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Civic Centre,
Arnot Hill Park,
Arnold,
Nottinghamshire,
NG5 6LU

Agenda

Council

Date: **Wednesday 30 July 2025**

Time: **6.00 pm**

Place: **Council Chamber**

For any further information please contact:

Democratic Services

committees@gedling.gov.uk

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Council

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Deputy Mayor Councillor Sandra Barnes

Councillor Michael Adams
Councillor Pauline Allan
Councillor Roy Allan
Councillor Stuart Bestwick
Councillor David Brocklebank
Councillor John Clarke
Councillor Jim Creamer
Councillor Andrew Dunkin
Councillor Boyd Elliott
Councillor David Ellis
Councillor Rachael Ellis
Councillor Roxanne Ellis
Councillor Andrew Ellwood
Councillor Paul Feeney
Councillor Kathryn Fox
Councillor Helen Greensmith
Councillor Jenny Hollingsworth
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Councillor Julie Najuk
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Councillor Catherine Pope
Councillor Grahame Pope
Councillor Alex Scroggie
Councillor Martin Smith
Councillor Sam Smith
Councillor Ruth Strong
Councillor Clive Towsey-Hinton
Councillor Jane Walker
Councillor Henry Wheeler
Councillor Russell Whiting
Councillor Paul Wilkinson

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SUMMONS

An extraordinary meeting of the Borough Council will be held on Wednesday 30 July 2025 at 6.00 pm to transact the business as set out below.

Mike Hill
Chief Executive

AGENDA

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1	**Thought for the day**	
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Report to Council

Subject: Local Government Reorganisation in Nottingham and Nottinghamshire

Date: 30 July 2025

Author: Chief Executive

Wards Affected

All

Purpose

To provide full Council with an update on the Government's requirement for Local Government Reorganisation, including the work undertaken to determine which option to develop as a final proposal(s) for submission in November 2025.

Key decision

This is a key decision as it is likely to be significant in terms of its effect on communities living or working in an area comprising of two or more wards of the borough.

Recommendations:

That full Council recommends the following to Cabinet for formal approval:

That Cabinet:

a. Considers the options appraisal and summary document provided by Price Waterhouse Cooper (PWC) (Appendices 4 and 5).

b. Approves further development of **Option 1e** as set out in the Appendices as this Council's preferred option for submission as a final proposal to Government by 28 November 2025.

c. Further considers other viable options (should they be developed) that stop any part of the current Gedling Borough being merged with an expanded City area.

d. Supports a countywide approach to engagement activities during the period August to September 2025 tailored for different stakeholder groups across Gedling and Nottinghamshire.

e. Supports continued collaborative working with other local authorities across Nottingham and Nottinghamshire with a view to developing a final proposal for Local Government Reorganisation.

1 Background

1.1 On 16 December 2024, the Government published the English Devolution White Paper. The White Paper aims to devolve greater powers to regions and local areas to improve public services and drive economic growth. The White Paper describes a new architecture of streamlined government, including Mayoral Strategic Authorities and the replacement of all two-tier areas of local government with unitary Councils.

1.2 On 5 February 2025, the Minister of State issued a formal, statutory invitation to the nine Council Leaders within Nottinghamshire, asking each Leader to work collectively with other Council Leaders in the area to develop a proposal for Local Government Reorganisation **(Appendix 1).** The first step in the process was a request to submit an Interim Plan containing options for new unitary councils to be submitted on or before 21 March 2025.

1.3 The Interim Plan **(Appendix 2)** was developed by officers from across the nine councils, with independent support and advice from PWC. It shortlisted three options for further assessment:

- ❖ Option 1b – Unitary one consisting of Nottingham City, Broxtowe, Gedling. Unitary two consisting of Ashfield, Bassetlaw, Mansfield, Newark & Sherwood, Rushcliffe.

- ❖ Option 1e – Unitary one consisting of Nottingham City, Broxtowe, Rushcliffe. Unitary two consisting of Ashfield, Bassetlaw, Gedling, Mansfield, Newark & Sherwood.

- ❖ Option 2 – Unitary one consisting of Nottingham City only (current arrangement). Unitary two consisting of Ashfield, Bassetlaw, Broxtowe, Gedling, Mansfield, Newark & Sherwood, Rushcliffe.

1.4 At an Extraordinary Meeting of Full Council on 19 March 2025, Gedling Borough Council agreed to:

- ✓ Note the contents of the Interim Plan for Local Government Reorganisation in Nottingham and Nottinghamshire.
- ✓ The Interim Plan being submitted to Government by 21 March 2025.
- ✓ Work collaboratively with the other authorities across Nottingham and Nottinghamshire with a view to developing a final proposal for Local Government Reorganisation for submission to Government by 28 November 2025.

1.5 On 3 June 2025, the Ministry of Housing, Communities and Local Government (MHCLG) issued its feedback on the Interim Plan (**Appendix 3)**. The feedback reiterated Government's encouragement for areas to work together to submit

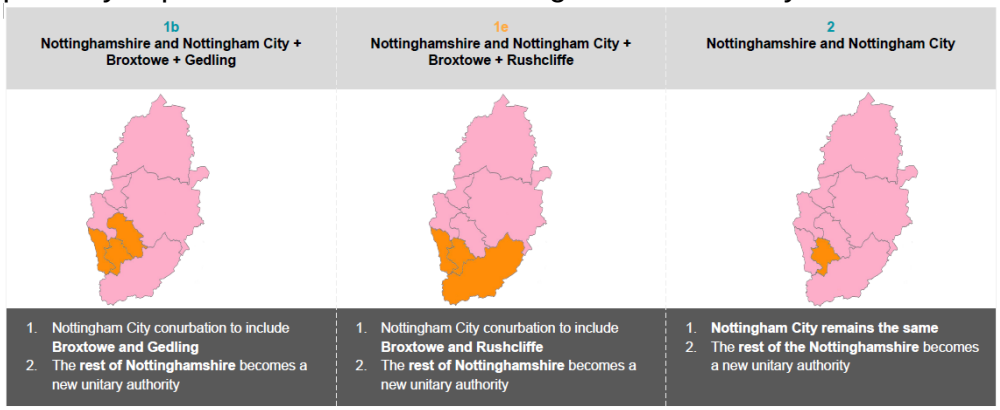
a single proposal, whilst acknowledging the opportunity for individual Councils to submit their own proposals. One key theme that emerged more prominently was the need to demonstrate how new unitary structures would enable neighbourhood empowerment, with local areas being invited to come forward with proposals to create local area committees or other local engagement and decision-making forums.

1.6 Following submission of the Interim Plan, PWC were commissioned by all authorities to conduct further appraisal of the three options within the Interim Plan. This appraisal was undertaken with input from officers across all authorities and is attached as **Appendix 4** with a further summary provided at **Appendix 5**.

