinghamshire unitaries.



Headline criteria 6: Stronger community engagement and neighbourhood empowerment

Evaluation criteria based on Government guidance	Scoring by option				Summary analysis
	3	2A	2B	2C	
6.1 Enabling strong community engagement	3	2	2	1	<ul style="list-style-type: none">• The three unitary model preserves identities across rural district authorities by allowing them to remain separate from Nottingham City and enables greater community engagement through more manageable unitary geographies.• Two unitary models poses a greater risk to losing a meaningful sense of identity and community engagement, particularly for Districts currently bordering Nottingham City.• The large geography suggested by option 2C presents challenges in retaining the quality of community engagement currently delivered by District Councils.



LGR Options Appraisal – stakeholder views

Stakeholder engagement has taken place as a key input to the options appraisal process. Whilst stakeholders have not stated a direct preference for a particular option, some highly valuable inputs have been gathered which will inform ongoing planning.

Key stakeholders engaged

- Stakeholder interviews have taken place as part of the options appraisal. Given time constraints, key partners across health and emergency services have been prioritised, with questions focussed on the following:
 - What matters most to you for future local government delivery, including in relation to partnership between health and local government?
 - Do you have a preference for a particular geographic option?
 - Are there any risks associated with a three-unitary model that you would want to see mitigated?
- At the point of drafting, discussions have taken place with senior representative of Nottingham & Notts Integrated Care Board , Nottinghamshire Police & Crime Commissioner's Office and Nottinghamshire Healthcare NHS Foundation Trust.

Key themes noted

- Partners place a great deal of value in their current working relationships with all current authorities, including their more strategic relationships with the County and City, and their place-based working with Districts and Borough Councils.
- Stakeholders generally see local government reorganisation as an opportunity to further strengthen partnership working across Nottinghamshire.
- Regardless of the model selected, key relationships and partnership working will need to take place at a neighbourhood level.
- It was noted that for some more strategic functions, a lower number of unitaries may ease administration and avoid duplication. However, opportunities were also noted to shift some strategic working to the combined authority level over time.
- It was requested that during business case stage, analysis should be undertaken on patient flows and how this can best be integrated into the proposed model.

3. Financial model: LGR costs and savings

page 47





Finance Model Approach – 2 and 3 Unitary Options

The finance modelling completed at the options appraisal stage is for comparative purposes only and does not take any account of specific design choices made within any of the options.

Decision point

Phase 1: Options Appraisal

Top-down financial model to enable comparison between options

The work during Phase 1 is based on a top-down financial model using publicly available data and evidence from past local government reorganisation programmes to assess the headline financial impact of a three-unitary model in comparison to two-unitary options.

Phase 2: Business Case

Bottom-up financial model for three unitary model

If a business case is developed for a three-unitary model, a more detailed bottom-up exercise will be completed, with data to be gathered from across the councils.

Structure of Phase 1 financial model

Implementation costs (one-off)

Estimated investment required to receive the benefit of the potential savings.

Revenue savings (annual)

The annual efficiency benefits achievable by removing duplication, consolidating services, and operating at greater scale, and the additional recurring expenditure that results from dividing upper tier services into multiple new upper tier authorities (where relevant).

Payback period and 5-year net benefit

The savings and costs calculated for each option have then been phases to show payback period and the cumulative benefits over a 5-year period.

Further details of the financial methodology and key assumptions are included in Appendix 2: Financial model assumptions and inputs



Options appraisal: Finance modelling results

Below is a summary of the results of the financial modelling carried out to support the options appraisal, comparing the three unitary model to the two-unitary models already being analysed.

LGR Option	Key features of model driving level of costs and benefits	Implementation costs (one-off) (£m)	Revenue savings (annual, recurring) (£m)	Net annual impact after five years (£m)	Estimated payback period
2A, 2B	<ul style="list-style-type: none"> Savings potential exists across the whole of Nottinghamshire, including Nottingham City No recurring disaggregation costs because there are the same number of 'upper tier' authorities as currently Implementation complexity and costs are relatively high due to splitting of County and creation of new unitary including Nottingham. 	(34.6)	27.7	92.8	Within 2 years
2C	<ul style="list-style-type: none"> Savings only relate to Nottinghamshire County Council area No recurring disaggregation costs because there are the same number of 'upper tier' authorities as currently Implementation complexity and costs are minimised as current upper tier geographies remain 	(19.0)	21.0	77.5	Within 1 year
3	<ul style="list-style-type: none"> Savings potential is reduced as Nottingham City is excluded from LGR. Recurring disaggregation costs exist due to County Council split. Implementation costs are reduced due to leaving Nottingham City as-is. 	(24.9)	5.3	-	5 years

The finance model is driven by a set of assumptions and inputs. These are referenced in Appendix 2: Financial model assumptions and inputs



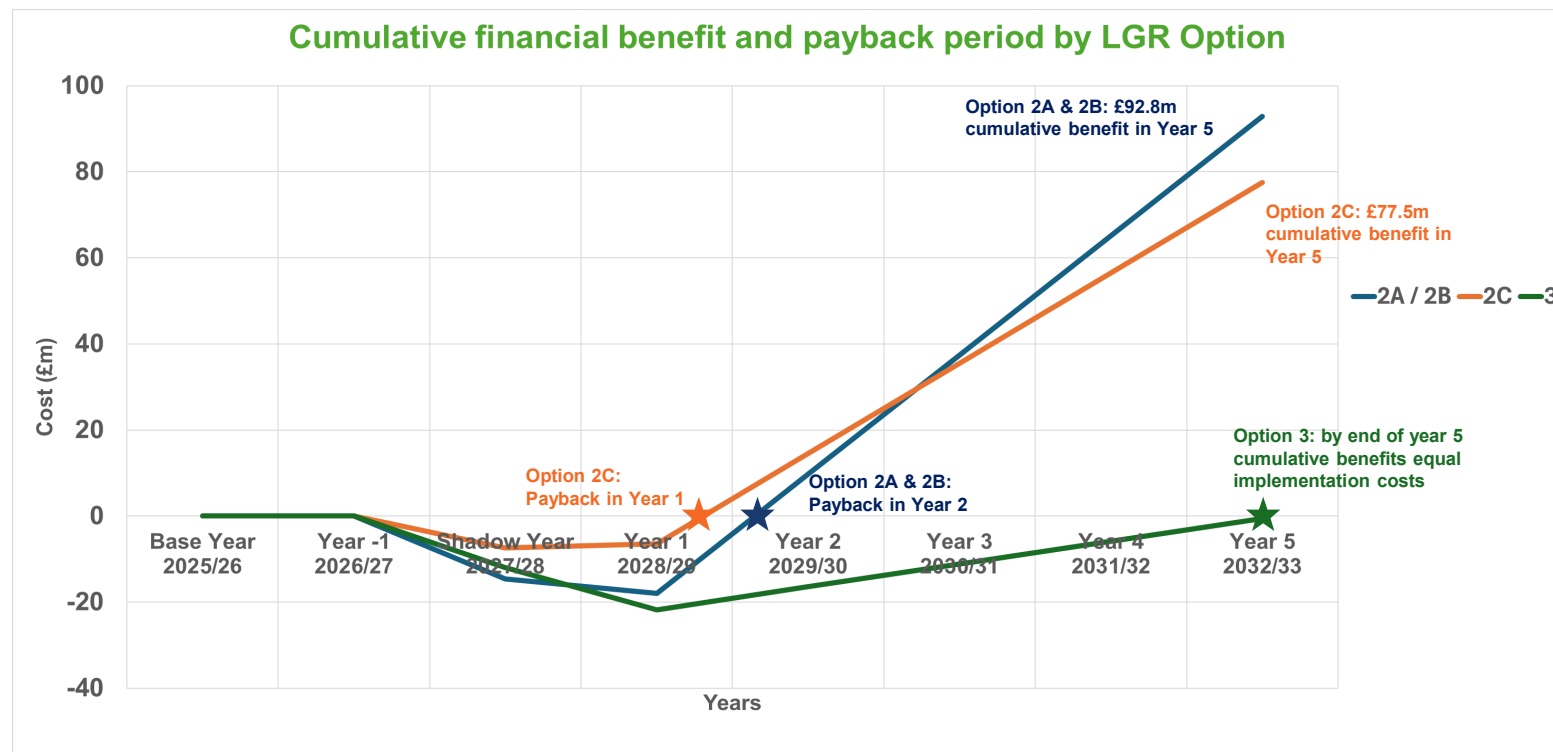
Cumulative financial benefit and payback period

The chart below shows the cumulative financial benefit for each of the options up to 5 years post formation of new authorities.

Analysis indicates for Options 2A and 2B cumulative savings will exceed implementation costs within 2 years. Option 2C will deliver a net benefit within 1 year due to lower implementation complexity and cost, but Options 2A and 2B ultimately delivering the higher financial benefit.

For Option 3, the payback period is projected to take longer, with cumulative savings from reorganisation expected to exceed costs from Year 5 onwards.

page 50



The finance model is driven by a set of assumptions and inputs. These are referenced in Appendix 2: Financial model assumptions and inputs

4. Key considerations informing decision to proceed

page 51



Key considerations for a potential three-unitary model

Through the completion of Phase 1 analysis and engagement, six key topics have been identified which will be key factors for leadership of Rushcliffe Council to consider in order to determine whether to proceed to development of a business case for the three-unitary model.

page 52

- | | | | |
|----------|--|----------|---|
| 1 | Identity and sense of place | 4 | Nottingham City debt levels and financial resilience |
| 2 | Economies of scale and financial benefits | 5 | Implementation complexity and risk |
| 3 | The growth potential of Nottingham | 6 | Political reality |

Key considerations relating to each of these six topics have been summarised on the following pages.



Rushcliffe
Borough Council

Key considerations for a potential three unitary model: (1) Identity and sense of place

A three-unitary business case would stress the importance of authorities being grounded in identity and sense of place. The articulation of the specific identities of the two new, more rural proposed authorities will need particular focus with collaboration of partners and stakeholders across the County.

Key points to consider

- What is the specific story to be told about the common identity of (1) Rushcliffe, Gedling and Newark & Sherwood and (2) Ashfield / Bassetlaw / Broxtowe / Mansfield?
- How can partners and stakeholders across the area be engaged to help shape the narrative for these proposed future geographies?
- What model of local democracy and place-based working could be delivered within the three-unitary model?
- What further public and stakeholder engagement will be delivered to help shape the proposed model?





Key considerations for a potential three unitary model: (2) Economies of scale and financial benefits

Based on financial modelling carried out during Phase 1, it will be challenging for a three-unitary business case to argue that it will be the leading option from a financial benefits perspective. However, a bottom-up financial model within a full business case could make an argument for a more favourable financial position based on design decisions around services and council delivery models.

Key points to consider

- The Government has set out that 500k population size is the guide for authorities to consider when looking at future authority formulations. However, it is accepted that arguments can (and will) be made for lower population sizes based on a good rationale from local leaders. Arguments could be made, including using population growth projections, that each of the three unitaries proposed will be operating at sufficient scale to delivery efficiently.
- Could some services or functions be delivered across the two more rural authorities, thereby increasing efficiency and reducing implementation complexity?
- What functions could be delivered at a Combined Authority level in order to minimise duplication of strategic functions?
- Can an argument be made that more localised working will result in improved outcomes for residents, thereby reducing demand and improving the financial position of councils in the long term?





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Key considerations for a potential three unitary model: (3) The growth potential of Nottingham

The potential for economic growth and housing growth for Nottingham is expected to be a key consideration for the Government. By leaving the current Nottingham City unitary authority unchanged, a question that a business case will need to be addressed is how growth in the City can be unlocked.

Key points to consider

- Is there the potential for Nottingham City to deliver significant housing growth, even within its current boundaries?
- How can other unitary authorities and the Strategic Authority work in partnership with Nottingham City to support economic growth?
- What engagement will take place with Nottingham City and others to support positioning of a growth story for Nottingham?





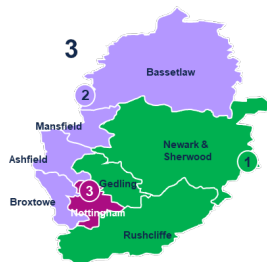
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Key considerations for a potential three unitary model: (4) Debt levels and financial resilience of Nottingham

The City of Nottingham has widely recognised financial challenges, including high levels of debt and low levels of reserves. A business case for a three unitary model would need to tell a compelling story about the long-term financial resilience of the current Nottingham City authority, given that a three-unitary model would leave the financial position of the current authority as-is.

Key points to consider

- Nottingham City Council issued a S114 notice in November 2023 on the basis that it could not set a balanced budget for 23/24. Commissioners have now issued their second progress report and significant challenges remain. Usable reserves of just £17.6m and financing costs as a percentage of net revenue expenditure of 13% both present risks in relation to financial resilience of the City.
- Nottingham City Council leadership, including Commissioners will have their own views on which LGR option will be most beneficial from the City's perspective. This view is likely to carry some weight in Government evaluation.
- The long-term financial prospects of the City may be substantially improved due to the Fair Funding Review, which is expected to result in funding being redirected towards areas with greater levels of deprivation.





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Key considerations for a potential three unitary model: (5) Implementation complexity and risk

Generally, local government reorganisation complexity and cost increases as the number of proposed unitaries increases. However, as the three-unitary model leaves the current Nottingham City unitary authority as-is, it can reasonably be argued that implementation complexity is lower than for Options 2A and 2B, which involve Nottingham City in reorganisation.

Key points to consider

- Could it be argued that leaving Nottingham City untouched by LGR is helpful given the improvement and recovery journey that Nottingham City is currently midway through? Under models 2A and 2B, local government reorganisation would need to become a central focus for Nottingham leadership over the next 2-3 years, which has the potential to be an unwelcome distraction.
- Can implementation complexity and risk of a three-unitary model be further reduced through shared service or alternative delivery model choices within the current County Council area?





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Key considerations for a potential three unitary model: (6) Political reality

Rushcliffe leadership will need to take a view of the likelihood of a three-unitary model ultimately being selected by Government. Government are likely to consider the number of authorities backing specific options.

Key points to consider

- The chances of a proposal being successful are reduced if Rushcliffe is the only authority arguing for a three-unitary model. Might any other authorities provide backing to a three-unitary model once details are made public?
- Given the ongoing intervention at Nottingham City Council following issuing of a Section 114 notice, Nottingham City Council's position on a preferred option is likely to carry weight in Government evaluation.



Appendix 1: Data sources

page 59





Rushcliffe
Borough Council

Appendix 1: Data Sources (1/2)

page 60

Dataset	Link
Estimates of the population for England and Wales	https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/datasets/estimatesofthe_populationforenglandandwales
Standard Area Measurements for Administrative Areas (December 2023) in the UK	https://geoportal.statistics.gov.uk/datasets/da8590c5f55f4664b32Ad4339f43419c/about
Statement of Accounts	https://www.nottinghamcity.gov.uk/media/iumhajfe/final-statement-of-accounts-2023-2024-signed-with-audit-opinion.pdf https://www.ashfield.gov.uk/media/clpiwcv5/statement-of-accounts-2023-to-2024.pdf https://www.bassetlaw.gov.uk/media/mz0kzy43/statement-of-accounts-23-24.pdf https://www.broxtowe.gov.uk/media/qmqjn0e4/broxtowe-bc_statement-of-accounts-2023-24-final_encrypted_.pdf https://www.gedling.gov.uk/media/Audited%20Statement%20of%20Accounts%20and%20Annual%20Governance%20Statement%202023-24.pdf https://www.mansfield.gov.uk/downloads/file/6572/draft-mansfield-district-council-statement-of-accounts-2023-2024 https://www.newark-sherwooddc.gov.uk/media/nsdc-redesign/documents-and-images/your-council/access-to-our-information/council-spending/statement-of-accounts/website-version-statement-of-accounts.pdf https://www.rushcliffe.gov.uk/media/cnkdgobd/statement-of-accounts-23-24-final-inc-audit-report.pdf
Council Tax Rates Band D	https://www.nottinghamcity.gov.uk/information-for-residents/council-tax/general-information-about-your-council-tax/bands-and-charges/ https://democracy.ashfield.gov.uk/mgAi.aspx?ID=18186#:~:text=Ashfield%20District%20Council's%20basic%20(band,Tax%20by%20an%20excessive%20amount, https://www.bassetlaw.gov.uk/council-tax/your-council-tax-explained/ https://www.gedling.gov.uk/resident/counciltax/howmuchiscounciltaxandhowisitspent/ https://www.gedling.gov.uk/resident/counciltax/howmuchiscounciltaxandhowisitspent/ https://www.mansfield.gov.uk/council-tax/much-council-tax-1/2 https://www.newark-sherwooddc.gov.uk/media/nsdc-redesign/documents-and-images/your-home/council-tax/information-on-your-council-tax/council-tax-2025/Council-Tax-Charges-2025-to-26.pdf https://www.rushcliffe.gov.uk/council-tax/how-much-will-i-pay/council-tax-band-charges-202425/
Regional gross domestic product: local authorities	https://www.ons.gov.uk/economy/grossdomesticproductgdp/datasets/regionalgrossdomesticproductlocalauthorities
Tables on homelessness	https://www.gov.uk/government/statistical-data-sets/live-tables-on-homelessness
Life expectancy for local areas of Great Britain	https://www.ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/healthandlifeexpectancies/datasets/lifeexpectancyforlocalareasofgreatbritain?utm
Mapping income deprivation at a local authority level	https://www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/incomeandwealth/datasets/mappingincome deprivationatalocalauthoritylevel



Rushcliffe
Borough Council

Appendix 1: Data Sources (2/2)

page 61

Dataset	Link
LI01 Regional labour market: local indicators for counties, local and unitary authorities	https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/datasets/li01regionallabourmarketlocalindicatorsforcountieslocalandunitaryauthorities?utm
Crime in England and Wales: Police Force Area data tables	https://www.ons.gov.uk/peoplepopulationandcommunity/crimeandjustice/datasets/policeforceareadatatables
Housing Delivery Test: 2023 measurement	https://www.gov.uk/government/publications/housing-delivery-test-2023-measurement
Local authority revenue expenditure and financing England: 2023 to 2024 individual local authority data - outturn	https://www.gov.uk/government/statistics/local-authority-revenue-expenditure-and-financing-england-2023-to-2024-individual-local-authority-data-outturn
Council Taxbase Local Authority Level Data 2024	https://view.officeapps.live.com/op/view.aspx?src=https%3A%2F%2Fassets.publishing.service.gov.uk%2Fmedia%2F67cab2ba8247839c255ae419%2FCouncil_Taxbase_Local_Authority_Level_Data_2024.ods&wdOrigin=BROWSELINK
National non-domestic rates collected by councils in England: forecast 2024 to 2025	https://www.gov.uk/government/statistics/national-non-domestic-rates-collected-by-councils-in-england-forecast-2024-to-2025
Updated financial analysis: evaluating the importance of scale in proposals for local government reorganisation	https://www.countycouncilsnetwork.org.uk/updated-financial-analysis-evaluating-the-importance-of-scale-in-proposals-for-local-government-reorganisation/
Joint Strategic Needs Assessment for Nottingham	Joint Strategic Needs Assessment - Nottingham Insight
Nottingham Local Transport Plan	Local Transport Plan Nottinghamshire County Council
Nottingham SEND Service	Special Educational Needs Service - Nottingham City Council
Retained Business Rates	https://www.gov.uk/government/statistics/national-non-domestic-rates-collected-by-councils-in-england-forecast-2024-to-2025

Appendix 2: Finance model approach and assumptions

page 62





Finance Model Approach: Implementation costs

Approach

Implementation cost calculations are based on the level of costs identified and incurred in comparable local government reorganisation programmes, adjusted for the respective sizes of the Councils on a population basis. Implementation costs have been identified and estimated in key areas and all categories have been benchmarked against recent local government reorganisation cases (costs forecast and incurred).

Inputs

The implementation calculations uses projected numbers and population numbers from benchmarked local government reorganisation cases from the following areas:

- Cornwall
- Wiltshire
- Dorset
- BCP Council
- Buckinghamshire
- Somerset
- York & North Yorkshire West
- York & North Yorkshire East
- North Northamptonshire
- West Northamptonshire
- Cumbria North
- Cumbria South
- Hertfordshire South West
- Hertfordshire North East

The implementation calculation then uses the population numbers for each proposed unitary in options 2A, 2B, 2C and 3D to calculate the per capita implementation figure.

Timing assumptions

The implementation calculation assumes that implementation costs will be incurred across the shadow year and then over a two-year period following Day 1 of the new authorities. The model then assumes no implementation costs for the years beyond this.



Financial Model Approach: Implementation costs

As part of implementation cost benchmarking, categories of implementation costs have been identified to provide an indication of the expected breakdown of costs, for any of the LGR options.

Implementation cost category	Description	Estimated % of Total Implementation Costs
Workforce - Exit	Compensation paid to employees as a result of restructuring/redundancies, including redundancy payments, pension strain, TUPE, salary harmonisation, and other contract termination fees.	46%
Workforce - Development	Additional costs to upskill and reskill employees to adapt to new roles and responsibilities.	5%
Transition - Team	Implementation programme team including: Legal, Contract Negotiation, Project and Programme Management, and specialist support.	13%
Transition - Culture and Communications	Costs to develop communications, branding, training, and public information in relation to new authorities. This should inform the public, stakeholders, and employees of proposed changes and address concerns.	4%
Transition - Processes	Work required to harmonise processes, and facilitate effective service transition. This includes specific constitutional changes and developments, democratic transition, and new policies and procedures.	8%
Consolidation - Systems	Alignment of systems and digital infrastructure, including merging systems, data migration, commonality of cyber security, and training for new systems.	7%
Consolidation - Estates and Facilities	Reconfiguration of buildings, costs of disposal, and termination fees on leases.	8%
Contingency	Additional 10% contingency to allow for prudence in estimates.	10%



Finance Model Approach: Revenue savings

Approach

Net savings calculations outputs the annual efficiency benefits achievable using a per capita approach and by removing duplication, consolidating services, operating at greater scale and consideration of disaggregation costs where applicable. Disaggregation costs are only considered for the three unitary option only as there would be a change in the number of 'upper tier' authorities after reorganisation. The output is then used to project net savings/costs across the 5-year payback period. All categories have been benchmarked against recent local government reorganisation cases (costs forecast and incurred). The modelling has been done on the proposed two and three unitary options.

Inputs

The net savings calculations uses projected savings, disaggregation and population numbers from benchmarked local government reorganisation cases from the following councils:

- | | | |
|-------------------|-------------------------------|----------------------------|
| - Cornwall | - York & North Yorkshire West | - Hertfordshire South West |
| - Wiltshire | - York & North Yorkshire East | - Hertfordshire North East |
| - Dorset | - North Northamptonshire | |
| - BCP Council | - West Northamptonshire | |
| - Buckinghamshire | - Cumbria East | |
| - Somerset | - Cumbria West | |

The savings calculation then uses the population numbers for each proposed unitary in options 2A, 2B, 2C and 3 to calculate the per capita savings figure.

Assumptions

The net savings calculation assumes that savings realisation will begin with a 10% realisation in the shadow year, progressing to 50% in year 1 and reaching full realisation by year 2. The savings figure are then fully realised from year 2 to year 5 during the payback period. Given there is no net gain/loss of councils during this process, loss of economies of scale, duplication of governance structures and transition costs are factored as nil. For option 2C, the savings calculation calculates savings figures only relating to the Nottinghamshire County area as it is expected there will be no changes to the Nottingham City Council structure/operations.



Rushcliffe
Borough Council

Finance Model Approach: Revenue savings

As part of benchmarking LGR revenue savings, categories of savings have been identified to provide an indication of the expected breakdown of savings, for any of the LGR options.

Cost Category/Item	Description	% of Total Savings
Optimising Leadership	Reviewing the number of managerial roles to eliminate duplication and enhance operational efficiency, by merging similar responsibilities into fewer and more impactful positions.	20%
Right Sizing the Organisation	Determining the right size of the organisation, proportionate to the services that are being delivered, offset by the costs of new technology and upskilling individuals. Reducing overall workforce through role consolidation and automation.	24%
Consolidating Corporate Services	Consolidating back-office functions, such as Human Resources (HR), Finance and Information Technology (IT) to streamline operations, enhance efficiencies and unlock savings.	10%
Service Contract Consolidation	Understanding current and joint service arrangements between Councils, and what savings (or costs) may be incurred on consolidation. Determining the optimum sourcing arrangements for contracts that are either currently outsourced or could be outsourced. This will need to consider both financial and operational efficiency and will consider existing arrangements with third parties.	10%
Procurement & 3rd Party Spend	Centralising procurement to determine resultant costs/savings through relative purchasing power and renegotiating terms with suppliers. Where appropriate, consolidating similar contracts for service delivery, presents an opportunity to renegotiate terms and achieve economies of scale with suppliers.	10%
Proportionate Democratic Services	Reviewing the costs of democratic services (elections, committee support, etc.) to be proportionate to the new authority. Reducing the number of councillors and governance costs (e.g. committees, elections).	4%
Improved Digital & IT Systems	Implementing unified digital platforms, automating repetitive tasks, streamlining workflows, and eliminating manual processes, can lead to significant time and cost savings. Unified platforms and systems rationalisation reduce licensing, support, and admin overheads.	9%
Asset & Property Optimisation	Reviewing property portfolio to ensure alignment with the council's overall objectives and community needs.	9%
Customer Engagement	Enhancing customer contact facilities, determining the needs of citizens in the new authority and developing a proportionate customer contact centre, where appropriate including self-service through digital channels, to improve customer engagement, satisfaction and drive operational efficiencies and cost savings.	2%
Consolidating Fleets & Optimising Routes	Exploring consolidation of fleets and any route efficiencies, to reduce costs and minimise environmental impact. Reducing fleet size and improving vehicle routing to lower transport costs.	2%

Appendix 3: Key metrics and factors by criteria

page 67



Key metrics and factors by criteria:

(1) Establishing a single tier of local government

page 68

Criteria	Metrics / factors	What does good look like and why?
1.1 Sensible economic areas with an appropriate tax base	Gross Value Added (GVA) per Capita	Balanced GVA per capita between unitaries, suggesting balanced levels of productivity and positive implications for the distribution of economic prosperity.
	Total Gross Value Added (GVA)	Each unitary has a sufficient GVA to generate tax and there is balance between unitaries, meaning good long-term prospects for all future authorities.
	Council tax base (number of properties at Band D equivalent)	All authorities with a sufficient number and profile of properties to provide a Council tax base which can sustainably support services, with a reasonable balance between authorities.
	Business rates tax base	All authorities with a strong Business rates tax base sufficient to provide all unitaries with a strong, stable economic foundation, with a reasonable balance between authorities.
	Council Tax harmonisation / difference in Band D rates	Councils within a unitary have low to no difference between council tax rates. The least difference between councils within a unitary would provide minimal administrative and resident disruption in harmonising rates.
	Functional economic areas and travel to work areas	Alignment with functional economic areas / travel to work areas (TTWAs), allowing all unitaries to form clear and coherent economic strategies and plans.
	Ability to drive economic growth	Future unitary geographies should allow all areas to deliver strong economic growth and take advantage of the opportunities presented by devolution.
1.2 Sensible geography to increase housing supply and meet local needs	Council Tax harmonisation / difference in Band D rates	Councils within a unitary have low to no difference between council tax rates. The least difference between councils within a unitary would provide minimal administrative and resident disruption in harmonising rates.
	Functional economic areas and travel to work areas	Alignment with functional economic areas / travel to work areas (TTWAs), allowing all unitaries to form clear and coherent economic strategies and plans.
	Ability to drive economic growth	Future unitary geographies should allow all areas to deliver strong economic growth and take advantage of the opportunities presented by devolution.
1.3 Single tier governance structures	Councillor to electorate ratio	Ability to establish a councillor to electorate ratio within each authority that allows for a workable number of councillors and maintains an acceptable ratio of councillor to electorate.

