



**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:

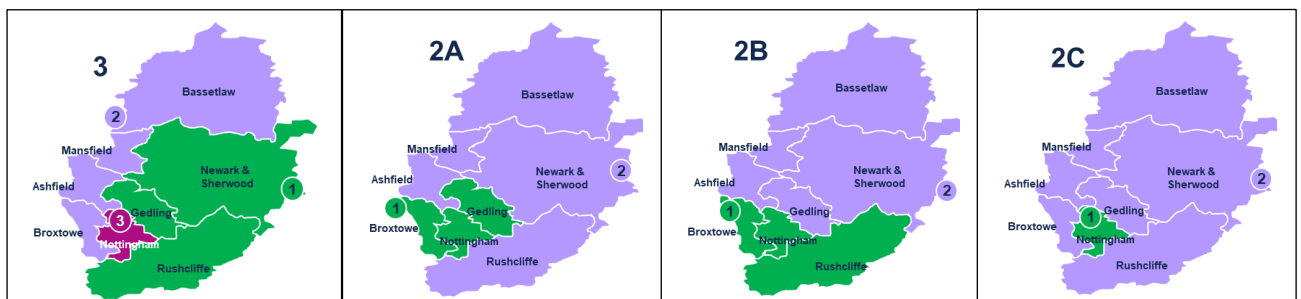
- The option comprising leaving the City on its existing boundaries and having one unitary council for the remaining authorities should fully justify its rationale, as it falls below the population threshold set out in the Government's criteria.
  - The importance of all authorities in an area using 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
<b>Rushcliffe Only</b>	<b>3</b>		<ul style="list-style-type: none"> <li>• One Unitary Council covering Rushcliffe, Newark &amp; Sherwood and Gedling</li> <li>• One Unitary Council covering Mansfield, Ashfield, Broxtowe Bassetlaw</li> <li>• One Unitary Council covering Nottingham City</li> </ul>
<b>All authorities in Nottinghamshire and Nottingham</b>	<b>2(A)</b>	<b>1(b)</b>	<ul style="list-style-type: none"> <li>• One unitary covering Broxtowe, Gedling and Nottingham City</li> <li>• One unitary covering the remaining County including Ashfield, Bassetlaw, Mansfield, Newark and Sherwood and Rushcliffe</li> </ul>
	<b>2(B)</b>	<b>1(e)</b>	<ul style="list-style-type: none"> <li>• One unitary covering Broxtowe, Nottingham City and Rushcliffe;</li> <li>• One unitary covering the remaining County including Ashfield, Bassetlaw, Gedling, Mansfield and Newark and Sherwood.</li> </ul>
	<b>2(C)</b>	<b>2</b>	<ul style="list-style-type: none"> <li>• One unitary covering Nottingham City (current arrangement);</li> <li>▪ One unitary covering the County of Nottinghamshire.</li> </ul>



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;
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- 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.

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