1.7 Two further options are currently being developed by Rushcliffe and Nottingham City. The Rushcliffe option to create three unitary councils was paused at its Council meeting held on 17 July. The Nottingham City option will require District / Borough Council boundary changes which does not appear to be feasible in the current LGR timeframe. Details of this option have not been shared by Nottingham City Council and there is no current indication whether it is financially viable for both new unitary councils.

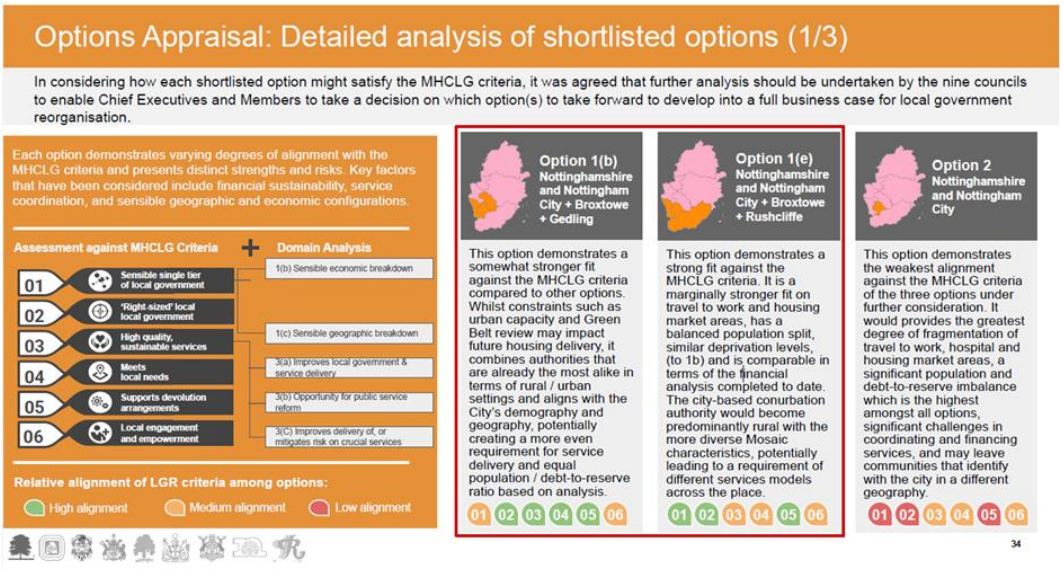
2 Proposal

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



2.2 PWC's appraisal concludes that Option 2 demonstrates the weakest alignment against the MHCLG criteria, leaving Nottingham City Council on its existing boundary and a lack of balance between the two unitary Councils. It is anticipated that this option will be rejected by all Nottinghamshire Councils.

2.3 PWC's appraisal also concludes that Option 1b and Option 1e both meet the Government's criteria and *"that the differences between Options 1b and 1e within each criteria are marginal".* This can be seen from the following extract from the appraisal.



2.4 In addition, PWC's options appraisal accounts for the cost of delivering the new structure in terms of transition and ongoing disaggregation costs but does not provide the cost of future service delivery in a new structure, which will be dependent on choices made by the new Councils.

Further Analysis of Shortlisted Options

2.5 Given that the differences between Option 1b and Option 1e were marginal, it was agreed by Leaders and Chief Executives in May 2025 that the identified options should be further appraised against the Government's framework. The additional analysis focussed primarily on three areas:

- Sensible Economic Area
- Sensible Geography
- Impact on Crucial Services

2.6 Sensible Economic Area – this analysis reviewed the implications for achieving government ambitions around growth under the sub-headings of travel to work areas; economic self-containment; housing market area; and service market for consumers (NHS Hospital Trusts). It was concluded by PWC that **Option 1e** marginally provides a stronger fit than Option 1b.

2.7 Sensible Geography - this analysis reviewed the implications for achieving government ambitions around housing supply under the sub-headings of long-term housing supply; Spatial Development Strategies and Local Plans; local housing needs; and other issues such as mineral and waste planning. It was concluded by PWC that **Option 1e** would best meet the MHCLG criteria on the basis that it provides significant sources of future housing supply through the combination of Nottingham, Rushcliffe and Broxtowe to meet the new local housing need estimates. Conversely, Option 1b presents constraints such as urban capacity and the Green Belt review that may impact on future housing delivery.

A further area of consideration is the difference in geography and land area covered by the proposed new unitary councils. Connectivity to, and reliance on Nottingham City, is important for parts of Rushcliffe and Gedling, however, rural Gedling connects with mid and north Notts (Option 1e) much more closely than rural Rushcliffe (Option 1b). In addition, the substantial geography of Option 1b is considered likely to be more challenging in relation to service delivery and design and potentially more resource intensive, requiring more satellite buildings, with additional energy, asset management, staffing, ICT connectivity, fuel and travel costs, increased vehicle replacement and maintenance arising from greater distances and journey times. To put this into context, there is approximately 50.4 miles between the most northerly point of Bassetlaw to the furthest southern point of Rushcliffe, and land mass for the new northern unitary under Option 1b is 18% larger (Option 1b = 729.47 square miles; Option 1e = 617.79 square miles).

2.8 Impact on Crucial Services - this analysis reviewed the implications for improving service delivery or mitigating negative impact on adult and children's social care; children's Special Educational Needs and Disabilities (SEND); homelessness; and public safety under the sub-headings of data analysis and comparison; opportunities presented; risk presented; and impact on delivery. It was concluded by PWC that **Option 1b** would best meet the MHCLG criteria by providing a relatively balanced distribution of demand and services based on geography and demography. PWC also favour a clear demarcation between an urban unitary and a rural unitary, but with no real explanation why this is perceived to be the best mix given their conclusions around Sensible Economic Area and Sensible Geography. They also class Gedling as 'urban' even though 73% of Gedling is classed as a Green Belt area.

2.9 The choice between Option 1b and Option 1e is marginal, however, from the analysis and explanations set out both above and from the PWC work attached at Appendices 4 and 5, the proposal is to support further development of **Option 1e**. It is further proposed that should a viable alternative option be developed that stops any part of the current Gedling Borough being merged with an expanded City area, then it should be considered.

Engagement Activity

2.10 The Government criteria on engagement states that *"It is for councils to decide how best to engage locally in a meaningful and constructive way and this engagement activity should be evidenced in your proposal. Proposals should include evidence of local engagement, an explanation of the views that have been put forward and how concerns will be addressed."*

Regardless of any option(s) pursued, a unified and 'option neutral' engagement approach should be adopted across Nottinghamshire to ensure all stakeholders have a clear understanding of the reorganisation process and

can meaningfully engage. The countywide engagement group is therefore proposing to use four thematic areas to structure survey questions and community and stakeholder engagement as follows:

- Financial and fiscal sustainability;
- How local people live their lives;
- Offers the potential for public service reform that improves outcomes and experiences for residents;
- Enables strong local accountability and connection to communities and neighbourhoods.