Key metrics and factors by criteria:

(2) Efficiency, capacity and withstanding shocks

page 69

Criteria	Metrics / factors	What does good look like and why?
2.1 Population of 500,000 or more as a guiding principle	Population size	Population of 500,000 or more as a guiding principles for all future unitary authorities.
2.2 Efficiencies to improve council finances and taxpayer value for money	Estimated savings through integration	No increase to the number of authorities delivering current upper tier services, enabling savings arising from economies of scale to be maximised
	Long term savings potential	Ability to take advantage of economies of scale in all future authorities and to invest in the transformation required to deliver service improvement and achieve long term financial sustainability.
	Avoiding duplication of statutory roles / management teams	No increase to the number of authorities delivering current upper tier services, on the basis that this does not introduce the need for additional statutory roles. Duplication of roles due to more authorities suggests the need to hire additional resources/management and relies on available expertise.
2.3 Transition costs and transformation opportunities	Transition costs and complexity	Minimising the complexity and costs associated with establishing new local authority structures
	Need for boundary reviews	Minimising the need to change existing boundaries, which is expected to be a time-consuming process for the boundary commission, with unprecedented levels of demand given the number of areas simultaneously going through local government reorganisation.
	Transformation opportunities	Scale and capacity within each new authority to deliver transformation and therefore service improvement and savings
2.4 Putting local government finances on a firmer financial footing	Non-earmarked reserves	Balanced between Unitaries, without any authorities at a level of reserves which would impact the ability to deal with financial shocks.
	Debt affordability - financing costs as % net revenue expenditure (NRE)	No unitaries exceeding 10% for debt financing as a percentage of net revenue expenditure. Whilst there is no single accepted level, 10% is sometimes quoted as a manageable level of financing costs as a percentage of net revenue expenditure (NRE). A balance of financing costs as a percentage of net revenue expenditure across authorities suggests a serviceable debt portfolio and prudence within capital financing.



Key metrics and factors by criteria:

(3) High quality and sustainable public services

Criteria	Metrics / factors	What does good look like and why?
3.1 Improving service delivery and avoiding unnecessary service fragmentation	Scale to deliver service improvement	Capacity and ability to operate at scale to support service delivery improvement and transformation across all future authorities.
	Forecast demand for key services	Balanced between unitaries, avoiding disproportionately high demand in each unitary which can lead to excessive pressure on key services, including Adult Social Care, Children's Services and SEND.
	Deprivation levels	Avoiding higher levels of deprivation and demand being clustered within individual unitaries Large differences would suggest areas with significant service delivery challenges, impacting resource allocation and financial planning.
	65+ Population	Balanced proportion of older people between unitaries, avoiding excessive pressure and strain on services in one area
	Avoiding service fragmentation	Avoiding splitting of current top tier service structures. Options should aim to minimise service fragmentation, which risks a reduction in service quality.
	Manageable geography for service delivery	Travel within all future unitary geographies is manageable for service delivery teams that allows service delivery to be conducted effectively.
3.2 Public service reform and better value for money	Predicted spend for key services	Manageable predicted spend for all unitaries and balanced between unitaries, avoiding disproportionately high spending in each unitary, which suggests excessive cost pressures.
	Enabling localism and place-based public service reform	Appropriate geography for service delivery and place based public service reform in each unitary. Place based public service reform will require the ability to operate in neighbourhoods and localities with community partners at a more local level than any proposed unitary geographies.
	Alignment with public service partner geographies	Configurations that do not split current public service delivery geographies will be able to work more efficiently and effectively together for the benefit of residents and communities.
3.3 Impact on crucial services such as social care, children's services, SEND and homelessness	Impacts on Adult Social Care services	Options should aim to minimise disruption and fragmentation of upper tier services where possible. Where there is a significant change, there should be a clear rationale for how quality of service delivery can be improved through delivering on the new footprint.
	Impact on Children's services	Options should aim to minimise disruption and fragmentation of upper tier services where possible. Where there is a significant change, there should be a clear rationale for how quality of service delivery can be improved through delivering on the new footprint.
	Impact on Special Educational Need & Disability (SEND) service delivery	Options should aim to minimise disruption and fragmentation of upper tier services where possible. Where there is a significant change, there should be a clear rationale for how quality of service delivery can be improved through delivering on the new footprint.
	Impact on Homelessness services	A joined-up approach which enables close working to with partners to prevent and tackle homelessness by responding to residents in need and securing effective supply

Key metrics and factors by criteria:

(4) Working together to understand and meet local needs

Criteria	Metrics / factors	What does good look like and why?
4.1 Local identity, culture and historical importance	Sense of identity	Unitary geographies reflects factors including culture, sense of place, common geographical features and historical links between areas.
	Travel to Work Areas (TTWA)	Unitary boundaries minimise splitting of existing TTWA areas. Unitary boundaries that align with established travel to work areas would represent areas where the majority of residents live and work, indicating a greater sense of place and community.
	Maintaining history and tradition	All unitary options should preserve local tradition and sense of history, in order to maintain important connections between communities and local government.
4.2 Views expressed through local engagement, and ability to address any concerns	Views expressed through engagement	Proposals should align as far as possible with the views expressed through engagement with both the public and partners. Where concerns are raised there should be confidence that these can be adequately mitigated.

Key metrics and factors by criteria: (5) Supporting devolution arrangements

Criteria	Metrics / factors	What does good look like and why?
5.1 Sensible population ratios between local authorities and any strategic authority	Population ratios between members of a strategic authority	<p>Balanced population ratio between all unitaries within a future strategic authority.</p> <p>Unitaries should seek balanced population sizes resulting in even power balance in authorities.</p>

Key metrics and factors by criteria:

(6) Stronger community engagement and neighbourhood empowerment

Criteria	Metrics / factors	What does good look like and why?
6.1 Enabling strong community engagement	Ability to deliver strong community engagement	A manageable geographic area and appropriate level of scale (i.e. not too large) with the ability to meaningfully engage with local communities, enabling effective communication, and effective representation.

Appendix 4: Selecting a three unitary model





Rushcliffe
Borough Council

Selecting a three-unitary model

On several factors, the selected three unitary model was deemed to be score marginally higher than the alternative, largely based on balance.

Govt criteria

1. Establishing a single tier of local government

2. Efficiency, capacity and withstanding shocks

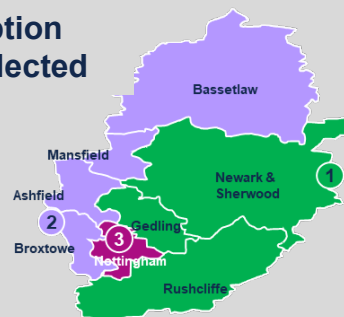
3. High quality and sustainable public services

4. Working together to understand and meet local needs

5. Supporting devolution arrangements

6. Stronger community engagement and neighbourhood empowerment

Option selected



- More balanced in terms of geographic area and population density
- Slightly more balanced total GVA
- Allows for clearer economic growth focus in each unitary authority (East Midlands Freeport in Rushcliffe and Fusion Power Plant in Bassetlaw)

- Slightly more balanced in terms of population

- More balanced distribution of deprivation levels, 65+ population and homelessness
- Good connectivity through the Robin Hood line which connects Bassetlaw to rest of “West” unitary.
- More manageable geographics areas required for effective service delivery

No significant arguments noted either way

- Slightly more balanced in terms of population, and representation in Strategic Authority

- Could be argued that the more balanced geographic split gives the potential for better community engagement in each of the two new unitaries
- Transport links (particularly Robin Hood rail line) connect Bassetlaw with Districts in the West.

Option disregarded



- Could be argued that the smaller ‘West’ unitary is more grounded in a community, with Bassetlaw more similar to rural areas to the East of the county (identity)

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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	4
National Context	4
Local Context	5
Case for change in Nottingham and Nottinghamshire	5
2. Options Appraisal	6
Shortlisting options	7
Analysis of shortlisted options	8
Analysis of Options 1(b) and 1(e)	9
Rural-Urban comparative analysis of 11 core cities in the UK	17
Analysis of Option 2	18
3. Financial case	19
Approach and methodology	19
4. Next steps	20
Indicative timeline to implementation	20
Requirements for the full proposal and financial case	20
5. Appendix	21
Appendix A: List of criteria deep-dives prepared to inform analysis	21

PwC supported the production of this report (which details the results of collaborative discussions between the councils) and:

- *Assisted with the options appraisal of the different formations of unitary council we have considered.*
- *Conducted financial analysis of those unitary options.*

For the avoidance of doubt, PwC's input was provided solely with our interests in mind, for our use only, and may not be relied upon by any other party.

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.

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

Strengthening Regional Governance

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

Attracting More Investment

2 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.

Supporting Economic Growth

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

Enhancing Democratic Accountability

4 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

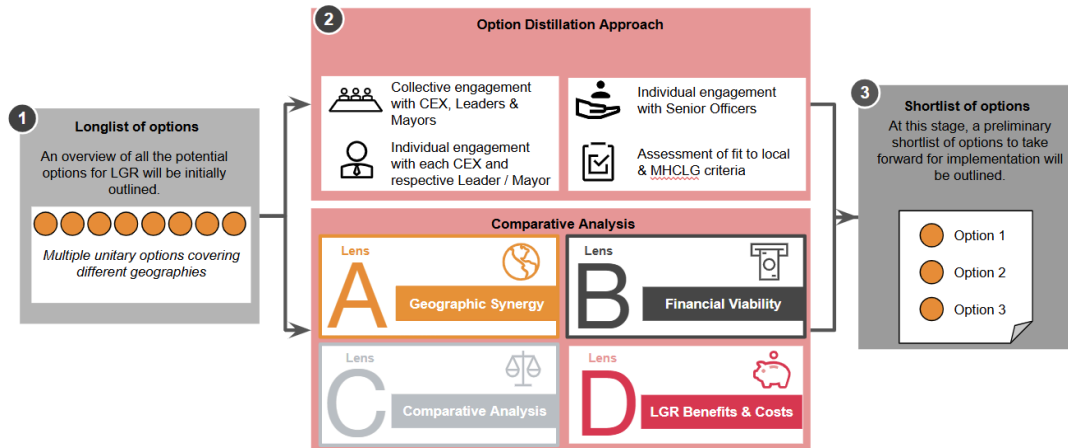
Nottingham City Council is under a Best Value Intervention Framework review due to financial challenges. To comply with the Best Value Duty, it developed a framework within its 'Together for Nottingham' plan, aimed at improving service delivery and meeting statutory obligations. Rising demand for key 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.



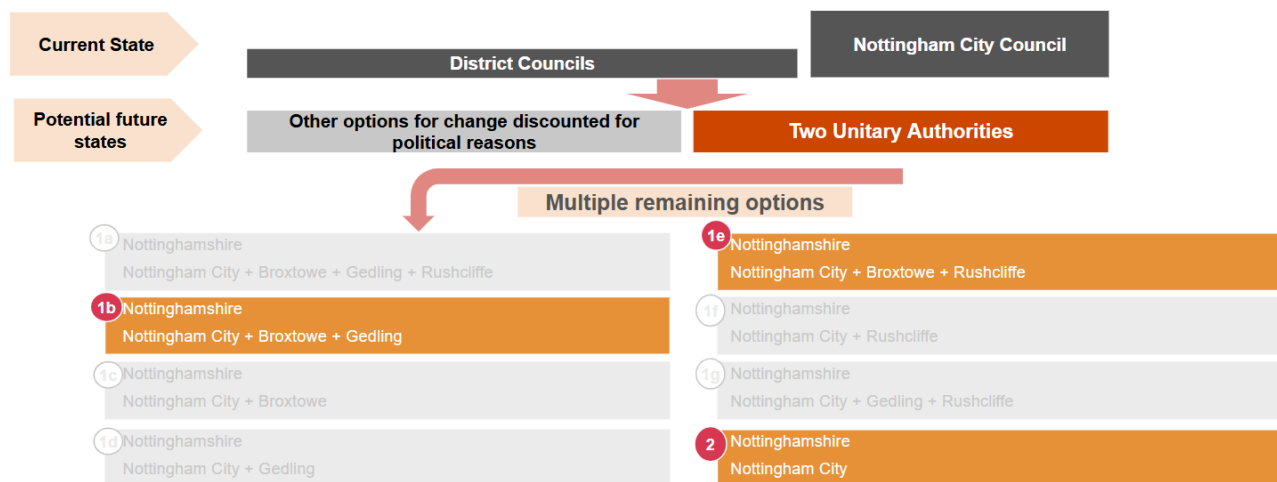
MHCLG criteria

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
<p>Sensible economic areas, with an appropriate tax base.</p> <p>A sensible geography which will help to increase housing supply and meet local needs.</p> <p>Proposals need to be supported by robust evidence and analysis and include an explanation of the outcomes.</p> <p>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.</p>	<p>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.</p> <p>Efficiencies should be identified to help improve councils' finances and make sure that council taxpayers are getting the best possible value for their money.</p> <p>Proposals should set out how an area will seek to manage transition costs, including planning for future service transformation opportunities from existing budgets.</p>	<p>Proposals should show how new structures will improve local government and service delivery, and should avoid unnecessary fragmentation of services.</p> <p>Opportunities to deliver public service reform should be identified, including where they will lead to better value for money.</p> <p>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.</p>	<p>It is for councils to decide how best to engage locally in a meaningful and constructive way.</p> <p>Proposals should consider issues of local identity and cultural and historic importance.</p> <p>Proposals should include evidence of local engagement, an explanation of the views that have been put forward and how concerns will be addressed.</p>	<p>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.</p> <p>Proposals should ensure there are sensible population size ratios between local authorities and any strategic authority, with timelines that work for both priorities.</p>	<p>Proposals will need to explain plans to make sure that communities are engaged.</p> <p>Where there are already arrangements in place it should be explained how these will enable strong community engagement.</p>

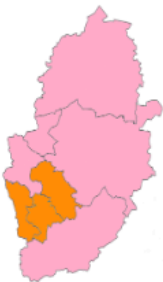
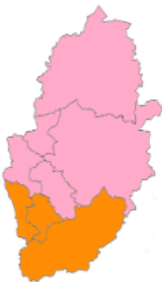
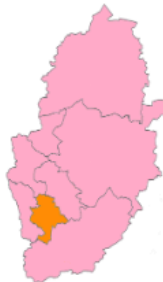
Longlist and shortlist of options

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.

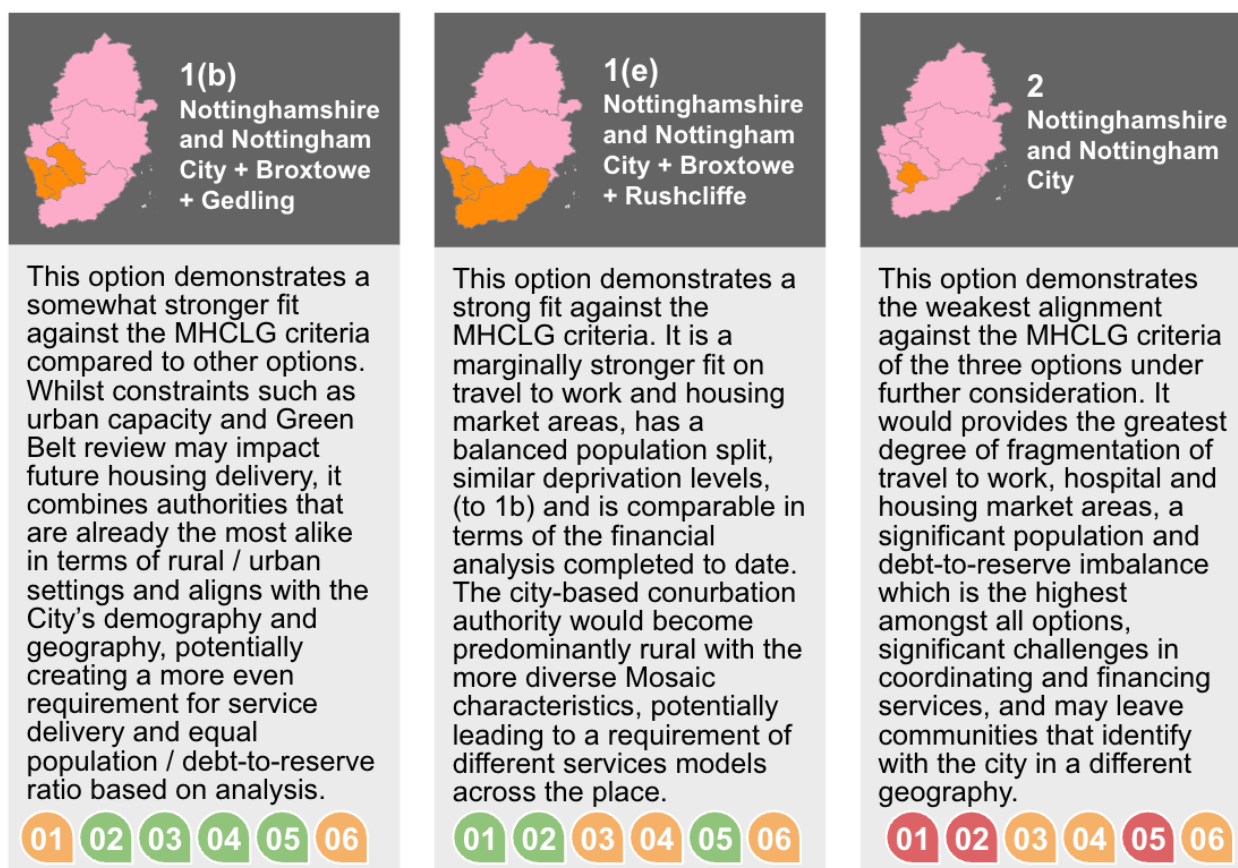
1b Nottinghamshire and Nottingham City + Broxtowe + Gedling	1e Nottinghamshire and Nottingham City + Broxtowe + Rushcliffe	2 Nottinghamshire and Nottingham City
		
<ol style="list-style-type: none"> 1. Nottingham City conurbation to include Broxtowe and Gedling 2. The rest of Nottinghamshire becomes a new unitary authority 	<ol style="list-style-type: none"> 1. Nottingham City conurbation to include Broxtowe and Rushcliffe 2. The rest of Nottinghamshire becomes a new unitary authority 	<ol style="list-style-type: none"> 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.



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	<ul style="list-style-type: none"> Creates a sensible economic area, providing: <ul style="list-style-type: none"> (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 TTA 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 	<ul style="list-style-type: none"> Creates a sensible economic area that aligns slightly more in terms of Government criteria than 1(b) providing: <ul style="list-style-type: none"> (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 than option 1b (66.7% of Nottingham TTA 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:

		<p>meet local needs, evidenced through:</p> <ul style="list-style-type: none"> ○ (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 	<ul style="list-style-type: none"> ○ (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	<ul style="list-style-type: none"> ● 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) 	<ul style="list-style-type: none"> ● 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	<ul style="list-style-type: none"> ● 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 	<ul style="list-style-type: none"> ● 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,

		<p>into housing and estimate volume</p> <ul style="list-style-type: none"> • 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. 	<p>which is integral to the functioning geography of Nottingham)</p> <ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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), 	<ul style="list-style-type: none"> • 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

		<p>Option 1(b) is also more balanced for self-funders.</p> <ul style="list-style-type: none"> • 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 	<p>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.</p> <ul style="list-style-type: none"> • 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.
	<p>Challenges</p>	<ul style="list-style-type: none"> • 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 issues¹² • Risk of disaggregation and quality of ASC services is significant but no greater risk than Option 1(e). 	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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

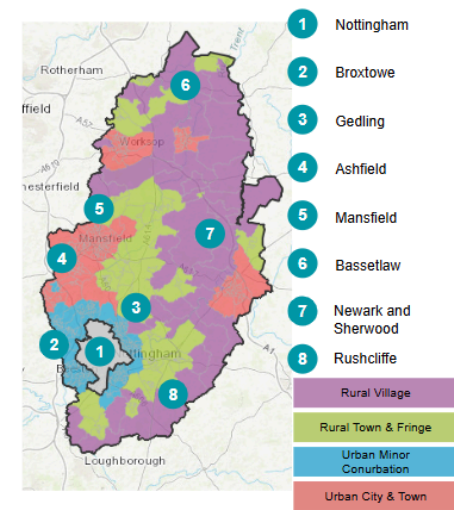
	Challenges	<ul style="list-style-type: none"> For a variety of reasons to it is key to consider the implications of having a wider variance of authorities in terms of rural/ urban settings, introducing contrasting service needs, cost profiles and expectations Option 1e would merge areas such as Nottingham 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<p>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</p>	
	Considerations	<ul style="list-style-type: none"> 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 place-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	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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



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 1(e) would have the lowest 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

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	£19,249,433	£30,044,575	£94,919,953	Less than 1 year

Comparative purposes only

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.



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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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 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	<ul style="list-style-type: none"> Identifying the costs and benefits associated with the implementation of unitary local government across Nottingham and Nottinghamshire, taking more precise account of data concerning: <ul style="list-style-type: none"> 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.

Nottingham & Nottinghamshire Councils

page 99

Local Government Reorganisation
July 2025



Nottingham
City Council



Nottinghamshire
County Council



Bassetlaw
DISTRICT COUNCIL
— North Nottinghamshire —



Broxtowe
Borough
COUNCIL

Gedling
Borough Council



Mansfield
District Council



Contents

Options Appraisal for Local Government Reorganisation across Nottingham and Nottinghamshire councils in line with the requirements of the Government's English Devolution White Paper published in December 2024.

#	Section	Page
01	Executive Summary	<u>3</u>
02	Background and Context	<u>7</u>
03	Case for change	<u>22</u>
04	Options analysis to March 2025	<u>27</u>
05	Options Analysis post March 2025	<u>31</u>
06	Financial Analysis	<u>64</u>
07	Implementation	<u>72</u>
08	Appendix A - Criteria Analysis	<u>80</u>
09	Appendix B - Financial analysis methodology	<u>83</u>
10	Appendix C - Comparative Analysis	<u>95</u>



1. Executive Summary

PwC supported the production of this report (which details the results of collaborative discussions between the councils) and:

- *Assisted with the options appraisal of the different formations of unitary council we have considered.*
- *Conducted financial analysis of those unitary options.*

For the avoidance of doubt, PwC's input was provided solely with our interests in mind, for our use only, and may not be relied upon by any other party.

Executive Summary: Summary

This document provides an options analysis for local government reform (LGR) in Nottingham and Nottinghamshire. It supports and builds on analysis undertaken to support the submission of an interim plan by the Nottingham and Nottinghamshire councils to MHCLG in March 2025.

Phase 1 (January - March 2025)

MHCLG officially set out their formal LGR criteria to all councils in Nottingham and Nottinghamshire on 5th February 2025, with supplementary guidance provided (in response to the interim plan) in June 2025.

Through independent analysis, engagement with Chief Executives and Section 151 officers, an options appraisal for future council arrangements in Nottingham and Nottinghamshire was developed. This has led to the identification of three potential options for LGR (from a long list of eight) which, on agreement with the Leaders / Mayor were included within the interim plan submitted to Government. Given the rapid timeframe, it was agreed that further work should be undertaken following the interim plan, including a range of activities to deepen the appraisal of the three options.

Phase 2 (May - June 2025)

In considering how each shortlisted option might satisfy the MHCLG criteria, it was agreed in May 2025 that the identified options should be further appraised through additional analysis against the government's framework.

The additional analysis prepared has particularly focussed on:



Sensible economic area



Sensible Geography

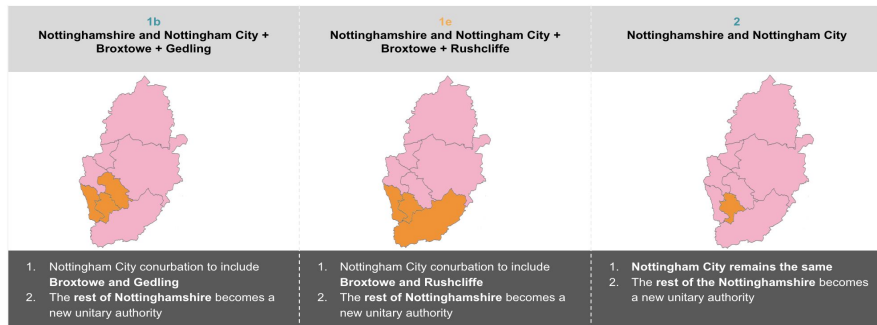


Impact on crucial services

Each of the three options offer different strengths and challenges, though Options 1(b) and 1(e) (as set out on page 33) were found to provide the strongest alignment to the set criteria.

The additional analysis undertaken demonstrated that Option 2 is the least aligned, and that the differences in degree of alignment between Options 1(b) and 1(e) are marginal.

This document sets out how each of the three options aligns to the MHCLG criteria and includes updated financial modelling to reflect a review of the assumptions which has been discussed with s151 officers over the course of the last few weeks.



Executive Summary: Updated financial analysis

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.

	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	£19,249,433	£30,044,575	£94,919,953	Less than 1 year

Comparative purposes only

The methodology is set out in Appendix B and includes a clarification as to what is and isn't covered for the purposes of an options analysis. 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.

Executive Summary: Process to date

Following the publication of the White Paper, significant activity has taken place in order to agree a local response, to test potential models for reorganisation, to document the outcomes of that analysis, and to present a comprehensive set of information for Chief Executives and Members to consider. The process followed is set out below:

Page 7	Page 22	Page 27	Page 31	Page 63	Page 72
Background & Context	Case for Change	Options analysis to March 2025	Options Appraisal post March 2025	Financial Analysis	Implementation
The potential benefits for councils in the area in both national and local contexts were explored using locally agreed criteria and the criteria provided by MHCLG.	The case for change examines opportunities to address inefficiencies and disconnections in the current two-tier system and evaluates the potential opportunities that could be driven by local government reform.	The approach undertaken to shortlist options to take forward to implementation. The shortlist was discussed by the Leaders / Mayor of the nine councils.	Qualitative assessment of the options were combined with comparative analysis of local economies, geography and deprivation to consider the alignment of options to MHCLG criteria.	A high level financial analysis was undertaken to evaluate the potential benefits, costs and savings associated with creating new unitary authorities.	This section sets out the considerations for implementation and the likely timescales as well as the potential outlining the activities and resources required.



2. Background and Context

2a. National Context

page 106



National Context: Devolution and reform

The **English Devolution White Paper** published in late 2024 by MHCLG, outlined a shift in the approach and ambition for reorganising and decentralising power to Local Government in England

The White Paper sets 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 a bespoke devolution 'deals'. This new approach seeks to empower local authorities to address existing financial sustainability and local service challenges by:

- Allowing for increased powers to be vested in local and regional government supported by new funding frameworks and 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;
- Implementing these radical changes at pace, accelerating delivery of benefits.

page 107



Reorganisation:

The transition to unitary authorities will ultimately remove the 'two tier' model of delivery from the map. This will involve the creation of new unitary councils which take the place of the current county, city and districts.



Devolution:

Creation of Strategic Authorities which will coordinate and commission services at a regional level. This could include the collaboration of multiple unitary authorities to provide a strategic regional authority. The White Paper includes specific ambitions and incentives for these authorities to drive economic growth and lead on strategic planning and transport.



National Context: “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 operated 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.



Transform service delivery: LGR should be a catalyst for transformation, beginning with the establishment of new unitary councils. This provides a rare opportunity to redesign ways of working from the ground up 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, make better use of new and emerging technology and reduce the volume of systems or assets that are currently in place.