Next Steps

2.11 The headline timetable for the wider activities are as follows:

Activity	**By when**
Build full business case for the preferred options	July – November 2025
Communication and Engagement	Communication leads from across the nine Nottinghamshire councils continue to work collaboratively; together preparing an engagement plan for Local Government Reorganisation and developing appropriate channels to be used to launch once finalised – August to September 2025
Gedling decision on preferred final option for submission	Mid November 2025
Agree preferred option and submit final plan	28 November 2025
Decision by Government	Spring 2026
Elections for shadow authority	May 2027
New unitary authority vesting day	April 2028

3 Alternative Options

Councils could have developed proposals in isolation rather than collectively across the whole area of the county of Nottinghamshire. This would have risked options being developed which meet the needs of part of the area but not the whole, and which have less alignment with the criteria set out by MHCLG in the statutory invitation. The proposed options for Local Government Reorganisation outlined in the Interim Plan have been developed through a structured and detailed work programme involving officers across all authorities, overseen by Leaders with support from Chief Executives and advice and analysis from PWC.

4 Financial Implications

From the work completed by PWC, there is a marginal difference in financial sustainability between Option 1b and Option 1e. It is estimated that

transitional costs of creating the new authorities and potential annual cost savings would be similar in both options although geography as set out in paragraph 2.7 will have an impact on the costs of the final organisational structure.

Ratio indicators for Debt to Reserve per Capita (being an indicator of relative financial health) and Social Care Demand to Council Tax Take (being an indicator of potential strain on public services) are more favourable in Option 1e than in Option 1b as both new authorities would be closer aligned.

Further work will be necessary to fully understand the financial sustainability of each of the proposed options which will be built throughout the creation of the final business cases. However, policy decisions and resource allocation will be determined by the new authorities once created and hence would have an impact on their financial sustainability.

There will be ongoing costs to the Council to support the development of final proposals for submission to Government in November, for which the Government have provided £370k to Nottinghamshire as a whole (split into three equal payments to City, County and Rushcliffe).

No specific allocation has been made as part of Gedling's agreed budget for 2025/26 as cost implications were not known at the time of setting the budget. Once the next stage of work, being the creation of the final business cases, has been scoped and costed, the Leader under Financial Regulations can approve a virement up to £50k from reserves, or request additional funds through Cabinet and full Council.

5 Legal Implications

Full Council is the appropriate body to consider the content of this report in a consultative capacity as the decision is currently an executive function.

Under the Local Government Act 2000 (the 2000 Act) any function which is not specified in the Local Authorities (Functions and Responsibilities) (England) Regulations 2000 (the Functions Regulations) is to be the responsibility of the executive (Leader and Cabinet). The invitation to submit proposals to MHCLG falls under Part 1 of the Local Government and Public Involvement in Health Act 2007. This part of the 2007 Act is not referred to in the Functions Regulations and as such is an executive function– exercisable by Cabinet as a key decision. The full Council (or another committee) can act in a consultative capacity by discussing and guiding Cabinet, as such this report is being brought to Council to formulate recommendations for Cabinet.

Structural and boundary change in England is governed by the 2007 Act and regulations made thereunder. If, following due process including statutory consultation by Government, a structural change is approved by Government, a structural change order will be made by way of secondary legislation to implement the change and establish a single tier of local government and abolish the relevant councils. An order would include provision for transitional arrangements and elections.

On 10 July 2025, the English Devolution and Community Empowerment Bill was published. This piece of legislation is currently progressing through parliament and provides further detail on the roles and responsibilities of new authorities as well as other governance arrangements.

In order to ensure compliance with relevant legislation and support the progression of proposals through to final submission, Monitoring Officers across the authorities are meeting regularly to ensure consistency of approach with support from Chief Executives.

6 Staffing Implications

At this early stage, it is difficult to predict the full impact on the Council's workforce, however there will be at least some changes in the uppermost tiers of management. For the remaining majority of the workforce it is not expected that there will be any significant changes prior to the new unitary Council being formed. This message has been communicated to staff through staff briefings from the Chief Executive and through cascade feedback from managers. Staff are reassured that the need for services remains, bins will need to be collected, streets cleaned, and officers will be required to continue this.

A new larger organisation will offer many new opportunities for staff to progress their careers, with larger and/or broader management roles, a wider range of specialist roles, and opportunities to step into different business units such as social services etc. The Council is working to support staff with this by focusing on workforce development and engaging more closely with staff through regular one-to-ones which have replaced annual performance development reviews.

Staff turnover has not been affected in the early stages of this project, with recruitment opportunities attracting a number of applicants in most areas. As time goes on and depending on what the chosen option is, we may see an increase in turnover, and we may experience some staff looking for roles in the private sector where skills are transferable for some stability or security. There may also be difficulty recruiting where vacant posts arise.

In order to ensure staff engagement as part of any change, internal communication is key and is an area that the Council is currently reviewing. Equally important will be opportunities for staff to take part in 2-way communication activities and feedback in a variety of ways.

Whilst there has been some nervousness expressed by staff at this stage in respect to their future, as indicated work is underway to develop staff and give them confidence moving forward with any new opportunities that may arise.

Any future changes in staffing as a result of LGR including any transfer of staff into new authorities will be undertaken with wide consultation and engagement.

7 Equalities Implications

Equality Impact Assessments will be created as proposals for reorganisation are further developed. At this stage, high level data has been used to inform the Interim Plan and Options Appraisal, and further work to fully assess equality implications will be undertaken.

8 Carbon Reduction/Environmental Sustainability Implications

At this stage, no implications have been identified, however further assessment will be undertaken as proposals develop.

9 Appendices

Appendix 1 – Minister's invitation letter - 5 February 2025

Appendix 2 – Interim Plan submitted to government - 21 March 2025

Appendix 3 – Minister's feedback on the Interim Plan - 3 June 2025

Appendix 4 – PWC Options Appraisal – July 2025

Appendix 5 – PWC Options Appraisal Summary – July 2025

10 Background Papers

English Devolution White Paper
Gedling Interim Plan report – Council on 19 March 2025

11 Reasons for Recommendations

To ensure that the Council meets the requirements of the statutory invitation from Government to submit a final proposal for Local Government Reorganisation by 28 November 2025.

Statutory Officer approval

Approved by: M Hill
Date: July 2025
On behalf of the Chief Financial Officer
Approved by: F Whyley
Date: July 2025
On behalf of the Monitoring Officer

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Ministry of Housing, Communities & Local Government

Jim McMahon OBE MP
Minister of State for Local Government and English Devolution
2 Marsham Street
London
SW1P 4DF

Your reference:
Our reference:

To: Leaders of two-tier councils and unitary council in Nottinghamshire
- 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

5 February 2025

Dear Leaders

This Government has been clear on our vision for simpler, more sustainable, local government structures, alongside a transfer of power out of Westminster through devolution. We know that councils of all political stripes are in crisis after a decade of decline and instability. Indeed, a record number of councils asked the government for support this year to help them set their budgets.