Establish a stronger voice for the place: There is an opportunity to develop a stronger, more unified voice for the area which supports its growing presence on the regional and national stage. Government has already expressed its view about the importance of unitary local government as part of the devolution agenda, and in future models of system-wide delivery 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 that 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.

National Context: MHCLG ambitions for local government reform

MHCLG officially set out their formal criteria correspondence to all 21 two-tier areas across England on 5th February 2025.^[1] Set out below is a summary of that criteria. The department shared some additional clarifications in June 2025 as part of the response to the interim plan.^[2]

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
<p>Sensible economic areas, with an appropriate tax base.</p> <p>A sensible geography which will help to increase housing supply and meet local needs.</p> <p>Proposals need to be supported by robust evidence and analysis and include an explanation of the outcomes.</p> <p>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.</p>	<p>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.</p> <p>Efficiencies should be identified to help improve councils' finances and make sure that council taxpayers are getting the best possible value for their money.</p> <p>Proposals should set out how an area will seek to manage transition costs, including planning for future service transformation opportunities from existing budgets.</p>	<p>Proposals should show how new structures will improve local government and service delivery, and should avoid unnecessary fragmentation of services.</p> <p>Opportunities to deliver public service reform should be identified, including where they will lead to better value for money.</p> <p>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.</p>	<p>It is for councils to decide how best to engage locally in a meaningful and constructive way.</p> <p>Proposals should consider issues of local identity and cultural and historic importance.</p> <p>Proposals should include evidence of local engagement, an explanation of the views that have been put forward and how concerns will be addressed.</p>	<p>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.</p>	<p>Proposals will need to explain plans to make sure that communities are engaged.</p> <p>Where there are already arrangements in place it should be explained how these will enable strong community engagement.</p>

Source: [1] [MHCLG Criteria February 2025](#)
[2] [MHCLG Criteria June 2025](#)

2b. Local Context

page 110

Local Context: Existing two-tier local government

Local government across Nottinghamshire has seen major changes in governance arrangements 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.

Creation of Nottinghamshire County Council

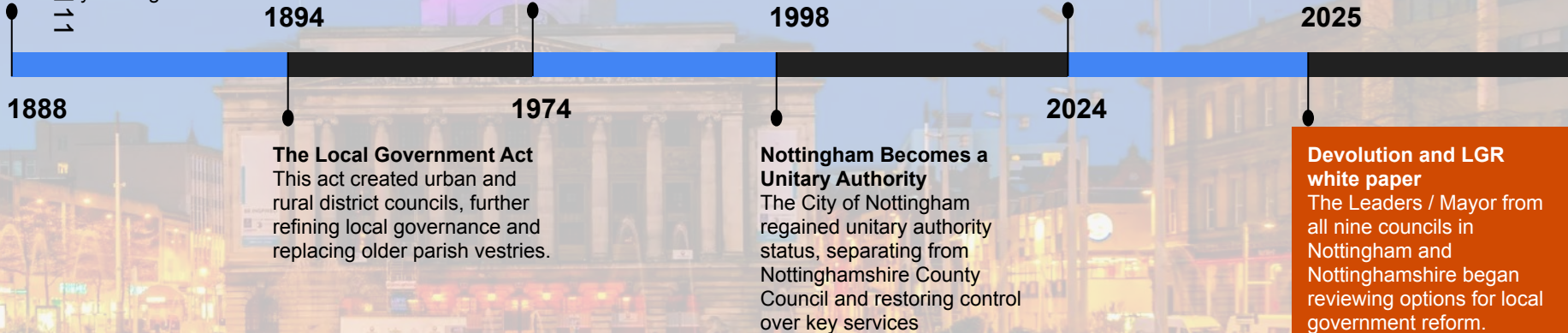
The Local Government Act 1888 established Nottinghamshire County Council for rural governance. Nottingham became a county borough.

Local Government Reorganisation

This introduced a two-tier system, with Nottinghamshire County Council overseeing strategic services while district and borough council managed local matters.

East Midlands Combined County Authority

Nottingham and Nottinghamshire councils become constituent members of the EMCCA which held its first Mayoral election in May 2024.



Devolution and LGR white paper

The Leaders / Mayor from all nine councils in Nottingham and Nottinghamshire began reviewing options for local government reform.

Local Context: The ambition to drive public sector reform

In response to the White Paper shared on 16th December 2024, and in advance of the statutory invitation being received from MHCLG, the nine councils agreed a series of local priorities which are set out below:



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 the future Council Tax base and equalisation across new authority areas



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

Local Context: East Midlands Combined County Authority

The East Midlands Combined County Authority (EMCCA) has a strategic purpose to address economic, planning and infrastructure needs at a regional level. Further devolution deals under the proposed strategic authority framework will provide a means to unlocking additional central government (integrated) funding arrangements and greater powers with delivery responsibilities sitting with new unitary authorities.

EMCCA's Background



The East Midlands Combined County Authority (EMCCA) was officially established on 28th February 2024.

The EMCCA is a partnership of local authorities working across the region to leverage devolved funding.

An elected Mayor and board with decision-making powers is in place. This creates the conditions for greater local autonomy and will over time gain further strategic powers and devolved central government funding.

What constitutes the EMCCA?



In November 2022, a devolution deal was agreed by the four upper-tier councils:

- Derbyshire County Council
- Nottinghamshire County Council
- Derby City Council
- Nottingham City Council

This secured a £1.1bn investment package, spread over a 30-year period, alongside devolved powers around transport, housing, skills and adult education, economic development and net zero.

EMCCA's Priorities



EMCCA's shared ambition for the region focuses on:

- Growing the region's economy through targeting investment to drive growth
- Improving transport links for better connectivity
- Increasing housing availability
- Enhancing skills development to create demand and supply within the region
- Supporting green initiatives
- Improving health outcomes



Local Context: Role of EMCCA and new unitary authorities

Determining how the new councils will work with EMCCA will form part of the full business case. Several factors should be considered when defining this relationship including MHCLG criteria, existing and future aims and objectives and community expectations of each body as well as the opportunity for wider public service reform.



The role that unitary authorities will play in service delivery, within the context of the newly created EMCCA, will need to be agreed during implementation. Initial factors for considerations are outlined below:

(1) Criteria: What does 'one layer of local government for the whole area' imply?

MHCLG Criteria 1 requires proposals to achieve the establishment of a single tier of local government. For Nottingham and Nottinghamshire, EMCCA will set the strategic direction, and the new councils will have an operational focus.

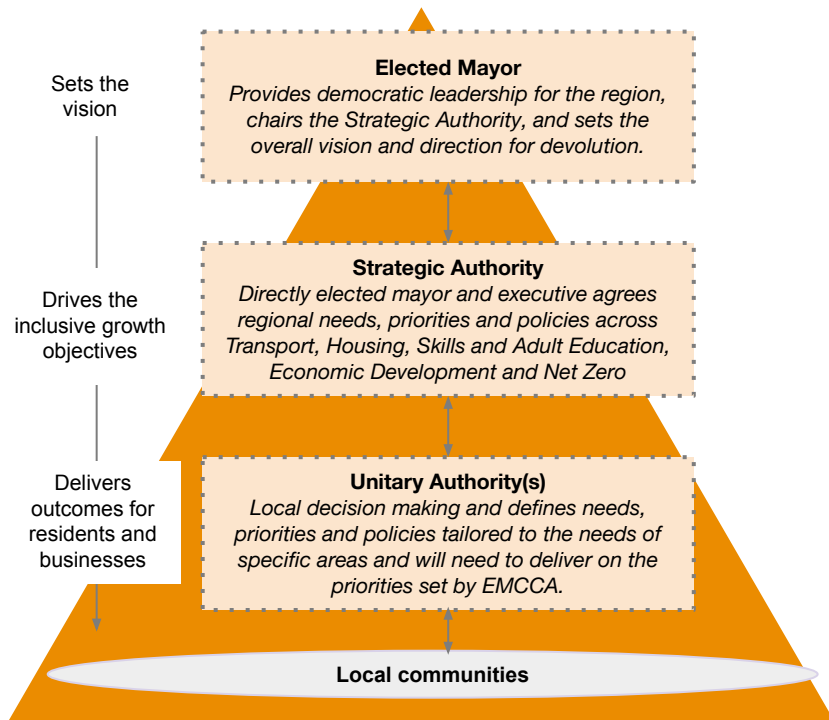
(2) Purpose: What are the aims and objectives of each body?

EMCCA has powers relating to transport, housing and skills – alongside leading the economic strategy of the region. Several key aims have been identified within the EMCCA Strategic Framework that sets out an initial broad vision rooted in 'inclusive growth'. The Strategic Authority will set the growth agenda and lead decisions on the direction of spatial planning, transport and skills provision.

This will be overseen by the EMCCA Inclusive Growth Commission, which sets out the view that growth is essential to creating successful communities that are people-centred and focus on education, wellbeing, public safety, healthcare, infrastructure, housing and assets.

(3) Community: What would a resident expect of each body?

Residents will expect councils to continue providing vital services to their community and championing their towns, rural communities and cities, whilst EMCCA will be expected to deliver transport links, business development and employment opportunities that support places and inclusive growth.



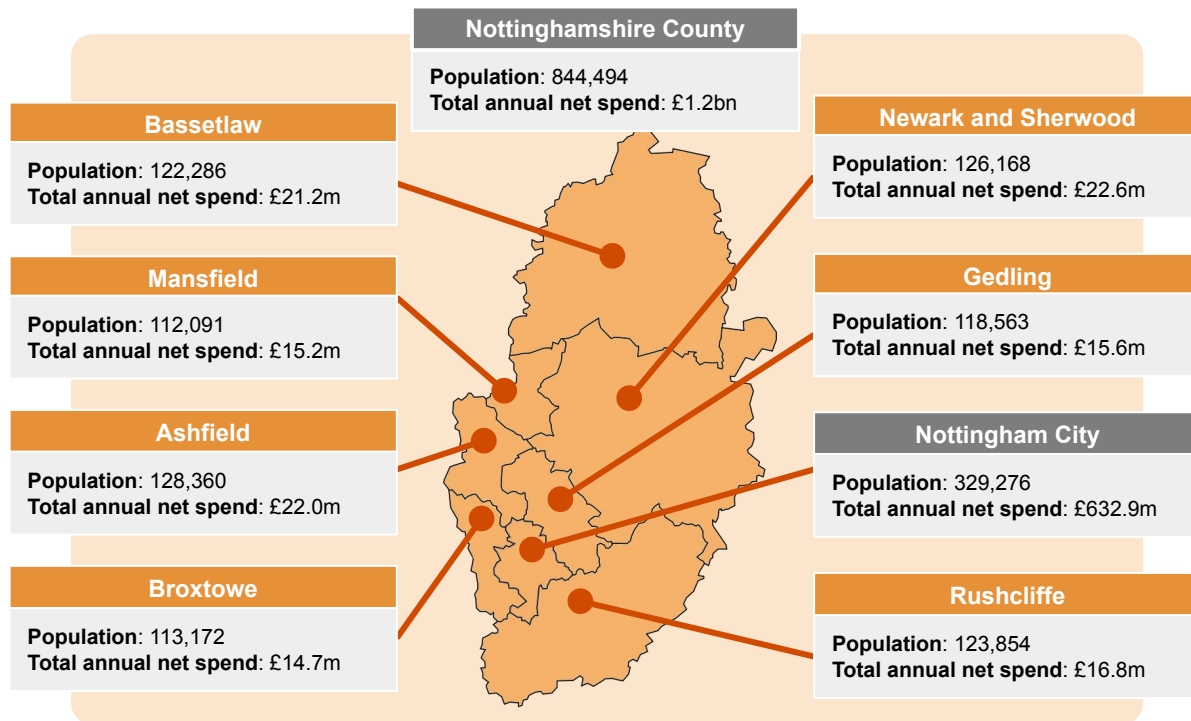
Local Context: Geography, population and council spend

Set out below and across the next four pages is a snapshot of the context in which all nine councils are operating which has fed into the comparative analysis undertaken, aligned to local and MHCLG criteria.

Nottinghamshire is currently served by multiple tiers of local governance. Nottinghamshire County Council is 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 unitary authority, distinct from Nottinghamshire County Council, 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. EMCCA is comprised of Nottinghamshire, Derbyshire and the cities of Nottingham and Derby.



Sources:

[1] [ONS Estimates of the population for England and Wales Mid- 2023: local authority boundary edition](#)

[2] [Nottinghamshire County Council revenue budget statement FY24/25](#)

Local Context: Place & Demography

Nottinghamshire has a diverse socio-economic profile, with place and demographic trends indicating contrasts between urban and rural areas as well as across those places which are historically industrial compared to those which are experiencing growth in new sectors. It is important that any reorganisation considers the diverse place and demography across the wider area.



19.0% of the Nottinghamshire population is aged over 65, and is projected to rise by over 30.0% by 2034. Bassetlaw has the highest proportion of over 65's, while Nottingham City has the lowest.



Gross disposable income is highest in Rushcliffe, at £23,828, and lowest in Nottingham City, at £15,015. This compares to a national average of £20,425.



Bassetlaw has the lowest population density within the area at 110 people per square km. Nottingham City is the most densely populated as 4,338 people per square km.



The further education and skills participation is highest in Nottingham City, at 6,545 per 100,000 population, and lowest in Rushcliffe, at 4,435 per 100,000 population.



Ethnic diversity varies, with Nottingham city the most diverse (65.9% white; 14.9% Asian, Asian British or Welsh; 10.0% Black, Black British or Welsh, Caribbean or African) and Bassetlaw the least.



Nottingham City has the highest proportion of its population claiming out of work benefits, 6.3%, and Rushcliffe the lowest at 2.1%.

Nottingham City is facing economic challenges as a result of growth constraints, whilst northern districts are more deprived and some districts such as Rushcliffe have older populations overall.



























Sources:

- [1] [ONS Estimates of the population for England and Wales Mid- 2023: local authority boundary edition](#)
- [2] [ONS Census: Gross disposable household income \(2021\)](#)
- [3] [Nomis Population Density \(2021\)](#)

- [4] [ONS Census 2021: Further Education and skills participation](#)
- [5] [ONS Census Ethnic group, England and Wales](#)
- [6] [ONS Claimant Count \(2024\)](#)

Local Context: Economic Geography

Latest data on Gross Value Added (GVA) demonstrates strong ties in the manufacturing and wholesale / retail trade sectors, with at least one of these sectors being a significant part of each district's economy. Any new unitary authorities will need to carefully consider the sectors it intends to nurture, the type of inward investment it will seek and what type of economy would be created as a result. EMCCA clearly has a significant leadership role in this.

Local Authority City / District	Largest in GVA terms (2022)		2 nd largest in GVA terms (2022)		3 rd largest in GVA terms (2022)	
	Sector	%	Sector	%	Sector	%
Ashfield	 Manufacturing	19.4%	 Human health and social work activities	18.5%	 Construction	13.6%
Bassetlaw	 Manufacturing	20.8%	 Wholesale and retail trade	12.3%	 Human health and social work activities	11.1%
Broxtowe	 Manufacturing	24.2%	 Real estate activities	12.7%	 Wholesale and retail trade	11.8%
Gedling	 Real estate activities	18.2%	 Manufacturing	15.7%	 Wholesale and retail trade	14.9%
Mansfield	 Wholesale and retail trade	16.8%	 Real estate activities	11.6%	 Manufacturing	11.6%
Newark & Sherwood	 Manufacturing	12.6%	 Real estate activities	11.4%	 Information and communication	9.9%
Nottingham	 Education	13.7%	 Human health and social work activities	12.4%	 Wholesale and retail trade	11.8%
Rushcliffe	 Professional, scientific and technical activities	22.9%	 Real estate activities	13.3%	 Wholesale and retail trade	10.7%

Sources:

[1] [ONS - Regional gross value added \(balanced\) by industry: local authorities by ITL1 region](#)

Local Context: Transport and Connectivity

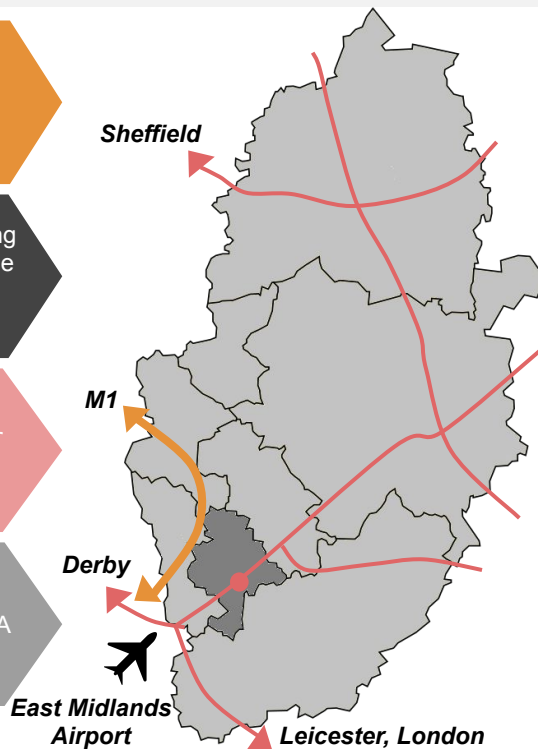
Nottinghamshire's transport network is designed to support economic hubs and growing commuter flows. Greater investment is required to enhance connectivity and mobility. It is important that any reorganisation efforts consider the existing transport and infrastructure arrangements.

Transport data reveals significant commuting patterns, particularly the dominance of Nottingham as a key employment hub, attracting 73% of workers from within the city, 42% from Gedling and 35% from Rushcliffe. Mansfield and Newark and Sherwood are also major employment centers, with 55% of Mansfield's workforce living locally and 59% of Newark and Sherwoods' workforce employed within the area. However, smaller employment flows exist across districts, demonstrating localised economies with some regional mobility.

Transport infrastructure supports current movements, with the M1, A1, and major rail links providing connectivity. Though transport is challenging in rural areas where one-third of the population resides. Increasing vehicle use is evident, with Nottinghamshire's road traffic rising from 3.9bn miles in 2020 to 4.8bn in 2023, while Nottingham's traffic grew from 885m miles to 1.1bn miles in the same period. Strategic planning for transport and services after LGR will be crucial to maintaining connectivity and overall will be the responsibility of EMCCA.

Nottingham City Council has secured over £250m since 2019 to enhance its transport network. Key programmes include Transforming Cities for better connectivity, the Bus Service Improvement Plan for greener buses, Future Transport Zones for innovative mobility, the Levelling Up Fund for safer streets, and the Active Travel Fund to promote walking and cycling. These support the city's long-term transport vision.

In the context of LGR, transport planning must remain coordinated and efficient to support economic connectivity and service integration. Many transport projects, such as Transforming Cities and the Bus Service Improvement Plan, are currently delivered in partnership between Nottingham and Nottinghamshire Councils. A shift to two unitaries, for example, would require a strategy to avoid duplication, ensure efficiency, and coordinate investment across the area. EMCCA will have a leadership role in this as the Strategic Authority.



Sources:

[1] [Nottinghamshire Local Transport Plan 2011-2026](#)

Local Context: Strategic Partnerships

Strong partnerships exist across Nottingham and Nottinghamshire which provide the basis to drive better outcomes and wider public sector reform. The majority operate within coterminous boundaries. Some examples of these are set out below.

Regional Government

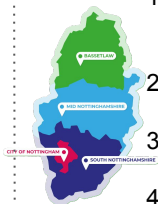
The East Midlands Combined County Authority (EMCCA) was officially established on 28th February 2024, with the Mayor elected in May 2024.

Initial devolved funding arrangements and powers are in place governed by an elected Mayor and board with decision-making powers. There is an opportunity for EMCCA to become a strategic authority under the arrangements set out in the White Paper.

Health Partners

Nottingham and Nottinghamshire Integrated Care System (ICS): This partnership brings together the wider system to commission and deliver integrated health and care services, including primary care across the whole Nottingham and Nottinghamshire area.

Within Nottinghamshire, there are four Place Based Partnerships (PBPs):



1. Bassetlaw Place Based Partnership (*also part of South Yorkshire ICS*)
2. Mid Nottinghamshire Place Based Partnership
3. South Nottinghamshire Place Based Partnership
4. Nottingham City Place Based Partnership

Private Sector & VCSE

Nottingham and Nottinghamshire Voluntary, Community and Social Enterprise (VCSE) Alliance: Established in July 2022, this alliance comprises VCSE organisations across the region, acting as a single point of contact to generate citizen intelligence from the communities they serve. The alliance collaborates with statutory partners to improve outcomes for residents.

Since 2016, Arc Partnership - a joint venture between Nottinghamshire County Council and SCAPE - has delivered 3,511 community projects and secured £394m in investment. It provides property design, consultancy, regeneration, and asset management services.

Community Safety

There are a range of community safety partnerships across Nottingham and Nottinghamshire.

Community Safety Partnerships (CSPs): County/City Councils are required to participate in CSPs, which involve collaboration with police, fire services, health services, and other agencies to develop strategies for reducing crime and improving community safety e.g. the Nottingham Community Safety Partnership. Also, in two-tier areas there is a statutory requirement to have a strategic county coordinating group, the Safer Nottinghamshire Board (SNB).

Nottingham City and Nottinghamshire has one police force, which is split into 12 smaller neighbourhood policing areas, allowing local officers to work closely with communities.

3. Case for Change

page 120

Case For Change: Opportunities

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

Strengthening Regional Governance

1

LGR can help ensure that local councils work more efficiently with EMCCA, avoiding fragmented governance and complex decision-making processes.

Attracting More Investment

2

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.

Supporting Economic Growth

3

Aligning LGR choices with the regional strategy and economic vision by simplifying the two-tier system decision-making and implementation.

Enhancing Democratic Accountability

4

LGR creates clearer governance, strengthening local authority ties with EMCCA and ensuring transparent, accountable decision-making for residents and businesses.

Case For Change: Limitations in the current system

Rising financial pressures on local councils highlight 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 125), 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 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.

Projections at the time of this analysis indicated a budget pressure of £27m in 2024/25 for Nottinghamshire County Council, with more significant pressures identified in subsequent years. To address financial challenges, the council has proposed various service efficiencies aimed at maintaining value for money while delivering its priorities.

There is also a live consultation on Fair Funding 2.0 which is likely to result in changes in funding levels for all councils in the area.

Case For Change: Services

The existing two-tier system has the potential to lead to service duplication. Local Government Reform offers a chance to simplify services, optimise resources, and enhance outcomes for residents. The types of local authorities and the services provided by each district are outlined below.

Type	Name	Community Safety & Trading Standards	Economic Development	Education & Schools	Highways Roads & Transport	Housing	Licencing & Public Protection	Parks, Leisure & Culture	Planning & Building Control	Public Health	Social care	Waste disposal / recycling	Waste Collection
Unitary Authority	Nottingham City	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
County Council	Nottinghamshire County	✓	✓	✓	✓			✓	*	✓	✓	✓	
District Authority	Ashfield	✓	✓			✓	✓	✓	✓				✓
District Authority	Bassetlaw	✓	✓			✓	✓	✓	✓				✓
District Authority	Broxtowe	✓	✓			✓	✓	✓	✓				✓
District Authority	Gedling	✓	✓			✓	✓	✓	✓				✓
District Authority	Mansfield	✓	✓			✓	✓	✓	✓				✓
District Authority	Newark & Sherwood	✓	✓			✓	✓	✓	✓				✓
District Authority	Rushcliffe	✓	✓			✓	✓	✓	✓				✓

* Nottinghamshire County Council provides planning and building services in the form of Strategic Planning



Case For Change: Democracy

Democratic services across Nottinghamshire, the city and districts manage a significant amount of electoral services activity, including rolling registration, election administration and supporting committees of their respective councils. Unitary councils would result in one set of local elections per authority (as currently take place in Nottingham City):

Local Election	Number of Councillors ^[3]	Election Cycle ^[3]	Last Election ^[1]	Votes Cast ^[1]	Number of electors per council member ^[3]
Nottinghamshire County Council	66	4 years	2025 ^[2]	287,388 ^[2]	9,404 ^[4]
Nottingham City UA	55	4 years	2023	55,879	3,633
Ashfield	35	4 years	2023	29,594	2,662
Bassetlaw	48	4 years	2023	27,738	1,868
Broxtowe	44	4 years	2023	42,154	1,922
Gedling	41	4 years	2023	31,259	2,185
Mansfield	36	4 years	2023	22,191	2,266
Newark & Sherwood	39	4 years	2023	27,844	2,371
Rushcliffe	44	4 years	2023	39,926	2,095

page 124

Sources:

[1] [Electoral statistics for the UK 2023](#); [2] [Sum total of votes casted \(2025\)](#)

[3] [Various Sources \(2021-2025\)](#); [4] [The Local Government boundary commission](#)

4. Options analysis to March 2025

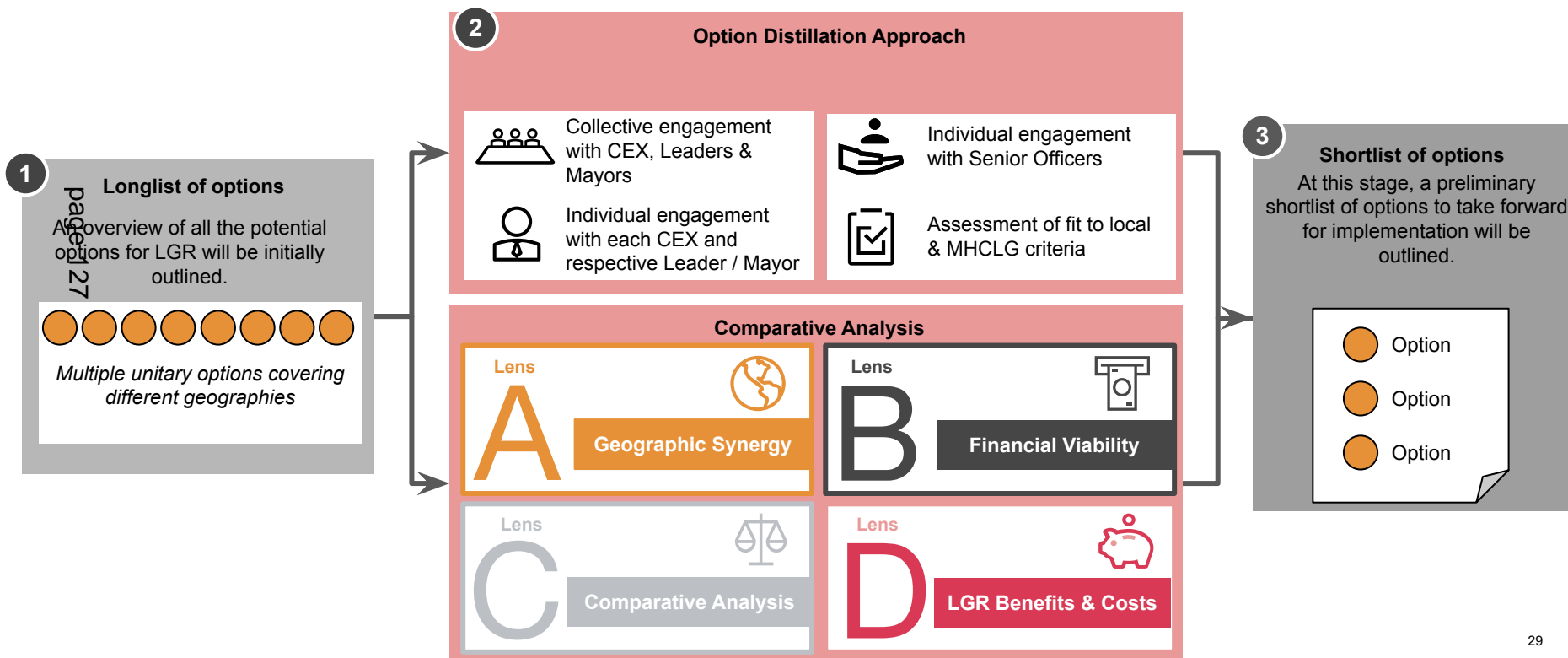
Summary of Options: Overview

A number of two unitary authority options were identified to be part of the initial options appraisal activity taking into account the MHCLG framework and local criteria.