This new government will not waste this opportunity to build empowered, simplified, resilient and sustainable local government for your area that will increase value for money for council taxpayers. Local leaders are central to our mission to deliver change for hard-working people in every corner of the country through our Plan for Change, and our councils are doing everything they can to stay afloat and provide for their communities day in, day out. The Government will work closely with you to deliver these aims to the most ambitious timeline.

I am writing to you now to formally invite you to work with other council leaders in your area to develop a proposal for local government reorganisation, and to set out further detail on the criteria, guidance for the development of proposals, and the timeline for this process. A formal invitation with guidance for the development of your proposals is attached at Annex A. This invitation sets out the criteria against which proposals will be assessed.

Developing proposals for reorganisation
We expect there to be different views on the best structures for an area, and indeed there may be merits to a variety of approaches. Nevertheless, it is not in council taxpayers' interest to devote public funds and your valuable time and effort into the development of multiple proposals which unnecessarily fragment services, compete against one another, require lengthy implementation periods or which do not sufficiently address local interests and identities.

The public will rightly expect us to deliver on our shared responsibility to design and implement the best local government structures for efficient and high-quality public service delivery. We therefore expect local leaders to work collaboratively and proactively, including by sharing information, to develop robust and sustainable unitary proposals that are in the best interests of the whole area to which this invitation is issued, rather than developing competing proposals.

This will mean making every effort to work together to develop and jointly submit one proposal for unitary local government across the whole of your area. The proposal that is developed for the whole of your area may be for one or more new unitary councils and should be complementary to devolution plans. It is open to you to explore options with neighbouring councils in addition to those included in this invitation, particularly where this helps those councils to address concerns about their sustainability or limitations arising from their size or boundaries or where you are working together across a wider geography within a strategic authority.

I understand there will be some cases when it is not possible for all councils in an area to jointly develop and submit a proposal, despite their best efforts. This will not be a barrier to progress, and the Government will consider any suitable proposals submitted by the relevant local authorities.

Supporting places through change

It is essential that councils continue to deliver their business-as-usual services and duties, which remain unchanged until reorganisation is complete. This includes progress towards the Government's ambition of universal coverage of up-to-date local plans as quickly as possible. To support with capacity, I intend to provide some funds for preparing to take forward any proposal, and I will share further information later in the process.

Considering the efficiencies that are possible through reorganisation, we expect that areas will be able to meet transition costs over time from existing budgets, including from the flexible use of capital receipts that can support authorities in taking forward transformation and invest-to-save projects.

The default position is that assets and liabilities remain locally managed by councils, but we acknowledge that there are exceptional circumstances where there has been failure linked to capital practices. Where that is the case, proposals should reflect the extent to which the implications of this can be managed locally, including as part of efficiencies possible through reorganisation, and Commissioners should be engaged in these discussions. We will continue to discuss the approach that is proposed with the area.

I welcome the partnership approach that is being taken across the sector to respond to the ambitious plans set out in the White Paper. My department will continue to work closely with the Local Government Association (LGA), the District Councils Network, the County Councils Network and other local government partners to plan how best to support councils through this process. We envisage that practical support will be needed to understand and address the key thematic issues that will arise through reorganisation, including managing service impacts and opportunities for the workforce, digital and IT systems, and leadership support.

Timelines and next steps for interim plans and full proposals
We ask for an interim plan to be submitted on or before 21 March 2025, in line with the guidance set out in the attached Annex. My officials will provide feedback on your plan to help support you to develop final proposals.

I will expect any full proposal to be submitted **by 28 November**. If I decide to implement any proposal, and the necessary legislation is agreed by Parliament, we will work with you to move to elections to new 'shadow' unitary councils as soon as possible as is the usual arrangement in the process of local government reorganisation.

Following submission, I will consider any and all proposals carefully before taking decisions on how to proceed. My officials are available throughout to discuss how your reorganisation and devolution aspirations might work together and what support you think you might need to proceed.

This is a once in a generation opportunity to work together to put local government in your area on a more sustainable footing, creating simpler structures for your area that will deliver the services that local people and businesses need and deserve. As set out in the White Paper, my commitment is that clear leadership locally will be met with an active partner nationally.

I am copying this letter to council Chief Executives and to Best Value Commissioners. I am also copying this letter to local Members of Parliament, to the Mayor of the Combined Authority and to the Police and Crime Commissioner.

Yours sincerely,

JIM MCMAHON OBE MP
Minister of State for Local Government and English Devolution

Annex A

LOCAL GOVERNMENT AND PUBLIC INVOLVEMENT IN HEALTH ACT 2007

INVITATION FOR PROPOSALS FOR A SINGLE TIER OF LOCAL GOVERNMENT

The Secretary of State for Housing, Communities and Local Government, in exercise of his powers under Part 1 of the Local Government and Public Involvement in Health Act 2007 ('the 2007 Act'), hereby invites any principal authority in the area of the county of Nottinghamshire, to submit a proposal for a single tier of local government.

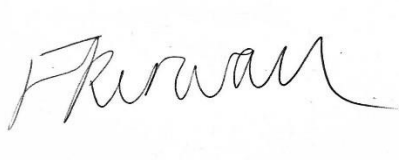
This may be one of the following types of proposal as set out in the 2007 Act:

- Type A – a single tier of local authority covering the whole of the county concerned
- Type B – a single tier of local authority covering an area that is currently a district, or two or more districts
- Type C – a single tier of local authority covering the whole of the county concerned, or one or more districts in the county; and one or more relevant adjoining areas
- Combined proposal – a proposal that consists of two or more Type B proposals, two or more Type C proposals, or one or more Type B proposals and one or more Type C proposals.

Proposals must be submitted in accordance with paragraphs 1 to 3:

1. Any proposal must be made by **28 November 2025**.
2. In responding to this invitation an authority must have regard to the guidance from the Secretary of State set out in the Schedule to this invitation, and to any further guidance on responding to this invitation received from the Secretary of State.
3. An authority responding to this invitation may either make its own proposal or make a proposal jointly with any of the other authorities invited to respond.

Signed on behalf of the Secretary of State for Housing, Communities and Local Government.



F KIRWAN

A senior civil servant in the Ministry of Housing, Communities and Local Government

5 February 2025

SCHEDULE

Guidance from the Secretary of State for proposals for unitary local government.

Criteria for unitary local government

1. A proposal should seek to achieve for the whole of the area concerned the establishment of a single tier of local government.

a) Proposals should be for sensible economic areas, with an appropriate tax base which does not create an undue advantage or disadvantage for one part of the area.

b) Proposals should be for a sensible geography which will help to increase housing supply and meet local needs.