Methodology and Approach: Overview

The process for appraising the initial eight options and distilling to a shortlist of three is set out below. The detail of each of the four lenses of the comparative analysis is set out on the following page.




Comparative Analysis: Overview

Each option was analysed through a series of 'lenses' the detail of which is set out below. The summary of the comparative analysis can be found at Appendix C.

Lens

A

page 128




Geographic Synergy

Geographic Analysis

Analysis of publicly available data to understand the geographic synergy of the two unitary authority options. This will include an understanding of each District's proportion of rural and urban populations, each Authorities Mosaic Segmentation Profiles and the average time to key services.

Lens

B



Financial Viability

Analysis of financial data from individual councils

Analysis of publicly available information to understand the financial viability of two unitary authority options. This will include understanding existing positions on debt to reserve ratios, and measure both current and future Council Tax take in relation to demand for both Adult and Children Social Care.

Lens

C


Comparative Analysis

Other relevant information

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.

Lens

D



LGR Benefits & Costs

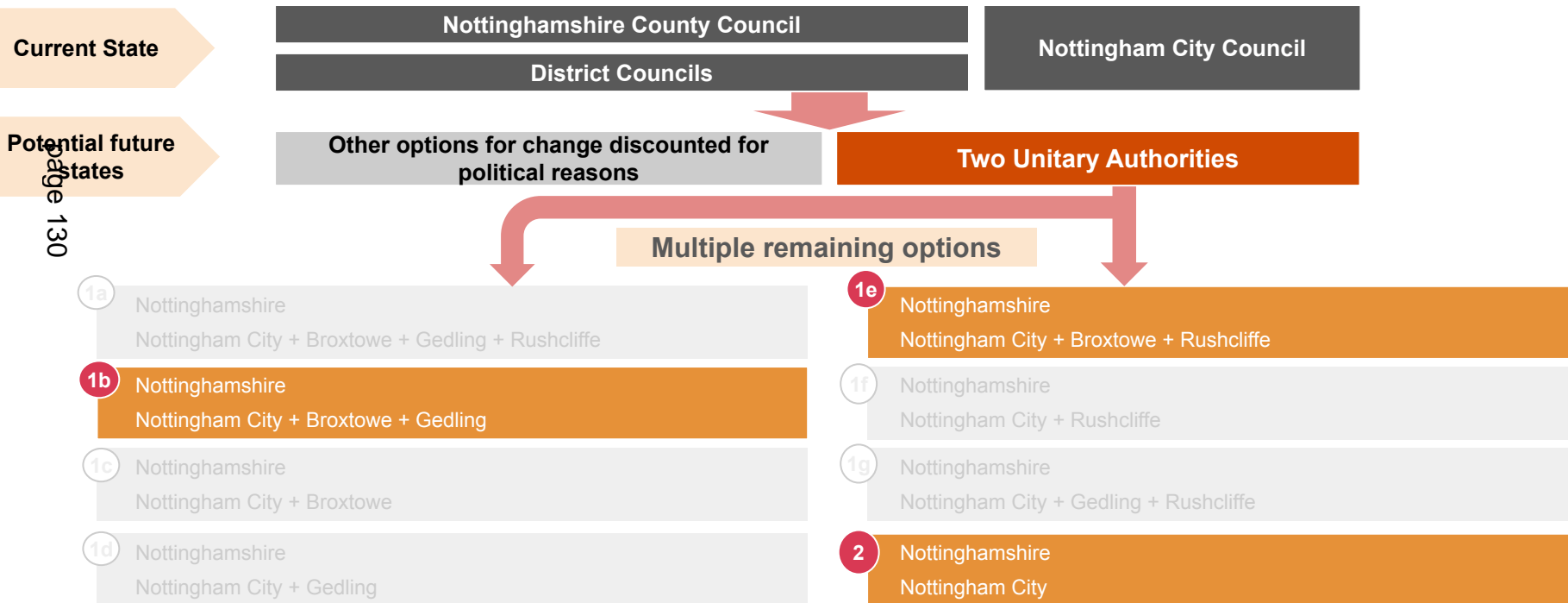
Outcomes of financial modelling

Our financial analysis will be used to assess the benefits and costs of your local government transformation, demonstrating the benefits, costs and savings related to the implementation of a two unitary authority system.

5. Options analysis post March 2025

Summary of Options: Options to take forward (1/2)

As set out in the previous section, the first phase of options analysis distilled eight options to three which were included in the interim plan submitted to Government in March.

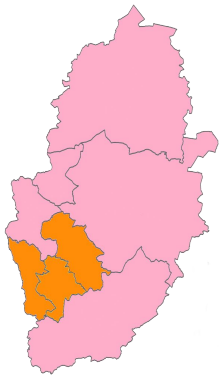
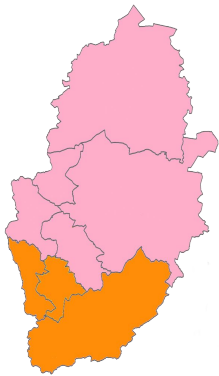
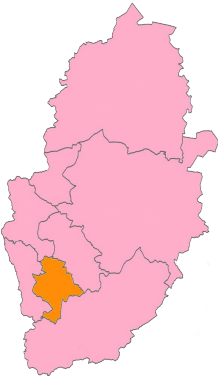


Key:

Proceed to Interim Plan

Summary of Options: Options to take forward (2/2)

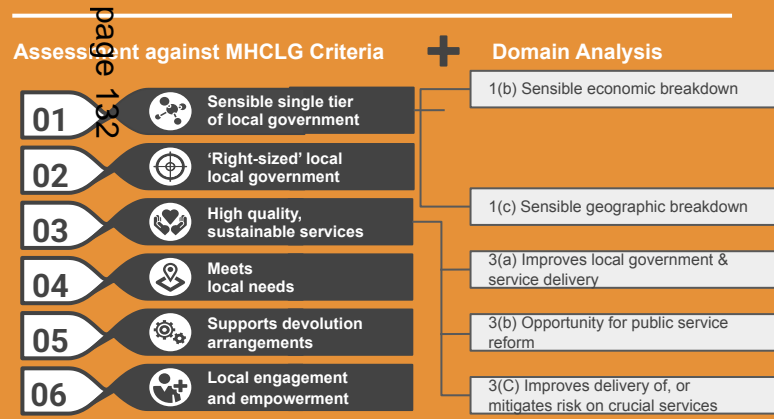
The three options set out in the interim plan are described below.

<p>1b</p> <p>Nottinghamshire and Nottingham City + Broxtowe + Gedling</p>	<p>1e</p> <p>Nottinghamshire and Nottingham City + Broxtowe + Rushcliffe</p>	<p>2</p> <p>Nottinghamshire and Nottingham City</p>
<p>page 131</p>  <p>A map of Nottinghamshire and Nottingham City, with the areas of Broxtowe and Gedling highlighted in orange. The rest of the county is shown in pink.</p>	 <p>A map of Nottinghamshire and Nottingham City, with the areas of Broxtowe and Rushcliffe highlighted in orange. The rest of the county is shown in pink.</p>	 <p>A map of Nottinghamshire and Nottingham City, with Nottingham City highlighted in orange. The rest of the county is shown in pink.</p>
<ol style="list-style-type: none">1. Nottingham City conurbation to include Broxtowe and Gedling2. The rest of Nottinghamshire becomes a new unitary authority	<ol style="list-style-type: none">1. Nottingham City conurbation to include Broxtowe and Rushcliffe2. The rest of Nottinghamshire becomes a new unitary authority	<ol style="list-style-type: none">1. Nottingham City remains the same2. The rest of the Nottinghamshire becomes a new unitary authority

Options Appraisal: Detailed analysis of shortlisted options (1/3)


In considering how each shortlisted option might satisfy the MHCLG criteria, it was agreed that further analysis should be undertaken by the nine councils to enable Chief Executives and Members to take a decision on which option(s) to take forward to develop into a full business case for local government reorganisation.

Each option demonstrates varying degrees of alignment with the MHCLG criteria and presents distinct strengths and risks. Key factors that have been considered include financial sustainability, service coordination, and sensible geographic and economic configurations.



Relative alignment of LGR criteria among options:


 High alignment  Medium alignment  Low alignment



Option 1(b)
Nottinghamshire and Nottingham City + Broxtowe + Gedling

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.


01 02 03 04 05 06



Option 1(e)
Nottinghamshire and Nottingham City + Broxtowe + Rushcliffe

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.

01 02 03 04 05 06



Option 2
Nottinghamshire and Nottingham City

This option demonstrates the weakest alignment against the MHCLG criteria of the three options under further consideration. It would provide 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

Options Appraisal: Detailed analysis of shortlisted options (2/3)

Additional analysis was completed focussed on key MHCLG criteria including 1(b), 1(c) and 3 as highlighted below. This and previous analysis completed has helped inform the evaluation of each option against all MHCLG criteria.

Criteria	Key factors	Option 1b	Option 1e	Option 2
1 Sensible single tier of local government	Establishes a single tier of Local Government for the whole of the area concerned	Medium	High	Low
	Sensible economic breakdown: with a tax base which does not create undue inequalities			
	Sensible geographic breakdown: which will help increase housing supply and meet local needs			
‘Right-sized’ local government	A population of 500,000 or more (unless specific scenarios make this unreasonable)	High	High	Low
	Supports efficiencies and value for money for council taxpayers			
	Improves capacity and supports the council to withstand financial shocks			
	Manageable transition costs			
3 High quality, sustainable services	Improves local government & service delivery, avoiding unnecessary service fragmentation	High	Medium	Medium
	Opportunity for public service reform including where this will lead to improved value for money			
	Improves delivery of, or mitigates risk to negative impact on crucial services			
4 Meets local needs	Meets local needs and is informed by local views	High	Medium	Medium
	Improves / mitigates risk to issues of local identity, cultural and historic importance			
	Addresses local concerns			
5 Supports devolution arrangements	Helps to support devolution arrangements / unlock devolution	High	High	Low
	Sensible population size ratios between local authorities and any strategic authority			
6 Local engagement and empowerment	Enables stronger community engagement	Medium	Medium	Medium
	Delivers genuine opportunities for neighbourhood empowerment			

page 133



Options Appraisal: Detailed analysis of shortlisted options (3/3)

Each LGR model offers different strengths and challenges, though Options 1(b) and (e) would provide the strongest alignment to the MHCLG criteria. Whilst the analysis concludes that Option 2 is the least appropriate option, it also sets out that the differences between Options 1(b) and 1(e) are marginal.

Summary of domain analysis

Sensible Economic Area (SEA) (1a)

The differences in degree of fit are marginal. Option 1(b) (< 1 percent) provides a slightly stronger fit with the Travel to Work Area (TTWA) and the Housing Market Area (HMA) but also will have the complication of housing delivery for the urban conurbation being delivered across two authorities.

Sensible Geography (1b)

Option 1(b) may not accelerate housing supply in the same way that Option 1(e) might, with 1(e) producing two more balanced authorities in size with a wide mix of housing supply sources and reflects existing joint workings on GNSP.

Critical Services (3)

Option 1(b) is overall the preferred choice due to its demographic and geographic similarities. Additionally, it provides a relatively balanced distribution of demand of crucial services.

Criteria	1b Nottinghamshire and Nottingham City + Broxtowe + Gedling	1e Nottinghamshire and Nottingham City + Broxtowe + Rushcliffe	2 Nottinghamshire and Nottingham City
1 <i>Sensible single tier of local government</i>	Strong alignment with SEA criteria but fragments travel to work/housing areas; urban capacity constraints and green belt review could impact future growth beyond current plan	Stronger alignment with SEA criteria marginally more than Option 1(b) (<1 percent); wide mix of housing supply resources but supply will require cross council collaboration.	Greatest fragmentation of travel to work and housing market areas and weakest alignment to sensible geography; supply figures look strong through difficult to increase supply in long-term (no green-belt)
2 <i>'Right-sized' local government</i>	Equal population level (603k vs 661k) though an imbalance in debt-to-reserves ratio (53.5 vs 16.6); financial resilience likely to be met despite imbalance and only marginally less balanced than Option 1(e)	Equal population level (611k vs 653k) though an imbalance in debt-to-reserve ratio (47.1 vs 17.5); though is the option with the lowest difference on this factor between authorities	Significant population imbalance and highest amongst all options (352k vs 912k); financial resilience a concern as debt-to-reserve reaction significantly unbalanced (83.9 vs 16.5)
3 <i>High quality, sustainable services</i>	Provides a balanced distribution of demand and services for homelessness, ASC, CSC and SEND; has the best demographic and geographic makeup for service delivery.	Provides a relatively balanced distribution of demand and services for homelessness and ASC; there are challenges around SEND as Rushcliffe has a lower demand with varying geography and demography.	It creates unitaries with an uneven distribution of services; The demand for homelessness, ASC and SEND is the most varying under this option.
4 <i>Meets local needs</i>	Combines authorities that are already the most alike in terms of rural / urban settings and most similar clustering of Mosaic segments across both authorities; able to tailor services to specific demographics	Combines authorities that are most different in terms of rural / urban settings, with the city-based conurbation authority becoming predominantly rural; difficult to tailor services to specific demographics	Combines authorities that are highly alike in terms of rural / urban setting; arguably less likely to satisfy criteria as may leave communities that do identify with the city in a different and rural geography
5 <i>Supports devolution arrangements</i>	Combined authority already exists within the Nottingham City conurbation and meets the requirements for a sensible population size ratio (603k for Nottingham City and 661k for Nottinghamshire by 2035)	Combined authority already exists within the Nottingham City conurbation and meets the requirements for a sensible population size ratio (611k for Nottingham City and 653k for Nottinghamshire by 2035)	Combined authority already exists though does not meet requirements for a sensible population (352k for Nottingham City and 912k for Nottinghamshire by 2035) and minimum threshold of 500k population
6 <i>Local engagement & empowerment</i>	Similar clustering of Mosaic segments and some overlap with Hospital Trusts and Nottingham City Council boundaries though not completely coterminous; new channels required to engage communities	Existing efforts to prepare GNSP demonstrates joint engagement and some overlap with Hospital Trusts though not completely coterminous; mix of rural/urban communities requires bespoke channels	Consolidation of rural communities allows for concentrated focus on specific community issues; size of rural / mixed urban unitary could make it challenging to maintain depth of local engagement

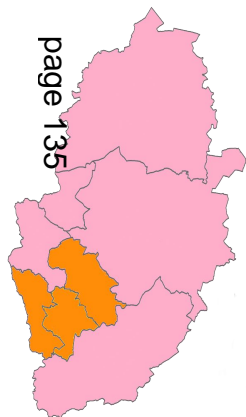
Note: RAG rating indicates how the option aligns to the MHCLG criteria relative to the other two options

Alignment to MHCLG criteria: H M L

Options Appraisal: Detailed analysis of Option 1(b)

This option demonstrates the strongest fit against the MHCLG criteria overall. 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 amongst all options and aligns with the City's demography and geography, offering a balanced distribution of service delivery, equal population and debt-to-reserve ratio.

1b Two Unitary Authorities: Nottinghamshire and Nottingham City + Broxtowe + Gedling



Alignment to MHCLG criteria



Criteria	Advantages and Disadvantages	Key: Footnote (Page)
Criteria 1	Presents a stronger alignment with the Sensible Economic Area criteria than Option 2 though is not an optimum fit as fragments both the travel to work and housing market areas in Nottingham; though only marginally more more than Option 1(e) (< 1 percent). ^{1 (22)} Similarly, it presents a stronger alignment with the Sensible Geography criteria than Option 2, though less than Option 1(e). ^{2 (22)} Whilst Option 1(b) has the lowest difference between the two authorities in the number of homes needed and available over next 15yrs, ^{2 (12)} constraints such as urban capacity, Green Belt review and splitting of strategic growth areas would dominate and impact future growth options beyond current plan allocations, and may hinder long-term housing supply. ^{2 (20)} Deprivation levels are relatively equal though the spread between authorities is wider in Option 1(b) than 1(e), with Nottingham City + Broxtowe + Gedling average deprivation score at 26.5, and the rest of Nottinghamshire's at 20.7. ⁹	
Criteria 2	Presents an equal population level though marginally less than Option 1(e), with Nottingham City + Broxtowe + Gedling projected to have 603,185 residents by 2035 and the rest of Nottinghamshire would have 661,460. ⁷ Additionally, financial resilience - key to criteria 2 - is likely to be met with this option, as Nottingham City + Broxtowe + Gedling debt-to-reserves ratio stands at 53.5, with the Nottinghamshire authority standing at 14.0. ⁸ Despite an imbalance in debt/reserves per capita, this option is only marginally less balanced than Option 1(e).	
Criteria 3	Strongest fit with Criteria 3 given the similar demographics and geography between Broxtowe, Gedling and Nottingham City meaning minimal impact to service delivery given infrastructure, town centres, travel and crossover to facilitates. Ensures a balanced distribution of demand for SEND services, minimising impact on resources, workforce and caseload. ^{3 (8,11)} Additionally, this option offers the most equitable share of Children's Social Care Expenditure (51% & 49% for the County and City authority respectively). ^{12 (6)} It also has potential to deliver ASC services to areas with greater commonality of needs. ^{4 (9)} Potential risks of Option 1(b) include potential fragmentation of homelessness services given confused pathways and weaker relationships between health and housing/homeless teams/services 10 ⁽¹⁴⁾ and possible impact on provider services due to asset relocation. ^{4 (10)}	
Criteria 4	This option presents the strongest alignment with criteria 4 when considering local identity. 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 (i.e. Urban Minor Conurbation and Rural Town/Fringe). ⁵ It also has the most similar clustering of demographics across both Unitary Authorities when considering mosaic characteristics, which are mainly Aspiring Homemakers, Senior Security, Rental Hubs, Domestic Success and Rental Hubs (non-exhaustive). ⁶ 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. ⁵	
Criteria 5	This option presents a strong alignment with criteria 5. It supports effective governance arrangements with the two new Unitary Authorities and the EMCCA as the reorganisation will reduce complexity and bureaucracy. Additionally, this option meets the requirements for a sensible population size ratio (outlined above in Criteria 2), with the Nottingham City conurbation projected to have 603,185 residents by 2035 and the rest of Nottinghamshire to have 661,460. ⁷	
Criteria 6	There is some overlap with existing wider system provision and several cross-boundary community networks already operating across this geography, though there would be a need to consider if new channels / approaches will be required to strengthen engagement with communities. Gedling, Broxtowe and Nottingham residents also share similar urban characteristics, challenges, and infrastructure needs - enabling more targeted and aligned engagement approaches. ⁶	

1. Criteria Assessment: Sensible Economic Areas for LGR in Nottingham and Nottinghamshire
2. Criteria Assessment: Increasing Housing Supply and Meeting Local Needs in Nottingham and Nottinghamshire
3. Criteria Assessment: Children's SEND service in Nottingham and Nottinghamshire
4. Criteria Assessment: Adult Social Care services in Nottingham and Nottinghamshire
5. Comparative Analysis: Rural-Urban comparative analysis (Phase 1)
6. Comparative Analysis: Experian Mosaic segmentation analysis (Phase 1)

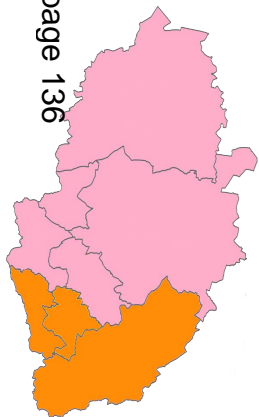
7. Comparative Analysis: Population (Phase 1)
8. Comparative Analysis: Debt to Reserve per capita Ratio Analysis (Phase 1)
9. Comparative Analysis: Deprivation (Phase 1)
10. Criteria Assessment: Homelessness in Nottingham and Nottinghamshire
11. Criteria Assessment: Public Safety in Nottingham and Nottinghamshire
12. Criteria Assessment in Children's Social Care in Nottingham and Nottinghamshire

Options Appraisal: Detailed analysis of Option 1(e)

This option demonstrates a strong fit against the MHCLG criteria with a marginally stronger fit with travel to work and housing market areas than Option 1(b). Whilst there is a balanced population split, similar deprivation levels, and similar levels financial resilience, the city-based conurbation authority would become predominantly rural with the least similar Mosaic characteristics, potentially needing different service delivery models and a potential imbalance in terms of demand.

1e Unitary Authorities: Nottinghamshire and Nottingham City + Broxtowe + Rushcliffe

page 136



Alignment to MHCLG criteria



Criteria	Advantages and Disadvantages	Key: Footnote (Page)
Criteria 1	Stronger alignment with the Sensible Economic Area criteria, providing the strongest fit with travel to work areas, housing market areas and NHS hospital trust areas, though only marginally more than Option 1(b) (< 1 percent). ^{11 (23)} Similarly, it presents the strongest alignment with the Sensible Geography criteria overall, ^{2 (22)} despite having the greatest difference between the two authorities in the number of homes needed and available over next 15yrs. ^{2 (15)} This is due to existing collaborations on the Greater Nottingham Strategic Plan and the ability to release Nottingham Derby Green Belt land as Grey Belt to address the housing needed, producing two balanced planning authorities in size with wide mix of housing supply resources. Deprivation levels are relatively equal between the two authorities and is the option with the lowest difference, with Nottingham City + Broxtowe + Rushcliffe average deprivation score at 24.7, and the rest of Nottinghamshire's at 22.3. ⁹	
Criteria 2	Presents an equal population level and is the option with the lowest difference between authorities, with the city authority projected to have 611,518 residents by 2035 and Nottinghamshire having 653,127. ⁷ Additionally, financial resilience- is likely to be met, as Nottingham City + Broxtowe + Rushcliffe debt-to-reserves ratio stands at 47.4, and the rest of Nottinghamshire's 17.5. Despite an imbalance in debt/reserves per capita, it is the option with the lowest difference between authorities. ⁸	
Criteria 3	Demographics and geography differ in the city authority, with Rushcliffe being more similar to Bassetlaw and Newark with large rural areas and an older adult populations. ^{4 (17)} Whilst no noticeable service enhancement opportunities have been identified for ASC ^{4 (12)} or SEND, this option may help streamline homelessness services as rough sleepers have a local connection to Notts City. ^{10 (15)} For Children's Social Care, Option 1(e) would provide a fairer share of the tax base across the two new unitaries. ^{12 (9)} However, whilst the disaggregation of Rushcliffe from the county to city authority would have little impact in terms of demand (i.e. children in care), income would be significantly 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). ^{12 (9)} The key risk to service delivery is further exemplified through the loss of revenue for SEND service in Rushcliffe, as it has a lower rate of children with EHCPs or special provisions which would result in an imbalance between service demand and income needed. ^{3 (9)}	
Criteria 4	This option presents a medium alignment with criteria 4. Looking at the types of areas that exist across the Nottingham and Nottinghamshire geography, Option 1(e) combines authorities that are the most different in terms of rural / urban settings. ⁵ The city-based conurbation authority would become predominantly rural, whilst the county-based authority would remain predominantly rural. ^{1 (23)} Of all three options, it also has the least similar Mosaic characteristics across both authorities. ⁶ Given that Option 1(e) would combine authorities that are most different in terms of rural and urban populations, this suggests that each authority might not be able to tailor its services to the specific needs of its demographic in the same way that Option 1(b) could.	
Criteria 5	This option presents a strong alignment with criteria 5 as there is already an existing combined authority within the Nottingham City conurbation. Additionally, this option meets the requirements for a sensible population size ratio (outlined above in Criteria 2), with the Nottingham city conurbation projected to have 611,518 residents by 2035 and Nottinghamshire to have 653,127. ⁷	
Criteria 6	Some overlap with existing wider system provision and several cross-boundary community networks already operating across this geography. The rural mix of rural and urban populations within the city-based authority would will present unique needs and therefore potentially new and bespoke channels will be required.	

1. Criteria Assessment: Sensible Economic Areas for LGR in Nottingham and Nottinghamshire

2. Criteria Assessment: Increasing Housing Supply and Meeting Local Needs in Nottingham and Nottinghamshire

3. Criteria Assessment: Children's SEND service in Nottingham and Nottinghamshire

4. Criteria Assessment: Adult Social Care services in Nottingham and Nottinghamshire

5. Comparative Analysis: Rural-Urban comparative analysis (Phase 1)

6. Comparative Analysis: Experian Mosaic segmentation analysis (Phase 1)

7. Comparative Analysis: Population (Phase 1)

8. Comparative Analysis: Debt to Reserve per capita Ratio Analysis (Phase 1)

9. Comparative Analysis: Deprivation (Phase 1)

10. Criteria Assessment: Homelessness in Nottingham and Nottinghamshire

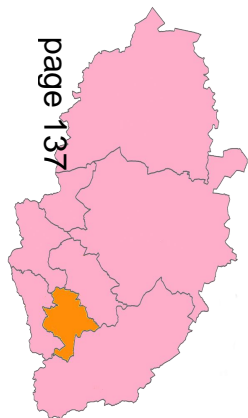
11. Criteria Assessment: Public Safety in Nottingham and Nottinghamshire

12. Criteria Assessment in Children's Social Care in Nottingham and Nottinghamshire

Options Appraisal: Detailed analysis of Option 2

This option demonstrates the weakest alignment against the MHCLG criteria. It would create councils with the greatest degree of fragmentation of travel to work, hospital and housing market areas and a significant population imbalance. It would also confine the City to existing boundaries rather than creating the conditions for growth.