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.

d) Proposals should 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.

2. Unitary local government must be the right size to achieve efficiencies, improve capacity and withstand financial shocks.

a) As a guiding principle, new councils should aim for a population of 500,000 or more.

b) There may be certain scenarios in which this 500,000 figure does not make sense for an area, including on devolution, and this rationale should be set out in a proposal.

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

d) 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.

e) For areas covering councils that are in Best Value intervention and/or in receipt of Exceptional Financial Support, proposals must additionally demonstrate how reorganisation may contribute to putting local government in the area as a whole on a firmer footing and what area-specific arrangements may be necessary to make new structures viable.

f) In general, as with previous restructures, there is no proposal for council debt to be addressed centrally or written off as part of reorganisation. For areas where there are exceptional circumstances where there has been failure linked to capital practices, proposals should reflect the extent to which the implications of this can be managed locally, including as part of efficiencies possible through reorganisation.

3. **Unitary structures must prioritise the delivery of high quality and sustainable public services to citizens.**

   a) Proposals should show how new structures will improve local government and service delivery, and should avoid unnecessary fragmentation of services.

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

   c) 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.

4. **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.**

   a) It is for councils to decide how best to engage locally in a meaningful and constructive way and this engagement activity should be evidenced in your proposal.

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

   c) Proposals should include evidence of local engagement, an explanation of the views that have been put forward and how concerns will be addressed.

5. **New unitary structures must support devolution arrangements.**

   a) 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 or a decision has been taken by Government to work with the area to establish one, 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.

   b) Where no CA or CCA is already established or agreed then the proposal should set out how it will help unlock devolution.

   c) Proposals should ensure there are sensible population size ratios between local authorities and any strategic authority, with timelines that work for both priorities.

6. **New unitary structures should enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment.**

   a) Proposals will need to explain plans to make sure that communities are engaged.

   b) Where there are already arrangements in place it should be explained how these will enable strong community engagement.

Developing proposals for unitary local government

The following matters should be taken into account in formulating a proposal:

Boundary Changes

a) Existing district areas should be considered the building blocks for your proposals, but where there is a strong justification more complex boundary changes will be considered.

b) There will need to be a strong public services and financial sustainability related justification for any proposals that involve boundary changes, or that affect wider public services, such as fire and rescue authorities, due to the likely additional costs and complexities of implementation.

Engagement and consultation on reorganisation

a) We expect local leaders to work collaboratively and proactively, including by sharing information, to develop robust and sustainable unitary proposals that are in the best interests of the whole area to which this invitation is issued, rather than developing competing proposals.

b) For those areas where Commissioners have been appointed by the Secretary of State as part of the Best Value Intervention, their input will be important in the development of robust unitary proposals.

c) We also expect local leaders to engage their Members of Parliament, and to ensure there is wide engagement with local partners and stakeholders, residents, workforce and their representatives, and businesses on a proposal.

d) The engagement that is undertaken should both inform the development of robust proposals and should also build a shared understanding of the improvements you expect to deliver through reorganisation.

e) The views of other public sector providers will be crucial to understanding the best way to structure local government in your area. This will include the relevant Mayor (if you already have one), Integrated Care Board, Police (Fire) and Crime Commissioner, Fire and Rescue Authority, local Higher Education and Further Education providers, National Park Authorities, and the voluntary and third sector.

f) 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. This will be a completely separate process to any consultation undertaken on mayoral devolution in an area, which will be undertaken in some areas early this year, in parallel with this invitation.

Interim plans

An interim plan should be provided to Government on or before **21 March 2025.** This should set out your progress on developing proposals in line with the criteria and guidance. The level of detail that is possible at this stage may vary from place to place but the expectation is that one interim plan is jointly submitted by all councils in the area. It may be the case that the interim plan describes more than one potential proposal for your area, if there is more than one option under consideration. The interim plan should:

a) identify any barriers or challenges where further clarity or support would be helpful.

b) 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.

c) include indicative costs and arrangements in relation to any options including planning for future service transformation opportunities.

d) 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.

e) include early views on how new structures will support devolution ambitions.

f) 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.

g) 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.

h) 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.

Nottingham and Nottinghamshire Interim Plan for Local Government Reorganisation

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Final Version for Submission to MHCLG: 21 March 2025

1. Our People and Our Place

a) Introduction

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

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

b) Population

Nottingham and Nottinghamshire have a combined population of 1,173,770 persons. This includes 844,494 persons living across the 7 District Authorities within the County of Nottinghamshire, alongside a Nottingham City population of 329,276.[1]

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

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

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

c) History, Heritage and Innovation

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

[1] ONS 2023 Mid-year population estimates.

[2] ONS Subnational Population Projections (2018-based).

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

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

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

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

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

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

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

d) Outcomes that people experience

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

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

Table: English Indices of Deprivation 2019[5]

[3] Income Deprivation Affecting Children Index

[4] Income Deprivation Affecting Older People Index

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

2. The Strategic Case for Change

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

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

b) The case for change in Nottingham and Nottinghamshire

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

Improve residents' outcomes and experiences through public service reform

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

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

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

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

Support financial sustainability through increased efficiency

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

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

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

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

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

Enables strong, local accountability and connection to communities and neighbourhoods

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

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

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

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

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

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

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

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

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

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

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

a) Our collaborative approach

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

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

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

Financial and fiscal sustainability

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

How local people live their lives

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

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

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

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

Enables strong, local accountability and connection to communities and neighbourhoods

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

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

b) Independent options generation and appraisal by PwC

Approach and methodology

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

- Development of a case for change considering the current context in which the councils are all operating and the potential benefits of implementing unitary local government across Nottingham and Nottinghamshire. This includes taking into account demography, the geography of the place, potential inefficiencies and fragmentation in the current two-tier system and how service delivery might be improved. This also looks at the need to make the most of the devolution arrangements that are now in place since the establishment of the East Midlands Combined Authority and election of the Mayor.

- The options appraisal assessed initially 8 potential options through quantitative and qualitative analysis which were then presented to the Chief Executives to further refine using four lenses (see below) as a comparative analysis. The list of three options were shared with Leaders / Mayor on the 5th March along with the rationale from that comparative analysis and the outputs of the high level financial case that evaluated the various scenarios, costs and income to understand how sustainable each option would be.

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

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

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

Comparative analysis

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

Option	Description
1a	**Two Unitary Authorities:** ● Nottinghamshire ● Nottingham City + Broxtowe + Gedling + Rushcliffe
1b	**Two Unitary Authorities:** ● Nottinghamshire ● Nottingham City + Broxtowe + Gedling
1c	**Two Unitary Authorities:** ● Nottinghamshire ● Nottingham City + Broxtowe
1d	**Two Unitary Authorities:** ● Nottinghamshire ● Nottingham City + Gedling
1e	**Two Unitary Authorities:** ● Nottinghamshire ● Nottingham City + Broxtowe + Rushcliffe
1f	**Two Unitary Authorities:** ● Nottinghamshire ● Nottingham City + Rushcliffe
1g	**Two Unitary Authorities:** ● Nottinghamshire ● Nottingham City + Gedling + Rushcliffe

2	**Two Unitary Authorities:** ● Nottinghamshire ● Nottingham City

Three core options for further consideration and analysis

The three core options considered by Leaders / Mayor are:

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

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

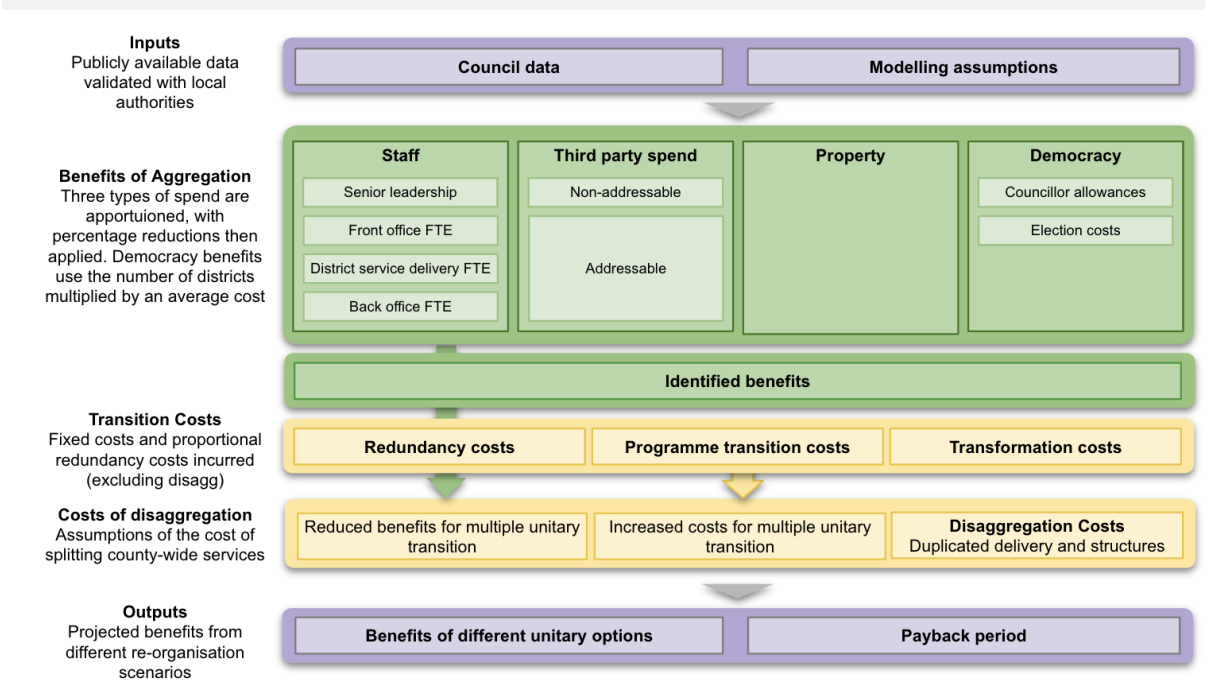
- **Geographic synergy:** Analysis of publicly available data to understand the geographic synergy of the two unitary authority options. This included developing an understanding of each areas' proportion of rural and urban populations, Mosaic Segmentation Profiles and the average time or distance to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

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

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

Financial modelling - methodology

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



Financial model definitions

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

- **Transition costs:** Costs involved in moving from existing systems to another. This includes fixed costs and redundancy costs incurred (excluding disaggregation). These are one-off costs to reorganisation within Nottingham & Nottinghamshire.

- **Benefits of aggregation:** Benefits that would arise from reorganisation. This primarily looks at the benefits of collapsing multiple local authorities into a fewer number of local authorities. This will include savings made on: Staff, Third party spend and Property. In addition to this, benefits arising from savings on running democratic processes are also defined. There are percentage reductions applied to each type of benefit saving.

- **Annual benefits:** Annual benefits that are generated as a result of reorganisation. These are calculated as a sum of the front office, service delivery and back office expenditures, as well as Third Party Spend, senior management, property and democracy costs.

- **Recurring benefit after 5 years**: The recurring annual benefit after five years of reorganisation. It is estimated that the full benefits will be realised after five years.

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

High level analysis of potential financial benefit

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

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

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

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

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

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

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

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

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

d) Wider stakeholder engagement

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

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

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

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

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

e) Input from Commissioners

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

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

4. Outline plan for April to November

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

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

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

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

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

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

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

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

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

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

4.3 Communications and engagement (April to November)

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

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

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

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

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

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

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

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

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

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

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

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

Process

- Leaders are resolved to undertaking public consultation over the summer. Feedback is invited on the weighting that is given to public feedback when Government appraise options and the strategic case. Learning from other areas that have gone through reorganisation including a neighbouring unitary in respect of approaches to consultation would be welcome as would detail on the scope/approach of the consultation in the spring undertaken by Government.

- In our estimation, the costs of reorganisation will be higher in areas that have both two tier and small unitary to reorganise. Whilst local partners have endeavoured to use internal expertise, inevitably, some use of independent and technical skills may be required, particularly to ensure that the disaggregation of critical services to vulnerable people is effective and safe. Our current estimate is that the wider cost of the next phase of work will be in the region of £3-4m. These cost pressures will come on top of existing service pressures and are likely an underestimate, not least given the bandwidth of leadership, management and transformation resources which are already focused on our current pressures. Can Government confirm that these additional costs will be reflected in the allocation of capacity funding? Could Government confirm arrangements for determining governance of capacity funding and whether one accountable body be required for the whole area or one per new unitary created?

- Leaders have followed a principle and criteria led approach built on a shared evidence base. Local criteria were agreed by Leaders before receipt of the Ministers' letter and are being used to reflect local circumstances. Can Government confirm whether these additional criteria will be considered in the assessment process that Government intends to follow when considering proposals against the national criteria, is there any weighting of criteria? To support partners in coalescing around a single proposition, it will be important that the feedback from Government in respect of our emerging thinking is clear and unambiguous. Given Government desire for pace, strong and clear feedback will be a prerequisite if we are to work on a single business case for November.

- Whilst this interim plan contains the potential proposals most likely to meet the Government criteria, it is based on partial analysis. A challenge has been the time and resources available to model and evaluate every possible option diligently. Government support may be required for local partners to introduce new or alternative options over the coming period should they emerge and be supported by evidence and local partners.