2 Two Unitary Authorities: Nottinghamshire and Nottingham City



Alignment to MHCLG criteria



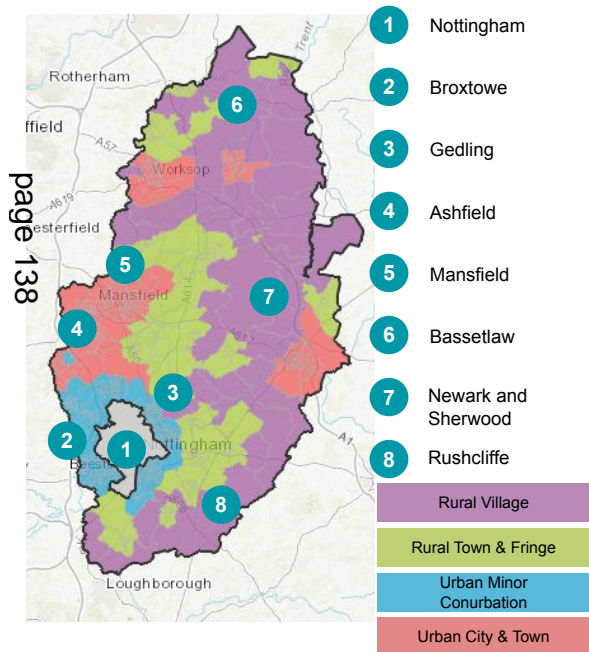
Criteria	Advantages and Disadvantages	Key: Footnote (Page)
Criteria 1	This option presents the weakest alignment with the Sensible Economic Area criteria of all three options, providing the lowest degree of economic self-containment 1 ⁽¹⁰⁾ and the greatest fragmentation of travel to work areas, NHS hospital trust areas and the Inner Nottingham housing market areas. ^{1 (6, 15, 13)} 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. ^{2 (17)} 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 Belt land). ^{2 (19)} Nottinghamshire + Remaining LAs have a significant shortfall and requires the highest number of houses to be identified across a large authority; a challenge not faced by the other options. ^{2 (18)} 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. ⁹	
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. ⁷ 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. ⁸ This imbalance increases financial vulnerability when compared to Option 1(b) and Option 1(e), and has the highest difference amongst all options. ⁸	
Criteria 3	Option 2 does not meet criteria 3, as it establishes unitaries with heightened viability issues and service imbalances. ^{3 (11)} 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 0.83 for Nottinghamshire. ^{4 (15)} 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. ^{4 (15)}	
Criteria 4	Option 2 presents a medium alignment with criteria 4. Looking at the types of areas that exist across the Nottingham and Nottinghamshire geography, Option 1(b) combines combines authorities that are already the most alike in terms of rural / urban settings of all three options. ⁵ Arguably, Option 2 would 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 it may support effective governance arrangements between the two new Unitary Authorities and the EMCCA as the reorganisation will reduce complexity and bureaucracy, 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. ⁷ This would not meet the threshold for a population of 500,000 or more. ⁷	
Criteria 6	Community engagement and neighbourhood empowerment will need to be supported. This option retains the need for continuous, strong, coordination between the City and County authorities for any major incidents that affects both areas. It may not fully capitalise on the benefits of aggregation that a single larger authority could offer for truly region-wide threats. ^{11 (Pg.24)} The sheer size of the rural/mixed urban-rural unitary could make it challenging to maintain the depth of local engagement and partnership. ⁵	

1. Assessment: Sensible Economic Areas for LGR in Nottingham and Nottinghamshire
2. Assessment: Increasing Housing Supply and Meeting Local Needs in Nottingham and Nottinghamshire
3. Assessment: Children's SEND service in Nottingham and Nottinghamshire
4. Assessment: Adult Social Care services in Nottingham and Nottinghamshire
5. Comparative Analysis: Rural-Urban comparative analysis (Phase 1)
6. Comparative Analysis: Experian Mosaic segmentation analysis (Phase 1)

7. Comparative Analysis: Population (Phase 1)
8. Comparative Analysis: Debt to Reserve per capita Ratio Analysis (Phase 1)
9. Comparative Analysis: Deprivation (Phase 1)
10. Assessment: Homelessness in Nottingham and Nottinghamshire
11. Assessment: Public Safety in Nottingham and Nottinghamshire
12. Assessment in Children's Social Care in Nottingham and Nottinghamshire

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

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 city demographic offering an urban density of 96.1% against the UK average of 98.41%, which is greater Option 1(e) (87.6%).



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 least urban density of all UK cities at 87.6%.

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

Source: [1] Rural Urban Classification 2011 lookup tables for local authority areas; [2] Scottish Government Urban Rural Classification 2022; [3] Belfast Local Development Plan 2023; [4] Wales Government website

5a. *Sensible Economic Area*

MHCLG Criteria Analysis: Sensible Economic Area (1/4)

Additional analysis completed by the nine councils assessed how the three options contribute to the MHCLG criteria 1a in creating a sensible economic area. There is no HMG definition of sensible economic area for local government meaning analysis has considered ‘functional economic area’ criteria.

Context

MHCLG officially set out their formal criteria for LGR proposals in February 2025, with criteria 1a requiring proposals to consider what would be a sensible economic area.

There is no established definition of a ‘sensible economic area’ for local government, though such an area should consider alignment of political and administrative structures with the actual economic behaviours and interactions of residents as far as is possible. A ‘functional economic area’ can act as a proxy for ‘sensible economic area; using a range of factors such as TTWAs.

Sensible Economic Area: Aligning political and administrative structures with how people live, work and travel

Key considerations for sensible economic areas within Nottingham and Nottinghamshire:

- In Nottingham and Nottinghamshire, Functional Economic Market Areas (FEMA) were defined in a May 2021 report which analysed whether the Nottingham Inner and Outer HMAs could be considered FEMAs. It concluded that the five ‘Core HMAs form a self-contained FEMA’ and that ‘an argument can be made that the Outer HMA is also a self-contained FEMA.’
- The ‘kickstarting growth’ mission aims to enhance living standards, supported by authorities putting in place policies across a sensible economic area.² Profiling conducted by the Office of National Statistics highlighted the economic challenges in Nottingham and Nottinghamshire, emphasising the need for administrative boundaries that better align with sensible economic areas.
- The evaluation of boundaries has focussed on long-term alignment with the functional economy (50 year horizon), prioritising fit with economic function over alignment with short-term policy, whether local, regional or national.
- Reflecting the overall economy of Nottingham and Nottinghamshire, all six authorities proposed under the 3 options would have higher than UK average inactivity rates, lower than average levels of enterprise formation, GDHI and productivity (GVA per head) – indicating the importance of sensible economic areas for local government to support long term prosperity of citizens and sustainability of local government in Nottingham and Nottinghamshire.

Criteria	Sub-criteria used in the officer assessment	1b	1e	2
1a Sensible economic area	Travel to work areas	Medium	High	Low
	Economic self containment	Medium	High	Low
	Housing market area	Medium	High	Low
	Service market for consumers (NHS Hospital Trusts)	Medium	High	Low

Sources:

[1] [Nottingham Core HMA and Nottingham Outer HMA Employment Land Needs Study](#)

[2] [Kickstarting Economic Growth](#)

Note: RAG rating indicates how the option aligns to the MHCLG criteria relative to the other two options



MHCLG Criteria Analysis: Sensible Economic Area (2/4)

Whilst none of the options provide a 'perfect fit' against Travel to Work Areas (TTWAs), Option 2 provides the least coherence with TTWAs whilst Options 1b and 1e would most strongly represent a 'sensible economic area' given the lower levels of fragmentation.

Sensible Economic Area: *Aligning political and administrative structures with how people live, work and travel*

- I. **Travel to Work Areas¹:** Alignment with Travel to Work Areas (TTWAs) can be used as a key determinant of a functional economic area; covering self-contained labour markets that reflect areas where people live, work and commute. Nottingham and Nottinghamshire authorities fall predominantly within the Greater Nottingham, Worksop & Retford and Mansfield TTWAs, which also incorporate areas outside of the county (See Figure 1). Assessing the percentage of each TTWA population that resides in each current authority, Option 2 provides the least coherence with current TTWAs, whilst Option 1e marginally provides the strongest fit with the Nottingham TTWA for the Nottingham City conurbation and with the County based TTWAs for the Nottinghamshire authority. This is due to approx 8,600 Gedling authority residents that work in the Mansfield TTWA who would be living and working in the same authority under this option. However, assessment of the three options against TTWAs alone is insufficient given none provide a 'perfect fit', though further analysis informs the degree of fit from fragmentation levels.

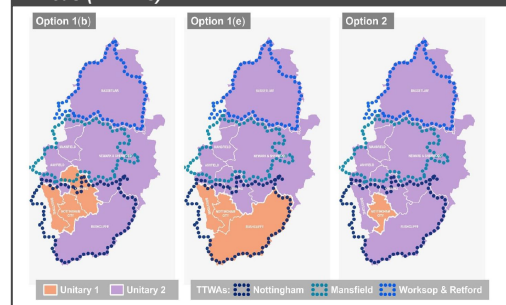
Option 2 would result in the greatest fragmentation of all options; particularly for the residents of Broxtowe, Gedling and Rushcliffe absorbed into the Nottinghamshire authority. This is evidenced through assessment of the overall patterns of travel between authorities, which shows that the first choice work destination for residents from these authorities (and Nottingham) is Nottingham. Further evidence of fragmentation within Option 2 is evidenced by the number of residents that commute to work from outside their home authority versus those that work and work within the same authority, with Broxtowe, Gedling and Rushcliffe authorities having the lowest percentage of residents that work within the new Nottinghamshire unitary authority. This suggests that Option 2 does not represent a sensible economic area given the level of fragmentation.

Options 1b and 1e would provide the lowest degree of fragmentation when compared to Option 2. Option 1b presents a significant degree of fragmentation for Rushcliffe residents whilst Option 1e presents a significant degree of fragmentation for Gedling, leaving more residents working outside their home authority than in within it. Whilst the degree of fragmentation is slightly more significant for Gedling residents in Option 1e versus Rushcliffe residents in Option 1b, either option could represent a sensible economic area given the low levels of fragmentation across all authorities.

Figure 1: Nottinghamshire & Derbyshire Travel to Work Areas (TTWAs)



Figure 2: Submitted Options and Travel to Work Areas (TTWAs)



MHCLG Criteria Analysis: Sensible Economic Area (3/4)

Options 1a and 1b have the highest degree of economic self-containment and most strongly align with Housing Market Areas and NHS Hospital Trust Area boundaries; whilst the degree of difference is marginal, Option 1e would more strongly represent a 'sensible economic area'

Sensible Economic Area: *Aligning political and administrative structures with how people live, work and travel*

- I. **Economic self containment:** The overall percentage of workers living within each new authority that also work within that authority can be used to indicate the degree of economic 'self-containment', with a higher percentage indicating a greater self-containment. Options 1b and 1e are comparable, exhibiting a medium-degree of self-containment across both the Nottingham City conurbation (71.3% and 71.1% respectively) and Nottinghamshire (60% and 61% respectively). Option 2 exhibits the lowest-degree of self-containment across all options at 64% for Nottingham City and 58% for Nottinghamshire.
- II. **Housing market area:** Alignment with local Housing Market Areas (HMA) can be used as a key determinant of a functional economic area (see Figure 1); covering 'whole council' areas and linking places where people live, work and move home. Nottingham and Nottinghamshire authorities fall predominantly within the Nottingham Inner, Outer and Northern (Sheffield and Rotherham) HMAs, with the majority falling within the Nottingham Inner / Core. None of the proposed options align perfectly with the HMAs in Nottingham and Nottinghamshire, though Option 2 would provide the greatest fragmentation of the Nottingham Inner HMA and the residents of Broxtowe, Gedling and Rushcliffe. Options 1b and 1e provide the strongest alignment to the Nottingham Inner HMA, though would fragment the residents of Rushcliffe and Gedling respectively and equally. Further analysis of each HMA population that would reside in each of the proposed new authorities indicates that Option 1e would marginally provide a better fit with the HMA geographies than Option 1b, though only by ~0.5 per cent (70.89 vs 70.41 percent).
- III. **Service market for consumers:** Alignment with existing health service structures can be used as a key determinant of a functional economic area (see Figure 2). Option 1e suggests the strongest alignment between proposed authority boundaries and existing NHS Hospital Trust Area boundaries, including the Nottingham University Hospitals for the Nottingham City conurbation and Sherwood Forest Hospitals and Doncaster & Bassetlaw Teaching Hospitals for Nottinghamshire. This is supported by analysis of Middle Super Output Areas (MSOAs) where more than 50% of patients attended an NHS Trust Hospital, which indicates there is significant alignment between NHS Hospital Trust Area boundaries, Travel to Work Areas and Housing Market Area geographies.

Figure 1: Submitted Options and Housing Market Areas (HMAs)

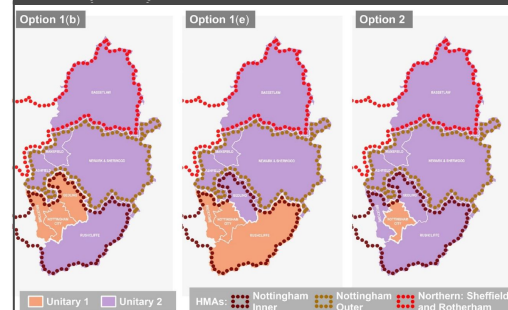
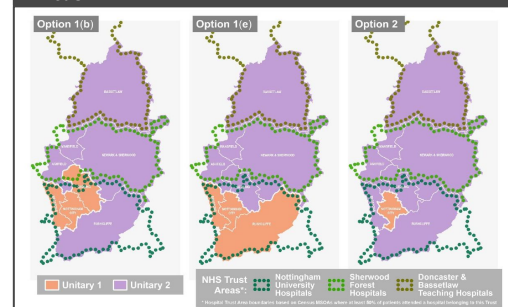


Figure 2: Submitted Options and NHS Hospital Trust Areas



MHCLG Criteria Analysis: Sensible Economic Area (4/4)

Additional analysis suggests that Option 2 represents the least sensible economic area and whilst neither Option 1(b) or (e) represent an optimal fit as they both fragment travel to work and housing market areas, Option 1(e) marginally (< 1 percent) provides a stronger fit with TTWA and HMA's

Sub-criteria		1b Nottinghamshire and Nottingham City + Broxtowe + Gedling	1e Nottinghamshire and Nottingham City + Broxtowe + Rushcliffe	2 Nottinghamshire and Nottingham City
page 143	Travel to work areas (TTWAs)	Fragments the Nottingham TTWA for Rushcliffe residents (-3.50) to a lesser degree than Option 1(e) would for Gedling residents (-15.1). However, has a lower share of Nottingham TTWA population (65.2%) than Option 1e would (66.7%)	Fragments the Nottingham TTWA for Gedling residents (-15.1), more than Option 1(b) does for Rushcliffe residents (-3.50). However, has a higher share of the Nottingham TTWA population (66.7%) than Option 1b would (65.2%)	Least coherence with the Nottingham TTWA, particularly for Broxtowe (3.9), Gedling (2.7) and Rushcliffe residents (9.30). The Nottingham City authority would have the lowest share of the Nottingham TTWA population of all options (38%)
	Economic self containment	Greater levels of economic self-containment than Option 2 for both the Nottingham City conurbation Authority (71.3%) and Nottinghamshire (60%) though differences are marginal to Option 1(e).	Greater levels of economic self-containment than Option 2 for both the Nottingham City conurbation Authority (71.1%) and Nottinghamshire (61%) though only marginally better than Option 1(b).	Lowest degree of economic self-containment for both the Nottinghamshire (58%) and Nottingham City (64%) authorities of any of the three options.
	Housing market area (HMA)	High proportion of the population within the existing Nottingham Inner HMA would reside in the Nottingham City Authority (70.41%), suggesting a strong fit with HMA geographies. This however is marginally less than 1(e) (70.89%).	High proportion of the population within the existing Nottingham Inner HMA would reside in the Nottingham City Authority (70.89%), suggesting the strongest fit with HMA geographies. This is marginally more than 1(e) (70.41%).	Provides the greatest fragmentation of the Nottingham Inner HMA and the residents of Broxtowe, Gedling and Rushcliffe
	Service market for consumers	Medium alignment between authority boundaries and existing NHS Hospital Trust boundaries, with the Nottingham City conurbation covered by Nottingham Uni. and Sherwood Forest Hospitals.	Strongest alignment between authority boundaries and existing NHS Hospital Trust boundaries, with the majority of the Nottingham City conurbation covered by Nottingham Uni. Hospitals.	Lowest alignment, with Nottinghamshire covered by three NHS Hospital Trust Areas including Nottingham Uni. Sherwood Forest and Doncaster & Bassetlaw Teaching Hospitals.
Summary		Provides a lesser degree of fragmentation when compared to Option 2 hence representing more of a sensible economic area, though the degree of fragmentation is slightly more than Option 1(e)	As with Option 1(b), represents significantly more of a sensible economic area than Option 2, with the degree of fragmentation being slightly less than Option 1(b), though this is marginal when assessed against all criteria.	Provides the lowest degree of economic self-containment for both authorities and greatest fragmentation of travel to work, Housing Market and NHS Hospital Trust area(s), representing the least sensible economic area

Note: RAG rating indicates how the option aligns to the MHCLG criteria relative to the other two options

5b. *Sensible Geography*

MHCLG Criteria Analysis: Sensible Geography (1/4)

Additional analysis completed by the nine councils assessed how the three options contribute to the MHCLG criteria 1b in helping to increase housing supply and meet local need.

Context

MHCLG officially set out their formal criteria for LGR proposals in February 2025, with criteria 1b requiring proposals to be for a sensible geography.

The assessment assumes that reference to “meeting local need” refers to how well options fare in meeting local housing needs; particularly in respect of affordable housing solutions for those unable to access market housing for sale or rent, for gypsy, Roma and traveller groups and those with specialist housing needs.

Sensible Geography: Increasing housing supply and meeting local needs...

Key considerations for planning and housing within Nottingham and Nottinghamshire:

- There are existing Local Planning Authorities (LPAs) that have worked together to determine Housing Market Areas and address strategic housing needs for Nottingham and Nottinghamshire authorities; LPAs have worked within these groups for several years and have strong working relationship levels with shared strategic planning evidence based and common strategic planning policies.
- The spatial overview of Nottingham and Nottinghamshire together with the evidence led work undertaken on differing housing and economic market areas both point to a difference between the north and south of Nottinghamshire which suggests that in order to plan effectively for housing, future unitary authorities in Nottinghamshire should be organised to reflect these different characteristics.
- Collectively across Nottingham and Nottinghamshire as a whole, there appears to be sufficient sources of supply to meet future requirements; though both Ashfield and Broxtowe are currently required to prepare and implement an action plan designed to raise the level of housing delivery in their respective district as delivery is not meeting required.
- By the time new unitary authorities are created, the landscape of planning for housing will change as the East Midlands Combined Authority (EMCCA) will be given powers related to planning for future housing supply as part of Spatial Development Strategies (SDS)

Assessment of prioritised options against four factors:

Criteria	Sub-criteria used in the officer assessment	1b	1e	2
1b Sensible geographic breakdown	Impact on potential to increase long term housing supply	Medium	Medium	Low
	Impact on transition to system of a Spatial Development Strategy & Local Plans	Medium	High	Low
	Impact on meeting local housing needs	High	High	Low
	Impact on other issues such as mineral and waste planning	High	High	High

Note: RAG rating indicates how the option aligns to the MHCLG criteria relative to the other two options

MHCLG Criteria Analysis: Sensible Geography (2/4)

Updated analysis has assessed long-term issues around housing delivery through assessment of the 2024 published housing need figure for each authority over a 15-year period. This has been compared to current identified supply as set out in the latest published housing supply documents from each authority.

Sensible Geography: Increasing housing supply and meeting local needs...

- I. **Impact on potential to increase long term housing and meet local needs:** Option 1e sees the greatest difference in the number of homes needed and available over the next 15 years. Whilst Nottingham City, Broxtowe and Rushcliffe have significant sources of housing supply to meet local housing needs estimates with little need to allocate further strategic housing land at present, Nottinghamshire and the remaining council areas have a sizeable housing need to meet. The analysis notes however that there are significant opportunities to allocate further land to address this housing need in areas outside the Nottingham-Derby Green Belt, though this is dependent on a future Spatial Development Strategy.

The housing need per capita analysis from Phase 1 measured the demand for new homes by comparing forecasted housing requirements to the population,

Updated analysis prepared by Heads of Planning has assessed the combined effect of housing needs and supply across the three options

Option		Population (current)	Forecast new homes (2022-2027)	Forecast new homes needed per 1000 people (2022-2027)
1b	Nottingham City + Broxtowe + Gedling	561,011	11,000	19.6
	Nottinghamshire + Remaining LAs	612,759	10,510	17.2
1e	Nottingham City + Broxtowe + Rushcliffe	566,302	11,625	20.5
	Nottinghamshire + Remaining LAs	607,468	9,885	16.3
2	Nottingham City*	329,276	6,565	19.9
	Nottinghamshire	844,494	14,945	17.7

Option		15 year local housing need (dw/pa)	Known housing supply over next 15y (dw)	Difference between need and supply
1b	Nottingham City + Broxtowe + Gedling	38,430	43,700	+5,270
	Nottinghamshire + Remaining LAs	47,845	43,790	+4,055
1e	Nottingham City + Broxtowe + Rushcliffe	41,905	50,600	+8,695
	Nottinghamshire + Remaining LAs	44,370	36,890	-7,480
2	Nottingham City*	19,305	26,700	+7,395
	Nottinghamshire	66,970	59,035	-7,935

Key:

Options with lowest difference

Options with highest difference

MHCLG Criteria Analysis: Sensible Geography (3/4)

Assessment of prioritised options against the criteria considered how options would align with the Greater Nottingham Strategic Plan, the Trent Arc Cluster and available geography to allocate development without significant compromise to the existing (current) Green Belt policies. This could of course change as regional and national spatial planning policy is amended.

Sensible Geography: Increasing housing supply and meeting local needs...

- I. **Impact on potential to increase long-term housing and meet local needs (con't):** Option 1b sees the smallest difference in housing need and supply, with Nottingham City, Broxtowe and Gedling able to meet housing supply without significant reliance on greenfield land. The success of this approach however is dependent on (a) continued development of brownfield sites in Nottingham City and (b) amendment of the Green Belt boundary within Gedling and Broxtowe to accommodate housing growth on less valuable Green Belt land. Nottinghamshire and remaining council areas cover such a large geography the identification of further sites would not be problematic. The ability to increase housing supply in Option 2 is limited by restrictions on available land for housing in Nottingham City, and 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. Nottinghamshire remaining council areas have a significant shortfall and require the highest number of houses to be identified.
- II. **Impact on transition to system of a Spatial Development Strategy & Local Plans:** Alignment with the current Greater Nottingham Strategic Plan (GNSP) and minimising the separation of strategic growth locations between authorities were noted as key considerations for this criteria. In particular, grouping authorities which have major proposals for "Trent Arc" was specifically noted as strategically important. Option 1b would see several new development sites for the wider Nottingham area be split between the two authorities; necessitating the need for collaboration on existing growth locations and potentially slowing development of Local Plans and acceleration of housing supply. By contrast, Option 1e reflects existing joint planning efforts evidenced through development of the GNSP, and would provide a solid foundation for conversion into a new Unitary Local Plan through alignment with the evolving Regional Spatial Development Strategy and Mayoral Spatial Development Strategy. Option 1e would however require both councils to develop a shared vision for the northeastern part of the built-up area of Nottingham, which to date has formed a functional housing and economic market area for the purposes of strategic planning. Whilst Option 2 would require no changes to the Nottingham City authority and allow it to continue pursuing urban regeneration projects and focus on its own needs, greater demands would be placed on the Regional Spatial Development Strategy with sufficient guidance to ensure a clear growth strategy for Nottingham as a conurbation beyond the boundaries of the city. This presents a unique challenge if Nottinghamshire Authority wishes to pursue a different development strategy; one which the other options do not need to resolve.
- III. **Impact on meeting Local Housing Needs:** Existing collaborations formed to assess housing needs as part of the GNSP were noted as a key consideration for this criteria, as evidenced in Options 1b and 1e. Both options offer a shared strategy for increasing affordable housing on development sites through the release of land in the Nottingham Derby Green Belt as Grey Belt and provide a wide geography for the other Unitary Authority to accommodate the specific housing needs of its area. By contrast, Option 2 does not afford Nottingham City the same opportunity to meet its specific housing needs given the absence of a Green Belt and need to work with a surrounding larger authority. Whilst the size of Nottinghamshire would provide more opportunities to meet its housing needs, addressing the specific needs in localities across the region might be an ongoing challenge.
- IV. **Impact on other issues such as mineral and waste planning:** Specialist knowledge and experience exists within the present Nottinghamshire County Council and needs to be retained. Option 1b and 1e would allow staff to be retained from the present County mineral and waste planning service; hosted by one of the two Unitary Authorities and provided as a commissioning service to the other Unitary Authority. This approach aims to preserve expertise and ensure consistent policy advice and application processing across both Unitary Authority. Option 2 would see the Nottinghamshire County Council service absorbed into the Nottinghamshire Unitary Authority without changing existing arrangements with Nottingham City (e.g. preparation of a joint waste Local Plan). All options present minimal impacts.

MHCLG Criteria Analysis: Sensible Geography (4/4)

Considering the above assessment of planning in Nottingham and Nottinghamshire and the three options under consideration as to the appropriate geography to assist in increasing housing supply, Option 1e would best meet the MHCLG Criteria 1(b)

Sub-criteria	1b Nottinghamshire and Nottingham City + Broxtowe + Gedling	1e Nottinghamshire and Nottingham City + Broxtowe + Rushcliffe	2 Nottinghamshire and Nottingham City
Impact on potential to increase long term housing supply	The least difference in number of homes needed and available over next 15yrs between the two authorities; excess of +5,270 in Nottingham conurbation and +4,055 in Nottinghamshire, though almost entirely dependent on Green Belt policies	The greatest difference in number of homes needed and available over next 15yrs between the two authorities; Nottinghamshire authority having sizeable housing need to meet (gap of -7,480) versus the Nottingham conurbation (excess of +8,695)	Ability to increase housing supply is limited by restrictions on available land in Nottingham City; supply figures look strong however difficult to increase in long-term due to reduction in sources of supply. Nottinghamshire has significant shortfall.
Impact on transition to system of a Spatial Development Strategy & Local Plans	Several new development sites for the wider Nottingham area would be split between the two UAs; necessitating the need for collaboration on existing growth locations and potentially slowing development of Local Plans and acceleration of housing supply.	By contrast, Option 1(e) reflects existing joint planning efforts through GNSP, and provides a solid foundation for conversion into a new Unitary Local Plan through alignment with the evolving Development Strategies; would require a joint vision for NE part of Nottingham	Option 2 would allow Nottingham City to continue pursuing urban regeneration projects, though greater guidance needed by Regional Development Strategy to ensure a clear growth strategy for Nottingham City conurbation; a challenge not faced by other options
Impact on meeting local housing needs	Nottingham City conurbation to increase affordable housing through the release of Nottingham Derby Green Belt land as Grey Belt; though quantum of this is uncertain. Nottinghamshire would have a wide geography to accommodate needs of its area.	As with Option 1b, Nottingham City conurbation to release Nottingham Derby Green Belt land as Grey Belt; though the quantum of this is uncertain. Nottinghamshire would have a wide geography to accommodation needs of its area.	Unlike Options 1(b) and 1(e), Nottingham City restricted in the long-term given absence of Green Belt land. Nottinghamshire to have more opportunities though required to meet specific needs across a large authority; a challenge not faced by the other options.
Impact on other issues such as mineral and waste planning	Staff retained from the present County mineral and waste planning service; hosted by one of the two UAs and provided as a commissioning service to the other UA	Staff retained from the present County mineral and waste planning service; hosted by one of the two UAs and provided as a commissioning service to the other UA	Nottinghamshire County Council service absorbed into the Nottinghamshire UA without changing existing arrangements with Nottingham City (e.g. preparation of a joint waste Local Plan).
Summary	Constraints such as urban capacity, Green Belt review and splitting of strategic growth areas would dominate and impact future growth options beyond current plan allocations, and may hinder long-term housing supply.	Councils already collaborating on GNSP and can utilise urban capacity of Nottingham City with opportunity for Greenfield release, producing two balance planning authorities in size with wide mix of housing supply resources	Initial urban capacity will eventually be utilised and long-term housing growth for Nottingham would need to be accommodate in Nottinghamshire, which may hinder accelerated housing growth in the whole area

5c. *Crucial Services*

page 149

MHCLG Criteria Analysis: Crucial Services

Additional analysis of the three options has been prepared by officers across all councils to assess how options meet MHCLG criteria 3 to improve service delivery or mitigate negative impact on crucial services.

Context

MHCLG officially set out their formal criteria for LGR proposals in February 2025, with criteria 3 requiring proposals to be to improved delivery of, or mitigate risks to negative impact on crucial services.

There is likely to be national funding changes given the current Fair Funding consultation however, this options analysis has taken place in the context of knowledge of current and forecast demand and funding. Potential wider national and regional policy changes have not been able to be factored in at this stage.