- Engagement with MHCLG has been welcomed although relatively limited. We recognise this will be due to capacity and prioritisation of resources. Our experience of creating the East Midlands Combined County Authority was characterised by a strong central-local partnership with allocated senior officials working excellently alongside and in strong partnership with local colleagues. We believe we will be more successful if our local collaboration is enhanced with collaborative input from a senior civil servant/s who can be engaged directly in

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

Boundaries

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

Finances

- We recognise the Government's position on the treatment of debt. The local councils in Nottingham and Nottinghamshire have a cumulative debt in the region of c£1.6bn. How this is addressed will be critical to the financial resilience of new unitary councils which must not be unfairly burdened by legacy debt. Local partners are seeking dialogue with Government with respect to levels of indebtedness and the impact the treatment of debt might have on final options. It may help to discuss models we with sector bodies and Government for the division of the debt across 2 unitaries.

- What impact will the Spending Review have on potential proposals? Whilst partners have taken every effort, including independent input from PwC, to model potential future financial scenarios, we recognise the potential for significant change as Government puts local government finance on a 'firmer footing'. Partners will want to review proposals in light of SR announcements later in the year. Should there be significant changes to funding arrangements, then local partners with to see temporary protection from any negative impacts of the Government's proposed funding reforms. Maintaining local support and critical services during the reorganisation transition period would be severely impacted by reductions in funding. To enable better medium term financial planning during the uncertainty of reorganisation, we would require any reductions to be deferred to provide a more stable funding base.

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

- What are the implications for Charter Towns within proposed new unitary arrangements?

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

Civic and ceremonial arrangements

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

Policy reform

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

People Services, quality, risk and regulatory impact

- Reorganisation is a significant endeavour, the planning and implementation of which must not impact on the day to day delivery of high quality services, particularly to those who are most vulnerable. Recognising that some of our local people services are on improvement journeys, what support will be available from Government to ensure that services can continue to be resilient, including in financial, workforce and quality terms through the reorganisation process. Does Government have a risk assessment of the cumulative impact of reorganisation on the sustainability of care services and the care market?

- How will regulators take the impacts of reorganisation into account including impacts and risks of disaggregation? We would wish to flag the need for proportionality from regulators so that any inspection activity that is brought forward, including in monitoring visits is seen with in the context of the pressures reorganisation will have on organisations.

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
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. Relevant criteria: 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 & 2 a-f) - Unitary local government must be the right size to achieve efficiencies, improve capacity and withstand financial shocks & 3 a-c) Unitary structures must prioritise the delivery of high quality and sustainable public services to citizens	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. 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. 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. 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. Where there are proposed boundary changes, the proposal should provide strong public services and financial sustainability related justification for the change. 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. 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. 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

	and overall forecast operating costs of the new unitary councils. 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: • 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 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: • 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 operational41wq 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

	• 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
	
	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.
	
	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.
	
	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:
	• 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:
	  • 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

	be maintained or where necessary improved in each option? • 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? 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.
Include indicative costs and arrangements in relation to any options including planning for future service transformation opportunities. 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	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. 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. • within this it would be helpful to provide more detailed analysis on expected transition and/or disaggregation costs and potential efficiencies of

receipts that can support authorities in taking forward transformation and invest-to-save projects.	proposals. This could include clarity on methodology, assumptions, data used, what year these may apply and why these are appropriate. • 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 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).
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. Relevant criteria: 6) New unitary structures should enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment.	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. New unitary structures should enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment. 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. In final proposal(s) we would welcome detail on your plans for neighbourhood-based governance, the

	impact on parish councils, and the role of formal neighbourhood partnerships and Area Committees.
Include early views on how new structures will support devolution ambitions. Relevant Criteria: 5) New unitary structures must support devolution arrangements.	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. 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.
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. Relevant criteria: 6a&b) new unitary structures should enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment	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. 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. 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).
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.	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. £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.

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.	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.
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. 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.	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. 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. We would expect the final proposal(s) to have regard to the implications for the whole invitation area and mayoral strategic authority area.

Nottingham & Nottinghamshire Councils

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

Newark & Sherwood District Council

Rushcliffe Borough Council

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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.

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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 and options analysis for local government reform (LGR) in Nottingham and Nottinghamshire. It support 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 69

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

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.

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 event 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]

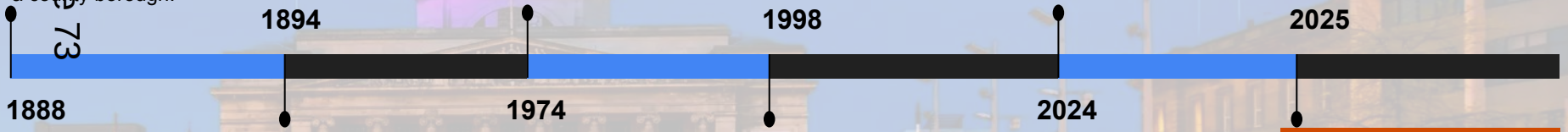
Criteria 1	Criteria 2	Criteria 3	Criteria 4	Criteria 5	Criteria 6
Establishing a single tier of government for the whole area	**Improve efficiencies, capacity and withstand financial shocks**	**Unitary structures must prioritise the delivery of high quality and sustainable public services to citizens**	**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**
Sensible economic areas, with an appropriate tax base. A sensible geography which will help to increase housing supply and meet local needs. Proposals need to be supported by robust evidence and analysis and include an explanation of the outcomes. There is a need to describe clearly the single tier local government structures it is putting forward for the whole of the area, and explain how, if implemented, these are expected to achieve the outcomes described.	New councils should aim for a population of 500,000 or more. There may be scenarios in which this does not make sense for an area, including on devolution. Efficiencies should be identified to help improve councils' finances and make sure that council taxpayers are getting the best possible value for their money. Proposals should set out how an area will seek to manage transition costs, including planning for future service transformation opportunities from existing budgets.	Proposals should show how new structures will improve local government and service delivery, and should avoid unnecessary fragmentation of services. Opportunities to deliver public service reform should be identified, including where they will lead to better value for money. Consideration should be given to the impacts for crucial services such as social care, children's services, SEND and homelessness, and for wider public services including for public safety.	It is for councils to decide how best to engage locally in a meaningful and constructive way. Proposals should consider issues of local identity and cultural and historic importance. Proposals should include evidence of local engagement, an explanation of the views that have been put forward and how concerns will be addressed.	Proposals will need to consider and set out for areas where there is already a Combined Authority (CA) or a Combined County Authority (CCA) established, how that institution and its governance arrangements will need to change to continue to function effectively; and set out clearly (where applicable) whether this proposal is supported by the CA/CCA /Mayor. Proposals should ensure there are sensible population size ratios between local authorities and any strategic authority, with timelines that work for both priorities.	Proposals will need to explain plans to make sure that communities are engaged. Where there are already arrangements in place it should be explained how these will enable strong community engagement.

Source: [1] MHCLG Criteria February 2025
[2] MHCLG Criteria June 2025

2b. Local Context

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.