Impact on crucial services: *Improves service delivery or mitigates negative impact on crucial services*

Key considerations for Crucial services within Nottingham and Nottinghamshire:

- Addressing homelessness requires coordinated efforts across public services like health, social care, and probation. Preparation for local government reorganisation is essential to align financial resources and services with community needs. Each authority in Nottingham and Nottinghamshire has strategies for homelessness, it is important to align on strategies and priorities for improved outcomes.
- Around 13,000 people receive long-term support, with increasing needs and cost driven by factors like post-covid effects and government policies. Safeguarding concerns have risen, particularly financial abuse, linked to deprivation. The city faces high levels of deprivation and disability, impacting life expectancy and demand for support. Efforts are underway to digitise social care and develop shared care records. The net budget for social care is influenced by self-funders depleting assets, particularly in more deprived areas. Future legislation, such as NHS reforms and Mental Health Act changes, will affect service delivery and funding.
- Balancing the distribution of SEND services to meet regional demands and prevent disparities in resource allocation is key. Potential reforms impacting social care, homelessness, and SEND services must also be addressed. Managing high-demand and costly SEND provisions is challenging due to inadequate statutory funding. It is crucial for councils to collaborate during transitions, handle funding deficits, and prepare for national SEND reforms to ensure effective service delivery in the proposed unitary structure.
- The proposed reforms and future legislations under Children's Social Care offer a once in a lifetime opportunity to transform the systems and improve outcomes for children and families.

Initial assessment of prioritised options against four factors:

Criteria	Sub-criteria used in the officer assessment	1b	1e	2
3b Improves delivery of, or mitigates risk to negative impact on crucial services	<i>Data analysis and comparison of the different unitary arrangements</i>	High	Medium	Low
	<i>The opportunities presented by the different unitary arrangements</i>	Low	Low	Medium
	<i>The risk presented by the different unitary arrangements</i>	Medium	Low	High*
	<i>Impact on delivery e.g. staffing considerations, geography</i>	Medium	Medium	Medium

Note: * This indicates that Option 2 provides a low risk to the different unitary arrangements

Note: RAG rating indicates how the option aligns to the MHCLG criteria relative to the other two options

MHCLG Criteria Analysis: Crucial Services (Adult Social Care 1/3)

Based on an assessment of the options using relevant data shows that the differences between Option 1(b) and Option 1(e) are marginal. Option 2 has greater variance and has higher rates across most metrics.

Crucial Services: *Improves service delivery or mitigates negative impact on Adult Social Care*

I. **Data Analysis and comparison of the different unitary arrangements:**

1(b): Under population there is a fairly even split, with a slightly higher count in the county. Council tax contribution is higher from the county (57%), yet they receive only 42% of the grant funding, indicating an imbalance. City + Broxtowe + Gedling get a larger proportion of the grant funding (58%) despite contributing less in council tax, potentially because of higher needs or deprivation indicators. Additionally, expenditure on adults is fairly balanced between the two proposed authorities, suggesting equitable service responsibilities. The social care to council tax ratio is relatively equitable at 0.94 for City + Broxtowe + Gedling and 0.97 for the rest of the area. The GP patient per practice is more evenly distributed than other options. For the unitary covering City + Broxtowe + Gedling the number of requests are marginally less than the rest of the County. A similar trend can be seen in number of people receiving long-term support. However, under health distribution the % of households in highest 2 deciles is an average of 40.6% for City + Broxtowe + Gedling in comparison to the rest of the county which is at an average of 17.6%. This option demonstrates a balanced distribution of care and service responsibilities and ensures no single unitary authority faces disproportionate strain. It also supports the base for equitable, sustainable service delivery across both authorities.

1(e): Under population both unitaries areas would serve relatively similar sized populations, ensuring no single authority is disproportionately burdened. City + Broxtowe + Rushcliffe generate less council tax (46%) but receive greater grant funding 56%. The rest of the county generates more local revenue but receives less external support, which is typically more affluent areas. Expenditure on Adults' services a higher cost can be seen in the rest of the county (53% vs 47%). This proposed split avoids creating a significant imbalance in service demand and costs. The social cost ratios are City + Broxtowe + Rushcliffe is 0.87 whereas the rest of the County is 0.92, lower ratios indicate more cost-effective service delivery relative to council tax base. The GP patients per practice split is also relatively similar ensuring less pressure on the infrastructure of City + Broxtowe + Rushcliffe. The unitary covering City + Broxtowe + Rushcliffe has a greater number of new requests in comparison to the rest of the county. The same trend can be seen for people receiving long-term support. The health distribution split is greater under this option than 1b. The % of households in the lowest decline is 71.4% and % of households in the highest two deciles is at 40.6% for City + Broxtowe + Rushcliffe. It is at 27.14% and 7.62% respectively for the rest of the county.

Option 2: Nottingham City accounts for only 22% of the council tax base despite comprising about 28% of the population. The city receives 43% of the grant funding and there is greater reliance on central funding in the City making it more financial vulnerable. For Adult Social Care the county bears 74% of the costs and the City only 26%. Under projected spending pressure the city spending-to-tax ratio is 1.12 which means that the spending on social care would exceed council tax income by 12%. Whereas for the county the ratio is 0.8 which means the spending is less than income tax. The city would be financially overstrained, with high care needs but a limited tax base. Splitting the city from the rest of the county may disrupt integrated services such as social care and health. It fails the crucial services test as it makes it harder to deliver and coordinate key services. This option indicates a greater GP availability but this isn't enough to outweigh the structural weakness of option 2. Under this option the split for new requests, people receiving long-term support and health distribution is greater than that seen in both Option 1(b) and 1(e).

MHCLG Criteria Analysis: Crucial Services (Adult Social Care 2/3)

Assessment of the options against the other sub-criteria are set out below including the risks presented by the different unitary arrangements and the impact on delivery. Though Option 1(b) and 1(e) have slight variations, 1(b) is preferable due to geographical and demographic factors.

Crucial Services: Improves service delivery or mitigates negative impact on Adult Social Care

II. The opportunities presented by the different unitary arrangements: Under Option 1(b) the two unitaries would be providing services to areas with greater commonality of needs - predominantly urban, in the city-based unitary of NGB, and to towns and villages, in the county. Option 2 provides the opportunity to scale service delivery for functions such as AMHP Care Quality and provider services. It will also help avoid the cost, time and risk involved in disaggregation of services. It will ensure that residents continue to receive services from colleagues that is consistently good.

III. The risks presented by the different unitary arrangements: Under Option 1(b) there is a presence of numerous self-funders in Gedling and Broxtowe, combined with a reduction in council tax income, could potentially worsen funding challenges, as these regions have a less of a call on the net budget. Under Option 1(b) & 1(e), Mansfield and Ashfield exhibit the highest demand for all services, including safeguarding, mental health, physical support, and hospital discharge. Countywide services, although small are facing high demand, highlight the challenge of disaggregation in areas such as safeguarding, AHMP, shared lives and short breaks. Similarly, under Option 1(e) there are many self-funders in Rushcliffe and as previously stated when combined with loss of council tax income can lead to funding challenges as they have less call on the net budget. Additionally, the transition of residents to the new unitary structure alongside Nottingham City may lead to discrepancies in service quality due to differences in quality of experience, service costs and the potential for poor continuity of care as there are variations in services and service levels between the county and the city. Under option 2 no risks were identified that do not already exist in the service. Option 2 is neutral on outcomes and delivery given it would be status quo.

IV. Impact on delivery: Under Option 1(b) the potential impact on provider services arises from the possibility of assets could be situated in a different council from those where the residents utilising them currently reside. Newark and Rushcliffe are experiencing a shortage in nursing and residential care, while Mansfield and Ashfield face an increased number of care quality concerns, necessitating greater capacity. Under Option 1(b) and 1(e) there are significant variations in recruitment and retention across the county, with Rushcliffe identified as a recruitment hotspot. Market sustainability is challenged by disparities in provider costs, particularly in bed-based care for working-age adults, with Ashfield's average residential rates being considerably lower than those in Rushcliffe. Similar variations are evident in the costs for those aged 65 and over, Bassetlaw residential cost rate is £102pw less than Rushcliffe (£5k pa) this is further impacted by levels of client contributions. Nursing capacity has significantly diminished in Mid-Nottinghamshire since February 2023, resulting in the loss of 145 nursing registered beds. The complexity of health and system footprints makes apportionment by district difficult, spanning three hospital trusts. Although home care rates show no significant hourly differences across districts, social care record disaggregation and integration with the City Council could present a challenge potentially requiring system replatforming of the Mosaic system. Under Option 1(e) the potential impact on daycare services ending up in a different council that where residents are using them currently. It can also impact hospital discharges and other provider issues. Option 2 maximises the opportunity of working in partnership on a Nottinghamshire footprint with services that are county based. It also for neighbourhood partnerships as efforts are focused on a new relationship as opposed to disaggregating partnerships and adding in the complexity of contracts.

MHCLG Criteria Analysis: Crucial Services (Adult Social Care 3/3)

Option 1(b) and Option 2 are most balanced for accommodating self-funders and align with strategic and operational needs. Option 1(b) is preferred over Option 1(e) due to its alignment with the geographic and demographic characteristics of Nottingham City.

Crucial Services: *Improves service delivery or mitigates negative impact on Adult Social Care*

Conclusion: The analysis concludes that while there is a notable risk associated with disaggregation and quality of service delivery, Options 1(b) and 1(e) present similar levels of risk. The uneven distribution of contracts, assets, and services across the city leads to increased costs and risks when disaggregating services, although this disparity does not significantly affect the risk levels between options 1(b) and 1(e). Effective financial modeling is essential to manage the costs and resources required for these options, addressing system integration and wider issues comprehensively. The assessment suggests that Option 1(b) and option 2 are most balanced for accommodating self-funders and contributions, considering strategic and operational needs. Option 1(b) is preferred over 1(e) strategically due to its alignment with geographic and demographic characteristics of The City, particularly for more urban areas like Broxtowe and Gedling, which are better integrated with the city's infrastructure and facilities.

Page 153

MHCLG Criteria Analysis: Children's Social Care (1/3)

Below is an assessment of the options against data analysis and comparisons of different unitary arrangements and the opportunities presented.

Crucial Services: *Improves service delivery or mitigates negative impact on Children's Social Care*

I. Data Analysis and comparison of the different unitary arrangements:

Children Looked After: Options 1(b) and 1(e) present similar pictures of need for children's social care, with broadly comparable caseloads in each of the options. However Option 2 results in a greatly imbalanced picture, with 639 children looked after by the City unitary authority, while 905 children will require the support of the new 'Nottinghamshire' unitary authority. Similar trends can be seen for number of referrals, the total for Nottinghamshire is 7,410 whereas the total for Nottingham City is 3,926. Option 1(b) suggests that referrals received would be broadly equal (50% for both) whereas Option 1(e) offers sees slightly more referrals in the wider 'county' area (48% for Nottingham City + Broxtowe + Rushcliffe and 52% for the rest of Nottinghamshire). Option 2 has the greatest difference where Nottinghamshire receiving 65% of the proposals and Nottingham City receiving 35%. This needs to be seen in the context of fragmentation, where resources and staff will require reallocation and the continuity of care for these children will be compromised by reorganisation.

Characteristics of family need: Nottinghamshire sees similar characteristics to much of the country in that neglect is the most common reason for engagement with children's services. However Broxtowe and Gedling record historically high incidences of physical abuse, consistently recording average rates that are 80-90% higher than Rushcliffe over the past three years,. Additionally, Broxtowe reports higher instances of sexual abuse in comparison to Gedling and Rushcliffe. Overall, the levels of all types of need in Broxtowe and Gedling indicate greater alignment with Nottingham City than with Rushcliffe.

Family risk factors: Options 1(b) and 1(e) also differ from Option 2 in terms of the risk factors which result in referral to children's services. Over the past three years, Broxtowe and Gedling have experienced the highest rates of alcohol misuse among parents, with average rates of 48 and 54 per 10k, compared to 25 per 10k in Rushcliffe. There is also a significant disparity in drug misuse among children, with Broxtowe and Gedling reporting 17 instances per 10k, in comparison to Rushcliffe reporting 6 per 10k. Parental drug misuse is notably higher in Broxtowe and Gedling by 70-80%, compared to Rushcliffe. Domestic abuse cases are more frequent in Broxtowe and Gedling, at 22-23 cases per 10k compared to just 11 per 10k in Rushcliffe. Overall, Broxtowe and Gedling exhibit similar levels of alcohol abuse, drug abuse and domestic violence, with Rushcliffe consistently showing rates that are significantly lower than these areas.

MHCLG Criteria Analysis: Children's Social Care (2/3)

Below is an assessment of the options against data analysis and comparisons of different unitary arrangements and the opportunities presented.

Crucial Services: Improves service delivery or mitigates negative impact on Children's Social Care

I. Data Analysis and comparison of the different unitary arrangements:

Contextual Safeguarding: Levels of Child Criminal Exploitation (CCE) have been dropping across Broxtowe and Rushcliffe over the past three years although the rate in Broxtowe remains almost double that in Rushcliffe. In Gedling the rate is higher than both other districts. Levels of Child Sexual Exploitation (CSE) have also reduced across all three districts, although average rates in Broxtowe and Rushcliffe over the three-year period are similar and two to three times higher than in Rushcliffe. Overall, levels of CCE and CSE in Broxtowe and Gedling are aligned to those in Nottingham City.

II. The opportunities presented by the different unitary arrangements: Under Option 1(b) the two new unitary authorities will be providing services to footprints with greater commonality of needs which is mainly urban areas, in the city-based unitary of Nottingham City + Broxtowe and Gedling, and to towns and villages in the county. This option offers a more balanced split of Children's Social Care expenditure at 51% for the rest of Nottinghamshire and 49% for Nottingham City + Broxtowe + Gedling. Under Option 1(e) there is an opportunity for a fairer share of tax base across the two new unitary authorities. Finally, Option 2 would avoid any unnecessary fragmentation of CSC. A key factor in determining the success of any arrangement will be engagement with partners such as schools, health providers and the police who are critical in recognising, referring and supporting local authorities in keeping children safe and well.

MHCLG Criteria Analysis: Children's Social Care (3/3)

Assessment of the prioritised options against the other four factors considered: The risks presented by the different unitary arrangements and the impact on delivery. Option 1(b) better aligns with the stated criteria.

Crucial Services: *Improves service delivery or mitigates negative impact on Children's Social Care*

III. The risks presented by the different unitary arrangements: Option 1(b) results in a greater risk of disaggregation of services and a need to consider programmes such as Family First implementation. Under Option 1(e) if Rushcliffe is disaggregated from the county area to an expanded city area it would have little impact in terms of demand for either new authority. However, relative differences in tax base would present issues in funding delivery. Option 1(e) has a share of children's total expenditure that is three times that of Option 1(b). Option 2 provides little risk other than the current challenges facing Nottingham City which include current cost pressure and no increase in tax base.

IV. Impact on delivery: Option 1(b) brings together areas which are similar to each other. Those delivering CSC in the City, Broxtowe and Gedling currently serve large urban conurbations. This option offers the best alignment of service. In Option 1(e), assets may be located in the other authority which would impact, for example, children going to special schools. This is a challenge as spaces are generally filled by the current County service with any surplus places offered to the City. Under this scenario, the situation could be reversed as it would challenge Nottingham City + Broxtowe + Rushcliffe to deliver services to more rural communities that border another county (Leicestershire). Option 2 would disadvantage Nottingham City due to the current tax base, population/demographic and level of needs which would have a significant impact on delivery of CSC. This option offers the least change, disruption and impact to services as CSC is an upper tier function and there no change to the existing footprint.

Conclusion: Option 2 does not meet the MHCLG criteria as it does not establish sensible economic areas with an appropriate tax base. It creates an imbalance which could be an advantage for Nottinghamshire County Council and disadvantage for Nottingham City. Although there is very little difference in the distribution of overall levels of need between Option 1(b) and Option 1(e), Broxtowe and Gedling more closely align to Nottingham City in levels of need, family risk factors, and contextual safeguarding than Broxtowe and Rushcliffe do. Additionally, children with universal, targeted or specialist SEND needs in Gedling have greater commonality, connection, proximity, association, identity, access and transport links with Nottingham City than those in Rushcliffe. Therefore, Option 1(b) offers a better alignment with the MHCLG criteria.

MHCLG Criteria Analysis: Crucial Services (Children with SEND 1/2)

Assessment of the prioritised options against data analysis, comparison of different unitary arrangements.

Crucial Services: Improves service delivery or mitigates negative impact on Children with SEND

I. Data Analysis and comparison of the different unitary arrangements:

SEND measures: Under Option 1(b) and 1(e) the number of initial requests for an EHC Plan in the calendar year 2024 is relatively similar. Under Option 2 the number of requests in Nottingham City is 2,296 in comparison to the rest of the county at 579. Option 2 would create a greater split. For new EHCP demand, Option 1b has a more balanced distribution in comparison to 1(e) or 2. A similar trend can be seen for number of children subject of an EHCPs as of January 2025 and the proportion of children subject to it.

Education measures: Under education measures number of persistently absent pupils (10%+) the numbers are relatively similar for Option 1(b) and 1(e) whereas Option 2 has more variance as Nottingham city has 9,760 whereas the rest of the county has 21,190. For number of severely absent pupils (50+%) a similar trend can be seen. Additionally, for number of permanently excluded pupils and proportion of pupils with one or more suspensions figures for all options are similar to one another.

Additional measures: Option 1(b) and 1(e) present relatively similar figures across all categories. The largest difference can be seen under Option 2, where 71% of the under 17 population resides in Nottinghamshire in comparison to the City. Similar challenges can be seen in number of state funded primary, secondary and special schools and pupil headcount in these institutions. The analysis compares Gedling and Rushcliffe districts using secondary school locality and pupil numbers to determine their characteristics as more "City-like" or "County-like." Gedling has 6,885 secondary pupils attending six schools, with 89% attending schools in postcodes bordering Nottingham City directly (NG4, NG5), indicating strong integration and proximity to the city. Conversely, Rushcliffe has 8,004 pupils across seven schools, but only 48% attend schools near the city boundaries due to physical separations like the River Trent. Many Rushcliffe pupils attend schools further from the city, highlighting its more "County-like" characteristics. Thus, Gedling children's services have closer connections and are more aligned with urban dynamics than Rushcliffe.

1(b): Expenditure on children's services is fairly balanced between the two proposed authorities, suggesting equitable responsibility for delivering services. This option would see a balanced distribution of needs and service delivery, and ensures no single unitary authority faces disproportionate strain. It also supports the case for sustainable service delivery across both authorities.

1(e): Both unitary areas would serve relatively similar sized populations, ensuring no single authority is disproportionately burdened. Children's service is relatively evenly distributed. This proposed split avoids creating a significant imbalance in service demand and financial burden

Option 2: The data suggests that this option has the greatest imbalance of SEND services and provision split across the two areas. The split for % of share of childrens' total expenditure is 60% for the Country and 40% for the rest of the county.

MHCLG Criteria Analysis: Crucial Services (Children with SEND 2/2)

Detailed assessment of the prioritised options against the other factors considered: the opportunities, risks and potential impact on delivery. Option 1(b) best aligns with the goals of LGR.

Crucial Services: Improves service delivery or mitigates negative impact on Children with SEND

II. The opportunities presented by the different unitary arrangements: Under Option 1(b) and 1(e) there is an opportunity to work collaboratively to support children with SEND across both unitaries. Option 2 will enable the locality-based SEND improvement approach to continue for all children and young people with SEND. Additionally, there would be continued improvements to statutory delivery. The distribution of schools and their relationship with new authorities is key to managing future SEND need effectively.

III. The risks presented by the different unitary arrangements: Under Option 1(b) and 1(e) a new plan for 150 additional specialist school places in Broxtowe aims to address the need for special education capacity, though it might have a limited effect on the overall sufficiency across Nottinghamshire and could particularly benefit Nottingham City. Under Option 1(e) a significant loss of revenue fund statutory SEND services from Rushcliffe which has lower rates of children with EHCPs or specialist provision than other areas of Nottinghamshire. Option 2 maintains the current provision.

IV. Impact on delivery: Option 1(b) has less impact on delivery in comparison to the other models as level of demand for SEND services in Broxtowe and Gedling are in the average band. Under Option 1e there would be a need for joint working with a shadow authority to put a plan in place for SEND sufficiency which could lead to significant impact on availability of provision. Additionally, local authority statutory teams would see very little impact. Option 2 would maintain the current provision.

Conclusion: Option 1(b) best aligns with local government reorganisation criteria, offering a balanced distribution of demand and service delivery for SEND and not posing challenges to the reallocation of resources, workforce, or caseloads. Although both Option 1(b) and Option 1(e) present a risk to the sufficiency of specialist SEND provision, this risk could be managed through collaborative efforts between authorities during the shadow authority period. Option 1(e) also aligns well with reorganisation aims, but faces challenges due to lower SEND demand in Rushcliffe, leading to an imbalance between service demand and the income needed to meet it. As a result, the impact on SEND sufficiency might be more pronounced than in Option 1(b). Option 2 does not fulfill the reorganisation objectives, as it creates unitaries with increased viability issues and perpetuates an imbalance of SEND services and provision across two areas.

MHCLG Criteria Analysis: Crucial Services (Homelessness 1/2)

Set out below is an assessment of the prioritised options against data analysis and comparison of different unitary arrangements. Option 1(b) and Option 1(e) have relatively similar values to one another. Option 2 has greater variability and higher rates across most metrics.

Crucial Services: *Improves service delivery or mitigates negative impact on homelessness*

I. Data Analysis and comparison of the different unitary arrangements:

Household prevention duty: The data shows a comparison between Option 1(b), 1(e) and 2 regarding the number of households owed prevention duty and the rate per 1,000 households for two time periods, 2023-24 and 2024-25. Option 1e offers the lowest values for both years in terms of lowest rate per 1,000 households. If reducing the actual number of households owed prevention duty is looked at Option 1(e) still offers the lowest numbers relatively in comparison to Option 1(b) or Option 2. However, it is important to note that the differences between the three options are relatively moderate.

Households owed Relief Duty: The data shows the three options regarding household owed relief duty. Under number of households discrepancies can be seen in all options. Under Option 1(e) greater pressure will be felt on Broxtowe, Nottingham City and Rushcliffe as the number of households in 2023-24 were 1,970 where as in the rest of the areas the total was 907. A gradual decrease can be seen in 2024-25. Similarly, under rate per 1,000 households option 2 shows extreme values for Nottingham city in comparison with the rest of the county.

Households in temporary accommodation: The data compares the three options regarding households in temporary accommodation. Under number of households, Option 1(b) puts greater pressure on Broxtowe, Gedling and Nottingham city. However, it is important to note that the figures for 1(b) and 1(e) are relatively similar to each other across both time frames. For rate per 1,000 households option demonstrates fluctuations and higher numbers in comparison for Nottingham City than the rest of the county.

Rough sleeping over the month: The data compares the three options regarding rough sleeping over the month. Under number of people the split between Option 1(e) is greater than Option 1(b) and option 2. This indicates that there will be a larger number of people experiencing rough sleeping over the month in Broxtowe, Nottingham City and Rushcliffe in comparison to the County and also in comparison to Option 1(b) and 2. For rate per 100,000 people option 2 shows significantly higher rates for Nottingham City in comparison to the rest of the county. It is important to note that figures were relatively similar for Option 1(b) and 1(e).

Households on housing register: Option 1b and Option 1e has very similar values where as option 2 shows fluctuations highlighting higher discrepancies in demand or resource allocation. Similarly, rate per 1,000 household is highest for option 2 suggesting a more concentrated or higher demand in Nottingham city, which would indicate a need for enhanced housing solution or capacity.



MHCLG Criteria Analysis: Crucial Services (Homelessness 2/2)

Set out below is an assessment of each options against the other factors considered: the opportunities, risks and potential impact on delivery. The analysis does not identify a preferred option, however, based on geographic and demographic similarities Option 1(b) would align more to the MHCLG criteria than the other options.

Crucial Services: *Improves service delivery or mitigates negative impact on homelessness*

II. The opportunities presented by the different unitary arrangements: The document identifies several opportunities that can potentially enhance service delivery and resilience across Nottingham and Nottinghamshire. By leveraging economies of scale, authorities can achieve more resilient services and better value, through broader geographical procurement and resource sharing, including staffing, IT, and out-of-hours arrangements. This could lead to centralised coordination and an effective response to performance metrics and data management. There's potential to adapt services to address intensified needs through larger geographical coverage, such as establishing women-specific homelessness hostels. A unified strategy and sharing best practices can lead to consistent approaches to tackling homelessness challenges, complemented by enhanced collaboration between housing and social care sectors. Improvements in housing/TA supply can be achieved through shared access to grants/funding/land for new build, renovation or acquisition. Opportunity for programmes such as Making Every Adult Matter (MEAM) and changing futures as it would provide better consistency of approach in supporting disadvantaged people across the two areas. Under Option 1(e), many Rushcliffe rough sleepers would have access to Nottingham City which could improve and streamline customer experience.

III. The risks presented by the different unitary arrangements: The document outlines several generic threats and risks associated with homelessness strategies and services in Nottingham and Nottinghamshire. It highlights a changing policy context, including reforms to private sector housing and supported housing regulations, which could affect service delivery. Changes to the local connection criteria might complicate meeting levels of need, if the criteria is broadened and anticipated revisions to funding formulas for the Homelessness Prevention Grant could impact funding availability, especially if current funding streams are merged or altered based on geographic or population factors. Mansfield's unique Domestic Abuse Housing accreditation stands at risk if other areas fail to achieve similar recognition. Furthermore, there is a need for increased responsiveness to individuals moving across geographic boundaries, particularly in the South/City areas. Predicted future trends suggest an increase in homelessness due to factors such as rental reform and rising living costs, although the options may not significantly affect visible rough sleeping or street-based activity, which remain concerns for residents. Additionally, the rising use of temporary accommodations poses a financial threat to general fund resources, with variations occurring among different authorities based on need and TA supply. Lastly, potential disinvestment in non-statutory services by Public Health and the risk of reduced locally driven insight and service delivery due to funding competition are also flagged as concerns. Under Option 1(b) & 1(e) there is a risk that the sole authority left with links to the hospital trust in the South would struggle to have the same impact around housing/homelessness related challenges. This risk could be mitigated by a new city-aligned authority taking lead on the relationship and work for both areas.

IV. Impact on delivery: Under Option 1(b) & 1(e) there could be reduced homelessness impact which suggests the possibility that these options could dilute the focus on homelessness due to changes in administrative boundaries and service configurations. Such dilutions may lead to less effective strategies and approaches to tackling homelessness because resources and efforts might be spread too thin across newly defined authorities. Changes in how services are organised might lead to unclear or fragmented service pathways, affecting how people move through systems to receive support and housing. Finally, there is a concern that restructuring could lead to weaker collaboration and communication between health services and housing/homelessness services. This could hinder integrated efforts to address homelessness.

Conclusion: It is important to note that homelessness does not have significant impact in choosing between either of the options; but should be considered in designing service delivery or organisational functions.

MHCLG Criteria Analysis: Crucial Services

Set out below is a high level summary of the assessment of the Crucial Services criteria for the options under consideration in Nottingham and Nottinghamshire.

Sub-criteria	1b Nottinghamshire and Nottingham City + Broxtowe + Gedling	1e Nottinghamshire and Nottingham City + Broxtowe + Rushcliffe	2 Nottinghamshire and Nottingham City
Data analysis and comparison of the different unitary arrangements	<i>Similar patterns across Option 1(b) and 1(e), though 1(b) favoured due to similar geography and demography e.g. children in Gedling with social care needs having greater identity with / proximity to City services.</i>	<i>Rushcliffe experiences lower demand for SEND, resulting in an imbalance between the demand for the services and income required to sustain them. Nonetheless, when overall data is examined similar trends can be seen between 1(b) and 1(e).</i>	<i>Option 2 shows variability and generally higher rates in data pertaining to homelessness, ASC and SEND. This option creates an imbalance in ASC and SEND services</i>
The opportunities presented by the different unitary arrangements	<i>No specific opportunities identified for improving homelessness and SEND services, though Option 1(b) would offer more balanced distribution of CSC and deliver ASC services to areas with greater community of needs.</i>	<i>No specific improvement opportunities identified for ASC and SEND, though Option 1(e) may help streamline homelessness services as rough sleepers have a local connection to Notts City, and provide a more fair share of tax base for CSC.</i>	<i>Enhanced service delivery for functions such as AMHP quality and provider services. Option 2 can help mitigate the cost, time and risk associated with disaggregation. Furthermore, it enables a localised approach to SEND.</i>
The risk presented by the different unitary arrangements	<i>Concerns around disaggregation of ASC, CSC and SEND sufficiency, alongside general impact on provider services as services could be situated in areas where individuals no longer reside.</i>	<i>There is a loss of revenue to fund statutory SEND services due to Rushcliffe having lower rates of EHCPs or specialist provisions compared to the other areas of Nottinghamshire. The share of children's total expenditure is greater.</i>	<i>No specific risks have been identified for Option 2, and it presents no new risks beyond those currently existing within the services e.g it is not impacted by disaggregation.</i>
Impact on delivery e.g. staffing considerations, geography	<i>Potential fragmentation of homelessness services given confused pathways and weaker relationships between health and housing/homeless teams/services.</i>	<i>There are challenges with delivery of ASC, CSC and SEND services, particularly the loss of income for the county authority.</i>	<i>There is no impact on the delivery of homelessness, ASC or SEND as the current service provision is maintained. However, there is still challenges with the imbalances present within these services.</i>
Summary	<i>Option 1(b) aligns most effectively with the LGR objectives, providing a relatively balanced distribution of demand and services for homelessness, ASC, CSC and SEND. Broxtowe and Gedling also have higher population demographics similar to the City.</i>	<i>Option 1(e) somewhat aligns with the LGR objectives but faces geographic and demographic challenges for homelessness, ASC, CSC and SEND services, with the county-authority facing a loss of revenue.</i>	<i>Option 2 does not meet the LGR objectives due to increased viability issues and services imbalances, despite maintaining the current level of service delivery.</i>

6. Financial Analysis

page 162

Financial Modelling: Updated Analysis Overview

This section provides an overview of the phase 1 analysis and the updates made since March 2025.



Phase 1 Analysis

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 officer met on 15 May to review the financial model methodology and outputs. During that session there were some further clarifications sought. Subject to these clarifications all agreed that the case was sufficient to enable the s151s to provide assurance to their Councils that the case was appropriate.

This position was confirmed at the Finance Officers meeting on 23 May. The revised financial analysis was shared with s151 officers on 3 June ahead of a LGR specific meeting of s151s on 9 June. This included some sensitivity analysis the group requested on the assumptions.

In addition the County Council have 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.



Updates post March 2025

Assumptions

1

Some changes were made to assumptions such as reduction in front office FTE, service delivery FTE, reduction in back office FTE, property rationalisation, SRA cost per new unitary authority.

Benefit Phasing

2

The benefit realisation period has been changed to 30% in the first year, 50% in the second year and 100% after that.

Definitions

3

The definitions of types of FTE service are have been provided. This includes specific definitions for front office, service delivery and back office.

Overall benefits and costs

4

As a result, there is a change in the total overall benefits and costs since the figures set out in the interim plan in March 2025.

See Appendix B for the methodology and assumptions applied

Financial Modelling: Definitions (1/3)

The financial analysis model relies on a number of assumptions, primarily based on publicly available outturn data, information from each council's own transparency data, or by applying changes which have been demonstrated across previous LGR proposals.

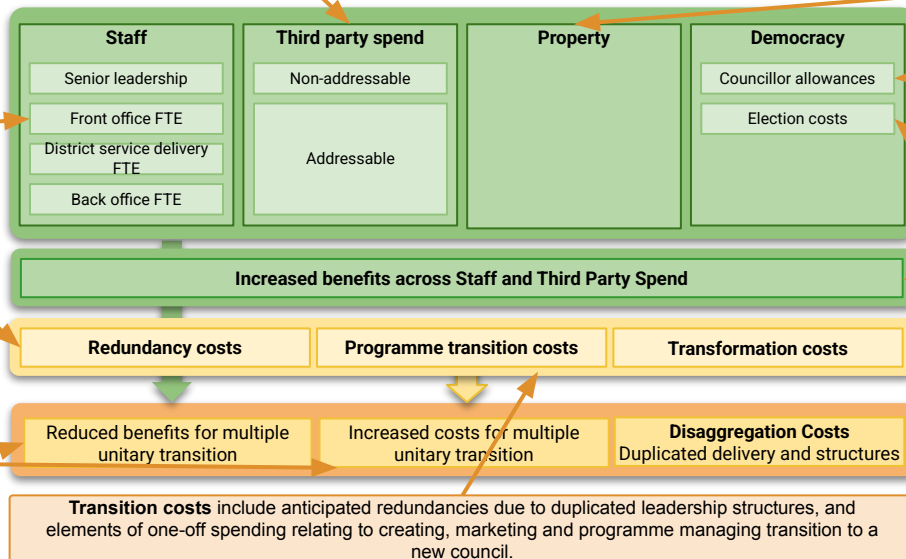
Third-party spend refers to all payments made by local councils for goods and services from external suppliers, excluding grants, taxations, and other charges. Addressable spend is the portion of this expenditure that can be influenced through procurement or commissioning strategies such as negotiating contracts or seeking competitive bids. In contrast, non-addressable spend includes costs that are less flexible and mandated by law, making them harder to influence.

Property expenditure relates to the cost associated with acquiring, maintaining, and managing both **operational** properties (used for delivering council services) and **investment** properties (held for income or capital appreciation). This includes expense such as maintenance, utilities, insurance and management fees.

FTE is calculated as a proportion of spend as supplied in public spending data. **Net revenue expenditure** is used to avoid double-counting any income or grant transfers. **Senior leadership** salaries are calculated across the top three organisational tiers as per transparency reporting.

Redundancy costs do not include actuarial strain as this is highly individualised. A payment of 30% of salary is assumed.

Costs such as the creation of new councils, marketing, ICT and consultation are increased proportionately where more than one new council is to be formed. Similarly, fixed **benefits of transition** are shared across all new bodies.



Member allowances are based on rates of Basic and Special Responsibility payments published in transparency reporting. These costs are used to determine the likely cost of one or more new democratic structures in new authorities

Election costs use a total of votes cast in a previous election cycle across all council elections, and a cost-per-vote of £3 calculated by the Electoral Commission

Benefits are profiled to be fully effective in Year 3, to account for the need to complete staff changes and undertake contract renegotiations.

Disaggregation Costs are incurred where an option involves dividing a county level authority into two or more unitaries, and represents the ongoing cost of duplicating management and operations of statutory services, including social care, education and public health. **An element of disaggregated costs therefore recur each year in options with more than one unitary authority**

Financial Modelling: Definitions (2/3)

Definitions for Front office, Service delivery and back office are set out below.

Category	Definition	Activities	
Front office	Front office described all the activities that involve interaction with customers and/or have an immediate impact on customer service delivery. It involves all activities that lead up to and follow on from serving the customer, without capturing the actual act of delivering the service. A customer is defined as a person who uses any council service.	<ul style="list-style-type: none"> Enquiry Handling Processing Requests and Applications Managing Appointments Eligibility Simple and Rules Based Assessment Complex Assessment Approval of Service 	<ul style="list-style-type: none"> General Administration (for frontline operations) Recording and Data Entry Closing Record Management and Supervision (for frontline operations) Workforce Planning (for frontline operations) Workforce Scheduling (for frontline operations) Billing and Receiving Payments
Service Delivery	The actual delivery of a frontline service on behalf of the council which fulfils the needs of external customers.	<ul style="list-style-type: none"> Service Delivery 	
Back office	The activities aligned to this category provide support to other service areas: <ul style="list-style-type: none"> Corporate Services include the activities that support the council in operating effectively on a day-to-day basis. Strategic Services contain the activities that are central to influencing and executing the councils corporate strategy. As for Support Services, these activities will all contain an element of transactional activity (e.g. within HR and Finance), but are more broadly aligned to the delivery and support of the strategic direction of the council. 	<ul style="list-style-type: none"> General Administration (Corporate, Strategic & Support Services) Health and Safety Technology People Management Budgets and Financial Management Payroll Services Key Data Sets Property, Estate and Facilities Management Management and Supervision (Corporate, Strategic & Support Services) Stores and Distribution Workforce Planning (Corporate, Strategic & Support Services) Fleet and Plant Management 	<ul style="list-style-type: none"> Democratic services and support provided to elected Members Legal Advisory Services Programme and Project Management Purchasing, Procurement and Commissioning Managing Contracts Marketing, PR and Communications Strategic Planning and Policies Research and Consultation Quality Assurance, Performance Management and Improvement Business Information, Data Analysis and Reporting



Financial Modelling: Definitions (3/3)

Definitions for the various elements of the financial model are set out below.

Definitions

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 (years)

The payback period is the time required for the investment in unitarisation to generate sufficient cash flows to recover its initial cost.

Financial Modelling: Purpose and limitations

The options analysis financial modelling provides a tool for comparing potential options for future LGR, based on publicly available data and a set of agreed assumptions. The model accounts for the cost of delivering the new structure in terms of **transition** and **ongoing disaggregation** costs of leading delivery of all unitary council services across the new geographies identified in each option.

What the model does:

- The financial model provides an **independent and policy-neutral comparison** of differing structural approaches to LGR.
- It focuses on the **costs of transitioning and running costs of new leadership and political structures**.
- It includes the anticipated costs needed to undertake **the next phases of LGR activity** - programme design and management, building a detailed business case, ICT requirements, delivering consultation and comms, etc.
- Combined with potential additional analysis it provides a **foundation for the detailed business case** to follow.
- The model is **recognised by MHCLG and Treasury** as a reasonable means of determining the potential scale of benefits available from LGR at options analysis stage. It is not developed to the level of detail that is required for a full proposal.

What the model doesn't do:

- The financial model will not at this stage predict the **costs of delivering services** in a new structure.
- It does not account for future policy decisions around the **apportionment of debt, reserves or assets** between constituent councils.
- It does not account for **actuarial costs of redundancy**, which require a detailed review of individual employee's circumstances.
- The transformation costs and benefits are estimates based on experience in other local authorities applied to local spend, they do not represent a **detailed review of your third party spend**.
- The model is based on static, published data and **does not include the influence of increased demand** on running costs.

Financial Modelling: Updated analysis

The financial model incorporates key structural and management costs, including redundancy estimates, senior leadership changes, and anticipated savings across cost categories.

	Transition costs (£)	Annual benefits (£)	Net benefit after five years (£ total)	Payback period (years)
<div>page 168</div> 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
<div>Comparative purposes only</div> Option 3: Single Unitary Authority	£19,249,433	£30,044,575	£94,919,953	Less than 1 year

The methodology is set out in Appendix B and includes a clarification as to what is and isn't covered for the purposes of an options analysis. 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.

Financial Modelling: Planning of costs and benefits

The table below provides an overview of the phasing of benefits, transition costs and disaggregation costs which have been tested with the s151 officers.

Impact of Phasing

In modelling the impact of costs and benefits, assumptions have been made to reflect their realistic phasing. This ensures that one-off costs are spread over multiple years rather than being incurred immediately, alongside the ongoing costs of transition.

Benefits are phased over a 3 year period, recognising that some efficiencies - such as senior leadership reductions - can be realised quickly, while others, like contract realignment and third-party spend savings, will take longer to achieve. This approach accounts for operational complexities, contract obligations, and the time required for full implementation.

It is important to note that the benefits outlined here relate solely to system aggregation, rather than service transformation. The efficiencies modelled do not include potential improvements from broader service redesign, which would be considered separately.

The phasing of the annualised **benefits** is over three years, due to the varying timescales for different aspects of delivery, after 3 years the full annual benefit is assumed. This includes ongoing cost reduction programs, the timing of the next election, and the expiry of third-party contracts. Transformation benefits have not been included.

	Year 1	Year 2	Year 3	Year 4 -10
Benefits (cumulative)	30%	50%	100%	100%
Transition Costs (one-off)	30%	30%	30%	10%
Disaggregation Costs	No disaggregation cost			

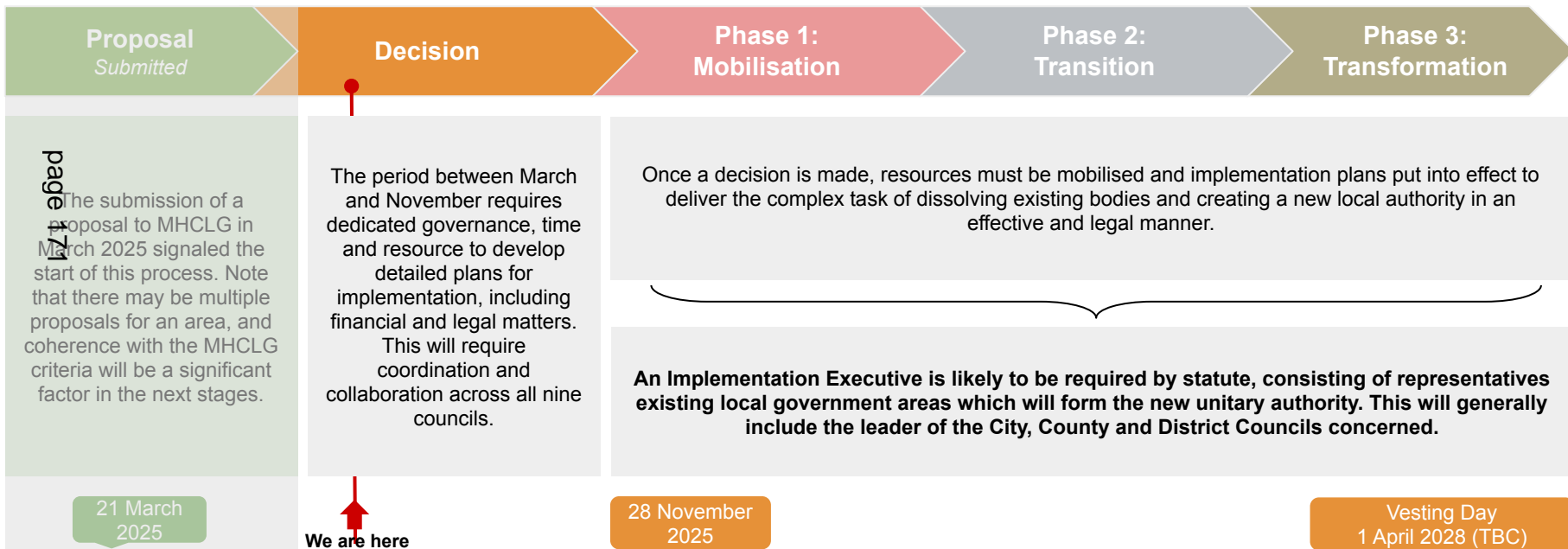
Transition costs are spread over a longer period rather than being completed within a single year, ensuring a more realistic and feasible approach. Costs are incurred over three years, with Years 2 and 3 primarily covering recontracting, system migrations, workforce adjustments, and other transition-related expenditures. This phased approach accounts for contractual constraints, the complexity of workforce changes, and the time required to reorganise services, reducing financial risk and operational disruption.

Disaggregation costs arise from splitting county services into new councils, leading to ongoing expenses for duplicated leadership and operations but excluding service delivery costs.

7. Implementation

Implementation: indicative timeframe to implementation

This section outlines key timescales, activities, and opportunities in Local Government Reorganisation. The following pages set out some of the required steps to developing a full business case proposal for submission in November and some of the post-decision implementation activities.



Implementation: Development of the final proposal (1/4)

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 require specific capabilities and dedicated capacity. The immediate next step is for Chief Executives and Members to take a decision on which option(s) to take forward to develop into a full business case.



Interim Plan:
by 21st March 2025
Submitted

page 172

An interim was submitted to MHCLG on 21st March 2025:

- ❑ This plan outlined the proposed options under consideration and how they are likely to achieve efficiencies, improve capacity and withstand financial shocks.
- ❑ More detailed analysis and engagement needs to take place post this submission to refine the options and develop a full business case.
- ❑ Engagement will also need to take place with EMCCA, local MPs, parish councils and wider system partners such as police and fire services and the ICS. During this period an engagement and consultation plan needs to be developed in order to gather input and assess support for proposals.

Based on feedback from the interim plan, Nottingham & Nottinghamshire will need to refine their proposals to ensure they have met all the criteria set out by the MHCLG, including (indicative not exhaustive):

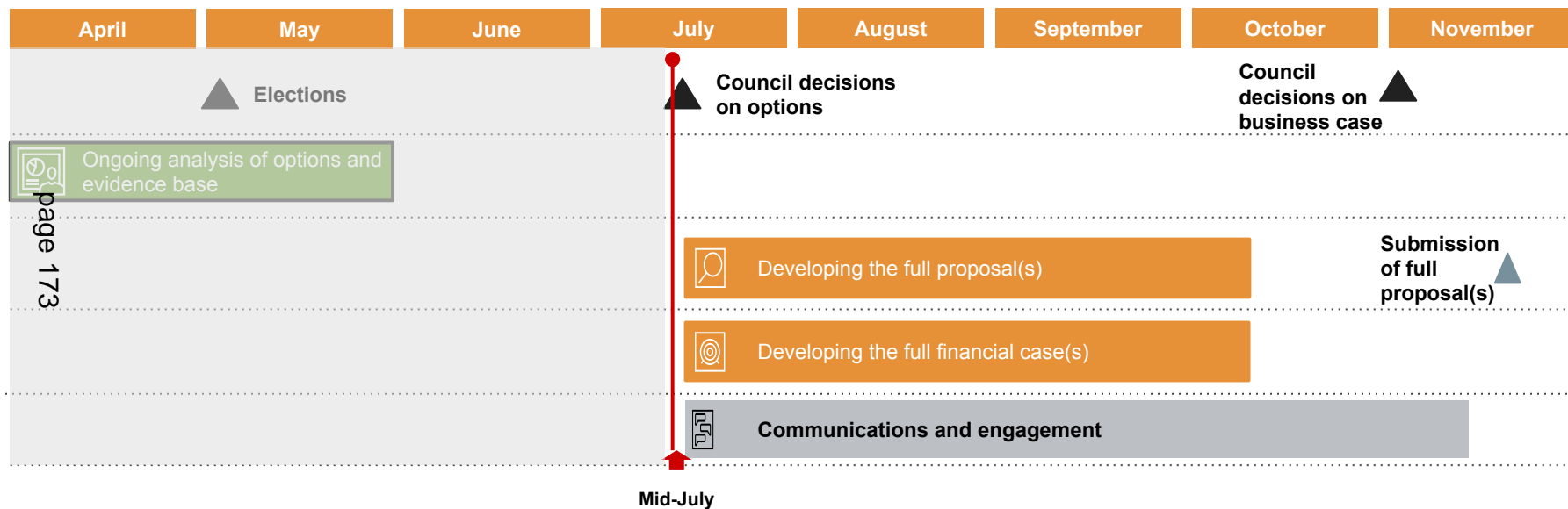
- ❑ Agreeing the resources which each council will commit to funding the process.
- ❑ A need to prepare for implementation of the new interim structures, including planning for any necessary changes to governance, staffing and service delivery
- ❑ Appointment of a responsible officer and cabinet member in each council. The members will form a LGR committee which may transition to be a shadow unitary council executive as vesting day approaches.
- ❑ Design the appropriate directorate and senior leadership structure for the new authority
- ❑ Finalise arrangements for HR changes and staff redundancy, including any provision for a voluntary scheme, and how this cost will be impact existing councils
- ❑ Determine a plan for disbursement of debt and reserves in consultation with joint S151 officers
- ❑ Agree and undertake a joint plan for consulting the public with Districts.
- ❑ Agree and undertake a joint plan for consulting staff, including engagement with Trades Unions.
- ❑ Agree an approach to harmonising council tax across Districts, including how Council Tax Relief will be harmonised
- ❑ Conduct equality impact assessments of proposed arrangements
- ❑ Plan for the costs and legal aspects of winding up existing authorities and creating a new statutory entity
- ❑ Understand the risks and implications of existing assets, liabilities and HRA provision.



Final proposal:
by 28th November 2025

Implementation: Development of the final proposal (2/4)

Set out below is a very high level view of the remaining timeframe available for decision making and development of a full proposal ready to be submitted in November 2025.



Implementation: Development of the final proposal (3/4)

An overview of how the options analysis would need to develop into a full proposal is set out below and on the following page.

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

- 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

- 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.



Implementation: Development of the final proposal (4/4)

Due diligence

- While the work described under workstream 2 would not entail due diligence (e.g. line by line reviews of all contract and commissioning arrangements, review of assets, liabilities, IT infrastructure etc.), it is anticipated that work of this nature will commence in the period leading up to the November submission.

Communication and engagement

- Developing a comprehensive communications strategy to support the development and submission of proposals. This would include a focus on:
 - staff engagement (sharing communication assets across all of the impacted councils);
 - member engagement, including the provision of members to come together for visioning workshops and design discussions;
 - stakeholder engagement - working with MPs, the town and parish councils, as well as public, private and voluntary sector partners to discuss and explain the changes being proposed; and
 - community and public engagement - focus groups, engagement meetings and other forms of communication.
- Consolidating the responses and views gathered during this activity to inform the development of the November submission and evidence support and / or opposition to the establishment of the new council(s).

Mobilising programme workstreams

- There is a commitment to deliver an ambitious transformation programme in parallel with the transition to the new council(s). To this end, work is intended to commence in the following areas:
 - service design;
 - consideration of technology requirements;
 - HR - approach to change management, migration of staff to the new council(s);
 - OD - foundational work on culture, behaviours, values and ways of working;
 - branding and buildings; and
 - legal and governance arrangements (including the Structural Change Order, shadow governance arrangements and senior appointments).

Implementation: implementation roadmap

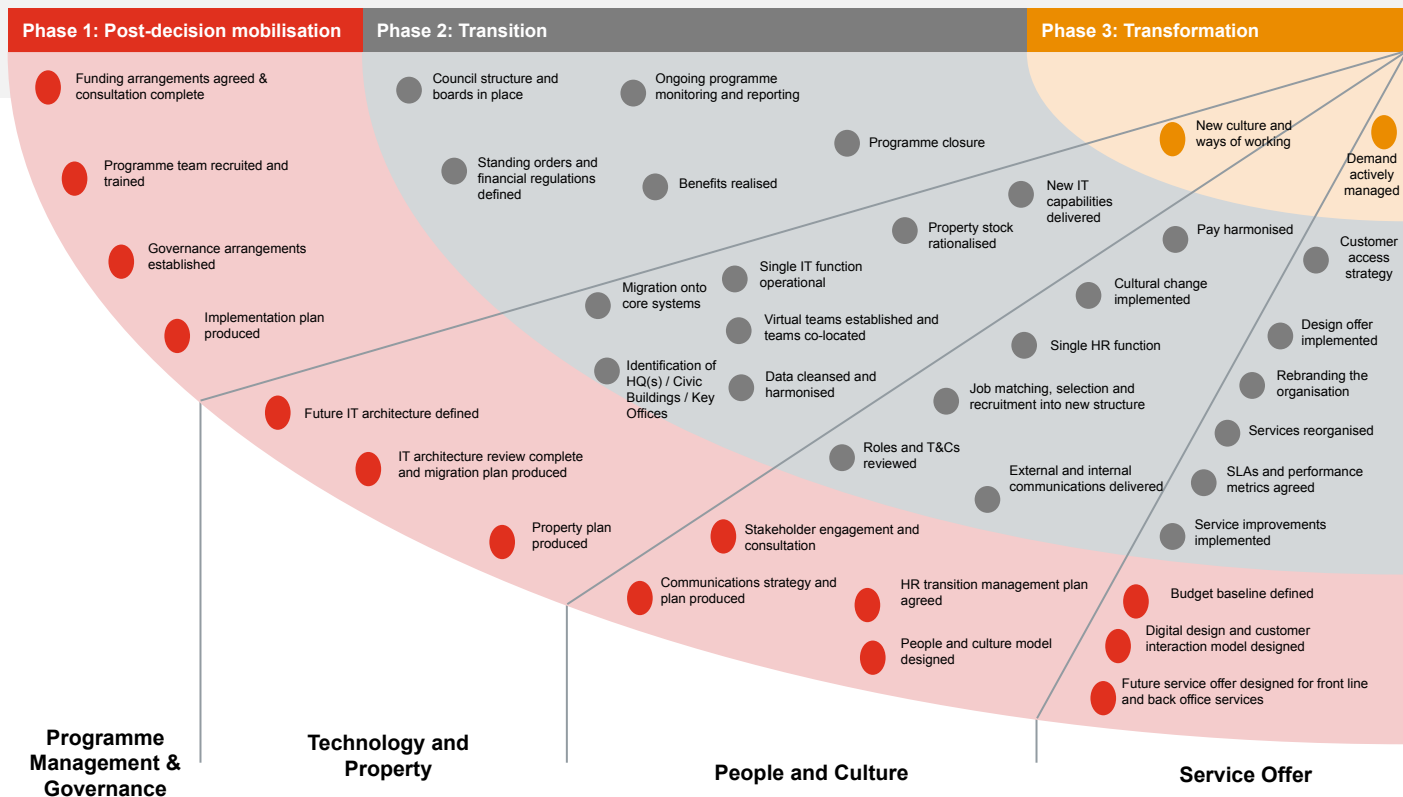
Phase 1: Mobilisation

Phase 2: Transition

Phase 3: Transformation

Detailed implementation plans will be developed during the mobilisation phase outlined above and in the diagram. This implementation map provides an overview for the key activities which will need to be undertaken by officers and members as vesting day approaches, and which will need to be accomplished alongside business-as-usual in terms of service delivery.

The financial model includes a high level estimate that **c. £13m** will be required for internal and external support for the process under Option 1(b) and 1(e). This is consistent (and a conservative estimate at this stage) with previous rounds of LGR.



Implementation: Immediate next steps and planning

Immediate next steps is for Chief Executives and Members to take a decision on which option(s) to take forward to develop into a full business case in July 2025 and begin planning for implementation including early scoping on programme support and workstreams (outlined below).



Immediate next steps

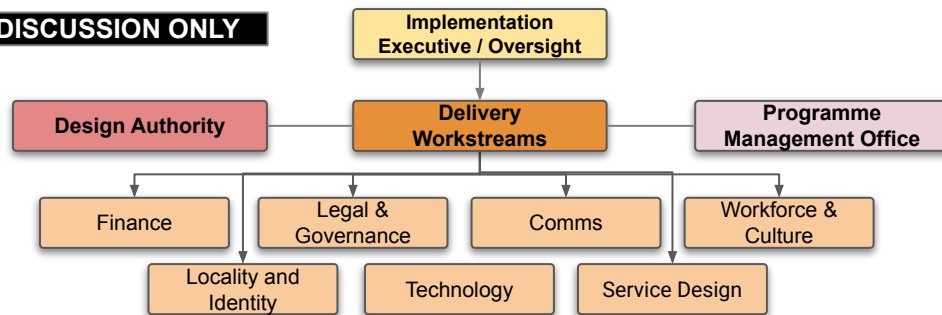
- Summary report shared with CEXs
- Confirm LGR Meeting date to take decision on which option to take forward
- Decision on the options analysis and potentially a preferred option.
- Agree coordination and collaboration arrangements where required



Immediate next steps for programme infrastructure set up (not exhaustive)

- Agree resources to coordinate efforts across all councils
- Agree leadership, governance and oversight arrangements
- Identify and establish officer working groups for relevant projects and programmes
- Work with workstream leads to identify the key tasks for each group, secure the appropriate membership and to ensure time and resources are protected to meet the time pressures.
- Agree a stakeholder and engagement plan

DRAFT FOR DISCUSSION ONLY



Governance	Description
Implementation Executive	<ul style="list-style-type: none">• Likely to be required by statute, consisting of representatives existing local government areas which will form the new unitary authority. This will generally include the leader of the City, County and District Councils concerned, Chief Execs and s151 officers.• Responsible for overall strategic direction, oversight of risk, and benefit realisation and meets monthly, or more frequently during critical periods
Delivery Workstreams	<ul style="list-style-type: none">• Example workstreams outlined above; each chaired by a Senior Director (from pool of affected councils) with delegated authority, and reports progress, risks, issues and resource needs to the Implementation Executive
Programme Management Office	<ul style="list-style-type: none">• Centralised function for planning, reporting, dependency and risk management across all workstreams and driving interface with other enablers (Finance, ICT, Legal, Procurement), ensuring a "single version of truth" through common tools, templates and reporting standards
Design Authority	<ul style="list-style-type: none">• Technical group reviewing service design, TOM alignment and systems integration to ensure joined-up thinking

8. Appendix A: Criteria Analysis

Criteria Analyses (1/2)

The table provides details on the information which was included in the additional 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.

Criteria Analyses (2/2)

The table provides details on the information which was included in the additional analysis.

Title	Prepared by	Date	Description	Conclusion
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.

9. Appendix B: Financial Assumptions

Key assumptions: Benefits of aggregation (Staff) (1 of 2)

Element of the model

Staff
Senior leadership
Front office FTE
District service delivery FTE
Back office FTE

Methodology

- 1 The combined County and District Councils spend on staff has been estimated, and grouped into front office, service delivery, and back office spend based on local authority averages.
- 2 Percentage reductions have been applied to front office, district service delivery and back office full-time equivalent (FTE). These reflect the efficiencies gained from removing duplicated activity.
- 3 These percentage reductions are higher for a single unitary authority and revised down for a two unitary authority model due to forgone economies of scale.
- 4 An additional benefit has been calculated from removed District senior leadership posts, including on-costs.

Assumptions applied

Area	Key figures		Rationale
	Options 1b & 1e	Option 2 - City and County Council	
Proportion of net revenue expenditure spent on staff	31.3%		Calculated through publicly available RO forms.
Front Office FTE	36%		
Service Delivery FTE	37%		Percentage reductions in line with previous local government spend reduction and reorganisation work and tested with the Sect 151 Officers.
Back Office FTE	27%		

Key assumptions: Benefits of aggregation (Staff) (2 of 2)

Element of the model

Staff
Senior leadership
Front office FTE
District service delivery FTE
Back office FTE

Methodology

- 1 The combined County and District Councils spend on staff has been estimated, and grouped into front office, service delivery, and back office spend based on local authority averages.
- 2 Percentage reductions have been applied to front office, district service delivery and back office full-time equivalent (FTE). These reflect the efficiencies gained from removing duplicated activity.
- 3 These percentage reductions are higher for a single unitary authority and revised down for a two unitary authority model due to forgone economies of scale.
- 4 An additional benefit has been calculated from removed District senior leadership posts, including on-costs.

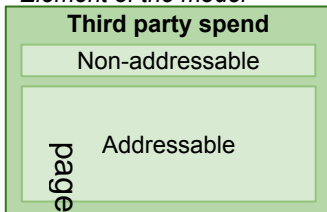
Assumptions applied

Area	Key figures		Rationale
	Options 1b & 1e	Option 2 - City and County Council	
Reduction in front office FTE	4%		Percentage reductions in line with previous local government spend reduction and reorganisation work and tested with the Sect 151 Officers.
Reduction in service delivery FTE	1.5%		
Reduction in back-office FTE	3%		
Senior leadership costs in Districts	£8,681,498		Senior leadership costs calculated for the top three tiers of leadership of District Councils including on-costs based on averages and no of Districts. Lower tiers are not included as they may be required as part of new organisational structures.



Key assumptions: Benefits of aggregation (Third Party Spend)

Element of the model



Methodology

- 1 The addressable third party spend combined between County and District Councils has been calculated using proportioned net expenditure to provide a baseline. Third party spend relating to property has been excluded.
- 2 A percentage reduction in third party spend has been applied due to the greater purchasing economies of scale that will be gained through consolidation.
- 3 These percentage reductions are higher for a single unitary authority and revised down for a two unitary authority model due to forgone economies of scale.

Assumptions applied

Area	Key figures		Rationale
	Options 1b & 1e	Option 2 - City and County Council	
Proportion of net expenditure spent on third parties	65.7%		Calculated through publicly available RO forms.
Proportion of third party spend (TPS) which is addressable	75%		75% of the total third party spend is treated as addressable, due to some elements of third party spend being non addressable, eg. pass through costs. Previous experience in local authority third party spend analysis suggests that this typically makes up 25% of the spend
Reduction in third party spend	1.5%		Percentage reductions in line with previous local government spend reduction and reorganisation work and tested with the Sect 151 Officers.

Key assumptions: Benefits of aggregation (Property)

Element of the model

Property

Methodology

- 1** The combined net expenditure on property has been calculated using net expenditure figures for the County and District Councils.
- 2** This is spend relating to the ongoing running costs of office spaces such as those used in energy, cleaning and routine repairs rather than from the one-off sale of rationalised council office space. In addition, any benefits resulting from the rental of available office space has been excluded.
- 3** A percentage reduction has been applied to the property baseline to provide the estimate property benefit.

Assumptions applied

Area	Key figures		Rationale
	Options 1b & 1e	Option 2 - City and County Council	
Proportion of net expenditure spent on property	3%		Proportion of spend is based on RO calculations. Percentage reductions in line with previous local government spend reduction and reorganisation work and tested with the Sect 151 Officers.
Reduction in property spend	12.5%		

Key assumptions: Benefits of aggregation (Democracy)

Element of the model

Democracy
Councillor allowances
Elections

Methodology

- 1 By aggregating Districts into one or two unitary authorities, fewer councillors will be required and therefore a saving can be made from base and special responsibility allowances. The average cost of a District council democratic structure has been estimated and multiplied by the number of District councils present within the boundary.
- 2 Consolidating local authorities will also reduce the number of elections required, thus presenting a benefit. The average annual cost of a District election has been calculated and multiplied by the number of District councils.
- 3 The calculation for both the single and two unitary model is the same, as the two unitary model also incurs an additional disaggregation cost of duplicating a larger, more expensive councillor structure than in District councils.

Assumptions applied

Area	Key figures		Rationale
	Options 1b & 1e	Option 2 - City and County Council	
District SRA and base allowances incurred as part of the democratic structure	£351,915		Calculated through publicly available data.
Annual cost incurred per District election	£165,530		The annual cost of a District election has been calculated by multiplying the cost per vote and the average voter turnout during representative District Council elections. This has been divided by 4 to estimate the annual saving that can be achieved per council, and multiplied by the number of District councils inputted.
Cost per vote during an election	£3.00		The cost per vote used to calculate the cost of an election has been estimated at £3 by Government / Electoral Commission based on previous election data.

Key assumptions: Aggregation and Disaggregation costs (1 of 2)

Element of the model

Duplication
Duplicated senior leadership
Duplicating service delivery management
Duplicated democratic structures

Methodology

- 1 The following costs of disaggregation only apply in the two unitary authority scenario. Two sets of senior leadership will be required to run two distinct authorities. This cost has been calculated using the costs of senior leadership at a representative council to tier three.
- 2 By disaggregating services that are currently county wide, for example Adults and Children's services, additional FTE will be required to account for lost efficiency. The amount of effort used in service delivery management & supervision has been used as a proxy to estimate the size of the increase required in a two unitary model.
- 3 The cost of a representative county democratic structure has been estimated as an additional cost incurred having two unitary authorities

Assumptions applied

Area	Key figures		Rationale
	Options 1b & 1e	Option 2 - City and County Council	
Proportion of additional FTE undertaking service delivery management & supervision	0%		Additional costs have not been applied.
Additional senior leadership costs	0%		There is no additional cost as there are two senior leadership teams across existing top tier authorities
Members in upper tier local authorities	121		The existing number of top tier authority councillors across the area has been applied as an estimate and for the purpose for this financial analysis. Note: This does not represent a decision on the future number of Councillors.

Key assumptions: Aggregation and Disaggregation costs (2 of 2)

Element of the model

Duplication
Duplicated senior leadership
Duplicating county service delivery
Duplicated democratic structures

Assumptions applied

Methodology

- 1 The following costs of disaggregation only apply in the two unitary authority scenario. Two sets of senior leadership will be required to run two distinct authorities. This cost has been calculated using the costs of senior leadership at a representative council to tier three.
- 2 By disaggregating services that are currently county wide, for example Adults and Children's services, additional FTE will be required to account for lost efficiency. The amount of effort used in service delivery management & supervision has been used as a proxy to estimate the size of the increase required in a two unitary model.
- 3 The cost of a representative county democratic structure has been estimated as an additional cost incurred having two unitary authorities

Area	Key figures		Rationale
	Options 1b & 1e	Option 2 - City and County Council	
Member base allowance	£1,088,297		Calculated through publicly available data.
SRA costs per new unitary authority	£0		Two top tier unitary authorities already exist - there is no additional requirement based on the options currently under consideration.

Key assumptions: Costs of transition (1 of 4)

Element of the model

Transition Costs

Redundancy costs

Programme transition costs

Methodology

- 1 One off redundancy costs will be incurred when re-organising local authorities. These have been calculated as a proportion of the benefit resulting from FTE reductions and therefore is higher in a single unitary model than a two unitary model.
- 2 There are a number of transition costs that will be incurred when closing down existing local authorities and creating new authorities. In transitioning to a single unitary authority, these costs will only be incurred once, whereas in a two unitary model, many of these costs will be incurred twice.

Assumptions applied

Area	Key figures		Rationale
	Options 1b & 1e	Option 2 - City and County Council	
Redundancy cost as a proportion of salary	30%		Percentage estimate in line with previous local government spend reduction and reorganisation work and tested with the Sect 151 Officers.
External communications, rebranding and implementation	£732,000	£366,000	Estimates in line with previous local government reorganisation work. For 1b & 1e x2 multiplier has been used.
External transition, design and implementation support costs	£8,540,000	£4,270,000	

Key assumptions: Costs of transition (2 of 4)

Element of the model

Transition Costs

Redundancy costs

Programme transition costs

page 90

Methodology

- 1 One off redundancy costs will be incurred when re-organising local authorities. These have been calculated as a proportion of the benefit resulting from FTE reductions and therefore is higher in a single unitary model than a two unitary model.
- 2 There are a number of transition costs that will be incurred when closing down existing local authorities and creating new authorities. In transitioning to a single unitary authority, these costs will only be incurred once, whereas in a two unitary model, many of these costs will be incurred twice.

Assumptions applied

Area	Key figures		Rationale
	Options 1b & 1e	Option 2 - City and County Council	
Additional programme management costs of disaggregating services	£0		No disaggregation cost as a result of not breaking up the county. There is a potential change of service delivery by one UA, which may delivered by another UA in future.
Internal programme management	£3,806,400	£1,903,200	Estimates in line with previous local government reorganisation work. For 1b & 1e x2 multiplier has been used.
Creating the new council	£1,220,000	£610,000	

Key assumptions: Costs of transition (3 of 4)

Element of the model

Transition Costs

Redundancy costs

Programme transition costs

Methodology

- 1 One off redundancy costs will be incurred when re-organising local authorities. These have been calculated as a proportion of the benefit resulting from FTE reductions and therefore is higher in a single unitary model than a two unitary model.
- 2 There are a number of transition costs that will be incurred when closing down existing local authorities and creating new authorities. In transitioning to a single unitary authority, these costs will only be incurred once, whereas in a two unitary model, many of these costs will be incurred twice.

Assumptions applied

Area	Key figures		Rationale
	Options 1b & 1e	Option 2 - City and County Council	
Contingency	£6,775,853		Estimates in line with previous local government reorganisation work. For 1b & 1e x2 multiplier has been used.
Organisation Closedown	£305,000		
Public consultation	£411,750	£274,500	

Key assumptions: Costs of transition (4 of 4)

Element of the model

Transition Costs

Redundancy costs

Programme transition costs

page

Assumptions applied

Methodology

- 1 One off redundancy costs will be incurred when re-organising local authorities. These have been calculated as a proportion of the benefit resulting from FTE reductions and therefore is higher in a single unitary model than a two unitary model.
- 2 There are a number of transition costs that will be incurred when closing down existing local authorities and creating new authorities. In transitioning to a single unitary authority, these costs will only be incurred once, whereas in a two unitary model, many of these costs will be incurred twice.

92	Area	Key figures		Rationale
		Options 1b & 1e	Option 2 - City and County Council	
	Information, Communication & Technology (ICT) costs	£2,385,000		Estimates in line with previous local government reorganisation work. For 1b & 1e x2 multiplier has been used.
	Shadow Chief Exec/ Member costs	£622,200	£311,100	

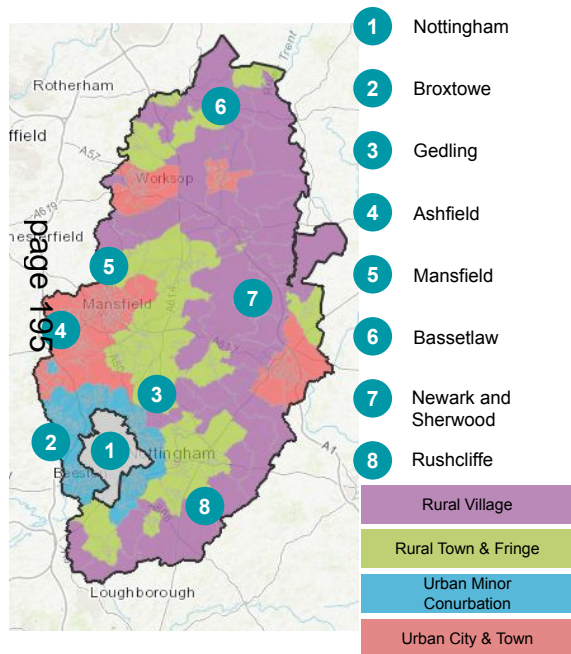
10. Appendix C: Comparative Analysis

Summary view of comparative analysis for the three options

		Rural / urban	Time to key services	Debt to reserve per capita ratio	Social care demand to council tax take (current)	Social care demand to council tax take (projected)	Population	Deprivation	Housing need	Business Growth	Healthcare provision
1b	Nottingham City + Broxtowe + Gedling			53.5	0.94	0.94	603,185	26.5	19.6	See detail on page 104	7,101
	Nottinghamshire with the remaining LAs	34.4%	3.5	14.0	0.84	0.87	661,460	20.7	17.2		8,281
1e	Nottingham City + Broxtowe + Rushcliffe			47.4	0.87	0.87	611,518	24.7	20.5	See detail on page 104	6,906
	Nottinghamshire with the remaining LAs	18.3%	1.7	14.7	0.90	0.92	653,127	22.3	16.3		8,556
2	Nottingham City remains the same			83.9	1.18	1.12	352,463	34.9	19.9	See detail on page 104	6,456
	Rest of Nottinghamshire becomes a new unitary authority	30.4%	3.9	14.2	0.81	0.83	912,182	19.0	17.7		8,279

Analysis: Rural-Urban comparative analysis (current)

The table below sets out the types of areas that exist across the Nottingham and Nottinghamshire geography and how this is reflected when combined in the different LGR options that are under consideration.



Option		Rural %	Urban %	Difference between %'s
1b	Nottingham City + Broxtowe + Gedling	3.9%	96.1%	34.4%
	Nottinghamshire + Remaining LAs	38.3%	61.7%	
1e	Nottingham City + Broxtowe + Rushcliffe	12.4%	87.6%	18.3%
	Nottinghamshire + Remaining LAs	30.7%	69.3%	
2	Nottingham City	0.0%	100.0%	30.4%
	Nottinghamshire	30.4%	69.6%	

Average proportion of rural population

[Department for Rural Affairs - Rural Urban Classification Map - Nottingham Observatory](#)

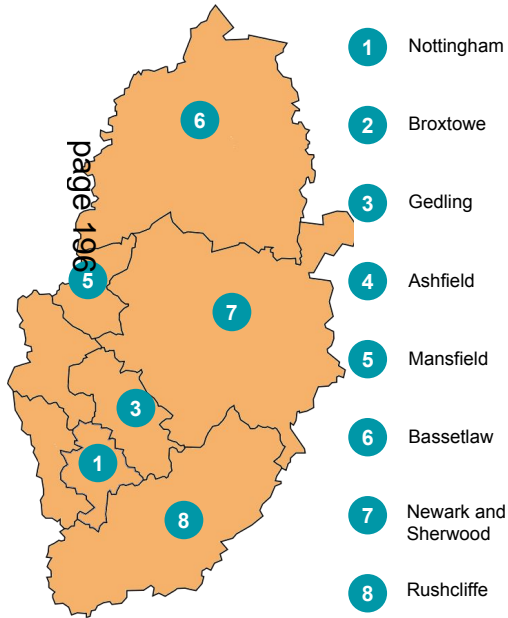
Key:

Options that are most alike in rural / urban

Options that are least alike in rural / urban

Analysis: Time to key services analysis

This table highlights which of the potential options are the most equitable in time taken to travel to key services e.g. employment centres, primary schools, secondary schools, further education, GPs, hospitals, food retail and town centres.



Option	Time to key services via public transport / walking (min)	Difference between options (mins)
1b Nottingham City + Broxtowe + Gedling	14.6	3.5
Nottinghamshire + Remaining LAs	18.1	
1e Nottingham City + Broxtowe + Rushcliffe	15.5	1.7
Nottinghamshire + Remaining LAs	17.3	
2 Nottingham City	13.6	3.9
Nottinghamshire	17.5	

Source: [Average time to key services \(Public Transport/ Walking\)](#)
[Department of Transport Journey Time Statistics](#)



Key:

Options with lowest difference

Options with highest difference

Analysis: Debt to Reserve per capita Ratio Analysis

Set out below are key components that underpin the debt-to-reserve per capita ratio analysis, as a potential indicator of relative financial health for each option.

Option	# of People (2023)	Total Debt (£000s, 24/25)	Total Reserves - (£000s, 23/24)	Debt per capita (£)	Reserves per capita (£)	Debt/Reserves per capita Ratio
1b Nottingham City + Broxtowe + Gedling	561,011	£ 857,060	£ 16,029	£ 1,528	£ 29	53.5
1b Nottinghamshire + Remaining LAs	612,759	£ 792,540	£ 56,611	£ 1,293	£ 92	14.0
1e Nottingham City + Broxtowe + Rushcliffe	566,302	£ 846,248	£ 17,867	£ 1,494	£ 32	47.4
1e Nottinghamshire + Remaining LAs	607,468	£ 803,352	£ 54,773	£ 1,322	£ 90	14.7
2 Nottingham City	329,276	£ 744,626	£ 8,877	£ 2,261	£ 27	83.9
2 Nottinghamshire	844,494	£ 904,974	£ 63,763	£ 1,072	£ 76	14.2

Sources:

[1] [Borrowing and Investment Live Tables, Q2 2024-25](#)

[2] [ONS Estimates of the Population for England and Wales Mid-2023](#)

[3] [Revenue outturn summary 2023-2024](#)

Key:

Options with lowest difference

Options with highest difference



Analysis: Social Care demand to Council Tax take (current)

The analysis set out below compares 2024/25 adult's and children's social care actual spend to council tax receipts in 2023/24 to gauge the potential strain on public services.

Option	Total ASC Spend (2024/25)	Total CSC Spend (2024/25)	Total Care Spend (2024/25)	Council Tax Receipts (2023/24)	Care to Council Tax Receipt Ratio
1b Nottingham City + Broxtowe + Gedling	£ 164,626,206	£ 134,262,020	£ 298,888,226	£ 317,184,000	0.94
Nottinghamshire + Remaining LAs	£ 206,418,792	£ 154,068,977	£ 360,487,769	£ 427,317,000	0.84
1e Nottingham City + Broxtowe + Rushcliffe	£ 160,376,612	£ 132,493,533	£ 292,870,145	£ 335,799,000	0.87
Nottinghamshire + Remaining LAs	£ 210,668,386	£ 155,837,464	£ 366,505,850	£ 408,702,000	0.90
2 Nottingham City	£ 92,476,000	£ 90,513,000	£ 182,989,000	£ 154,566,000	1.18
Nottinghamshire	£ 278,568,998	£ 197,817,997	£ 476,386,995	£ 589,935,000	0.81

page 198
1b
1e

2

Sources:

[1] [Nottingham City Council Budget Monitoring Report FY24/25](#)

[3] [Council Tax](#)

[2] [Nottinghamshire County Council revenue budget statement FY24/25](#)

Key:

Options with lowest difference

Options with highest difference

100



Analysis: Social Care demand to Council Tax take (projected)

The analysis set out below compares projected adult's and children's social care actual spend to projected council tax receipts to gauge the potential strain on public services.

Option		Total ASC Spend (2032/33)	Total CSC Spend (2032/33)	Total Care Spend (2032/33)	Council Tax Receipts (2032/33)	Care to Council Tax Receipt Ratio
1b	Nottingham City + Broxtowe + Gedling	£ 177,007,122	£ 160,455,544	£ 337,462,666	£ 359,340,174	0.94
	Nottinghamshire + Remaining LAs	£ 224,778,121	£ 184,126,692	£ 408,904,812	£ 470,435,575	0.87
1e	Nottingham City + Broxtowe + Rushcliffe	£ 173,402,244	£ 158,342,037	£ 331,744,281	£ 380,332,467	0.87
	Nottinghamshire + Remaining LAs	£ 228,382,999	£ 186,240,198	£ 414,623,197	£ 449,735,749	0.92
2	Nottingham City	£ 99,549,687	£ 108,171,414	£ 207,721,100	£ 186,281,960	1.12
	Nottinghamshire	£ 302,235,556	£ 236,410,822	£ 538,646,378	£ 647,928,338	0.83

page 199

Sources:

[1] [2024 England Taxbase - Taxbase data](#)

[2] [Tax Rate - Band D Council Tax Figures](#)

[3] [Nottingham City Council Budget Monitoring Report FY24/25](#)

[4] [Nottinghamshire County Council revenue budget statement FY24/25](#)

Key:

Options with lowest
difference

Options with highest
difference

Analysis: Population

The table below compares current and forecasted population estimates for Nottingham and Nottinghamshire across the different options under consideration.

Option		Population (2023)	Population (2035)
1b	Nottingham City + Broxtowe + Gedling	561,011	603,185
	Nottinghamshire + Remaining LAs	612,759	661,460
1e	Nottingham City + Broxtowe + Rushcliffe	566,302	611,518
	Nottinghamshire + Remaining LAs	607,468	653,127
2	Nottingham City	329,276	352,463
	Nottinghamshire	844,494	912,182

1b
page 200
1e

2

Sources:
[1] [ONS Estimates of the population for England and Wales Mid-2023](#)



Analysis: Deprivation

This table summarises the key findings from analysis of the indices of deprivation, highlighting the areas of greatest need.

Option		Average deprivation score
1b	Nottingham City + Broxtowe + Gedling	26.5
	Nottinghamshire + Remaining LAs	20.7
1e	Nottingham City + Broxtowe + Rushcliffe	24.7
	Nottinghamshire + Remaining LAs	22.3
2	Nottingham City	34.9
	Nottinghamshire	19.0

1b
page 201
1e
2

Sources:
[1] [English indices of deprivation 2019](#)

Key:

Options with lowest difference

Options with highest difference

Analysis: Housing Need

This table summarises the findings from the housing need analysis, identifying which option will see a greatest difference in the number of homes per 1000 of the population.

Option	Population (current)	Forecast new homes (2022-2027)	Forecast new homes needed per 1000 people (2022-2027)
1b page 202	Nottingham City + Broxtowe + Gedling	561,011	11,000
	Nottinghamshire + Remaining LAs	612,759	10,510
1e	Nottingham City + Broxtowe + Rushcliffe	566,302	11,625
	Nottinghamshire + Remaining LAs	607,468	9,885
2	Nottingham City*	329,276	6,565
	Nottinghamshire	844,494	14,945

*Nottingham City figures reflect base need values. It excludes a 35% uplift.

Sources:

[1] [Assessment of Housing Need and Capacity in Nottingham City, Dec 2022](#)

[2] [Nottinghamshire County Council: Draft Housing Strategy 2023-2028](#)

Key:

Options with lowest difference

Options with highest difference

Analysis: Business Growth

The analysis sets out which would be the three largest areas of potential growth across each of the options based upon Gross Value Added (GVA) figures, coupled with the UK GDP growth seen over the last five years. This is intended to give an indication of which options might be able to grow economies and where that might be more challenging. There are new opportunities - such as the freeport - which are not yet captured in this data.

Option		Largest Sector		2nd largest		3rd largest	
		Sector	%	Sector	%	Sector	%
1b	Nottingham City + Broxtowe + Gedling	Wholesale & Retail trade	12.2%	Education	11.5%	Healthcare & Social Work	10.8%
	Nottinghamshire + Remaining LAs	Manufacturing	14.5%	Wholesale & Retail trade	11.7%	Real Estate	11.2%
1e	Nottingham City + Broxtowe + Rushcliffe	Wholesale & Retail trade	11.6%	Education	11.2%	Professional services	10.1%
	Nottinghamshire + Remaining LAs	Manufacturing	16.3%	Wholesale & Retail trade	12.5%	Real Estate	11.6%
1g	Nottinghamshire + Remaining LAs	Manufacturing	17.9%	Wholesale & Retail trade	12.0%	Real Estate	10.9%
2	Nottingham City	Education	13.7%	Healthcare & Social Work	12.4%	Wholesale & Retail trade	11.8%
	Nottinghamshire	Manufacturing	16.0%	Real Estate	12.1%	Wholesale & Retail trade	12.0%

Sector	UK GDP growth rates over last 2020-24 (5 years)
Healthcare & Social Work	34.5%
Education	34.1%
Professional services	26.3%
Wholesale & Retail trade	12.8%
Real Estate	3.3%
Manufacturing	-3.6%

While historical GDP growth rates may provide indications of future sectoral resilience, actual future economic performance may diverge due to various factors. This includes potential local growth drivers, such as the development of the East Midlands Freeport, Spherical Tokamak for Energy Production (STEP) programme and interventions from the strategic authority (EMCCA), could influence sectoral vulnerability and economic prospects.



Analysis: Healthcare Provision

Set out below is a summary of the population numbers served per GP surgery in each of the options under consideration.

page 204

Option	Population (2023)	Number of GP surgeries (February 2025)	Number of people served per GP surgery
1b Nottingham City + Broxtowe + Gedling	561,011	79	7,101
Nottinghamshire + Remaining LAs	612,759	74	8,281
1e Nottingham City + Broxtowe + Rushcliffe	566,302	82	6,906
Nottinghamshire + Remaining LAs	607,468	71	8,556
2 Nottingham City	329,276	51	6,456
Nottinghamshire	844,494	102	8,279



Sources:
[1] [ONS Estimates of the population for England and Wales Mid-2023](#)
[2] [ONS Number of GP surgeries in local areas, England and Wales](#)
[3] [ONS Number of GPs per local areas, England and Wales](#) **Key:**