The Local Government Act
This act created urban and rural district councils, further refining local governance and replacing older parish vestries.

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

Nottingham Becomes a Unitary Authority
The City of Nottingham regained unitary authority status, separating from Nottinghamshire County Council and restoring control over key services

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.

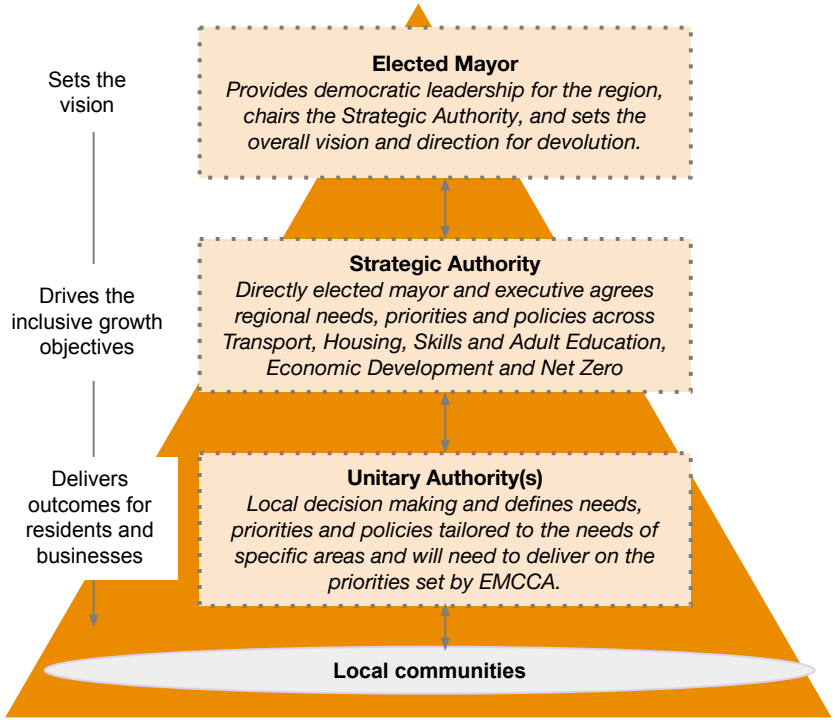
(2) Purpose: *What are the aims and objectives of each body?*

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 expected 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.



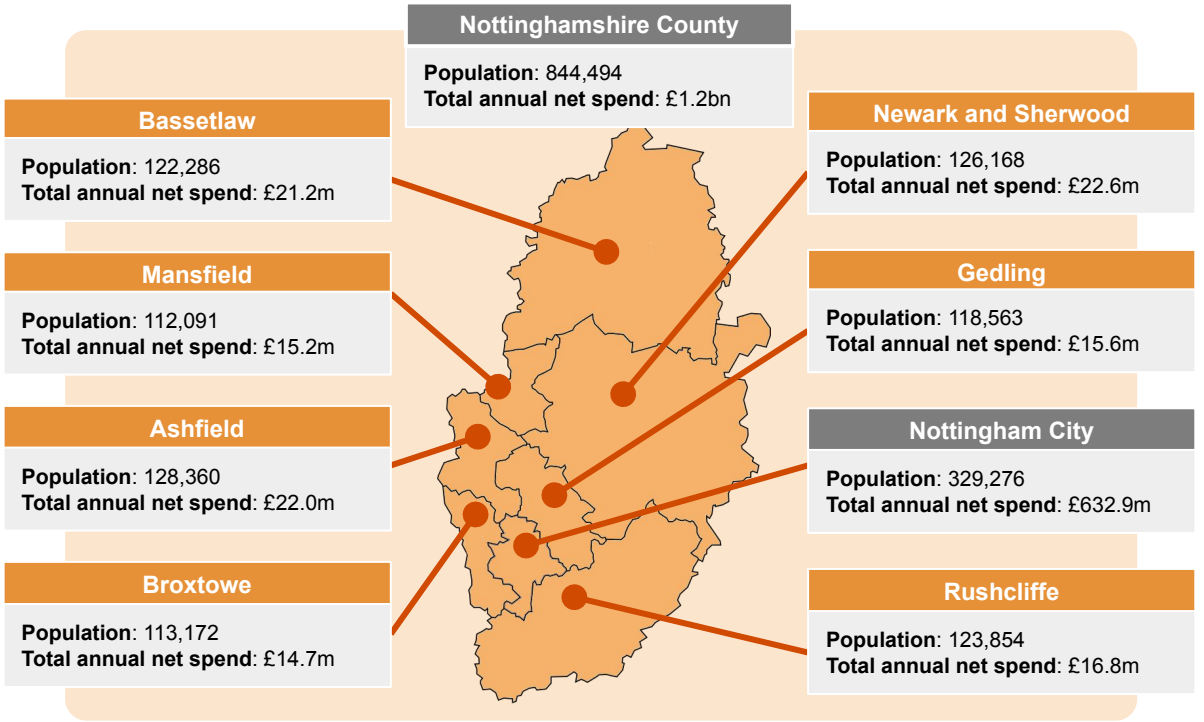
Local Context: Geography, population and council spend

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)		2nd largest in GVA terms (2022)		3rd 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

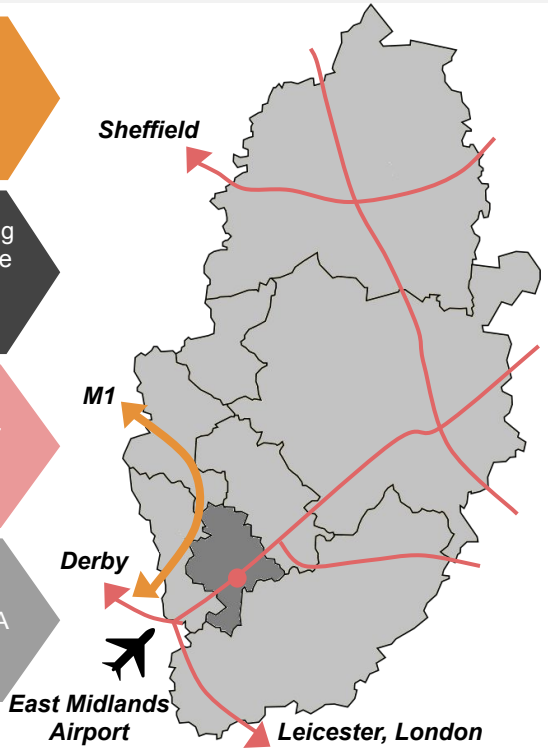
Nottinghamshire's transport network is designed to support economic hubs and growing commuter flows. Greater investment is required to enhance connectivity and mobility. It is important that any reorganisation efforts consider the existing transport and infrastructure arrangements.

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.



Page 20

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

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 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.

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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 Develop-ment	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):

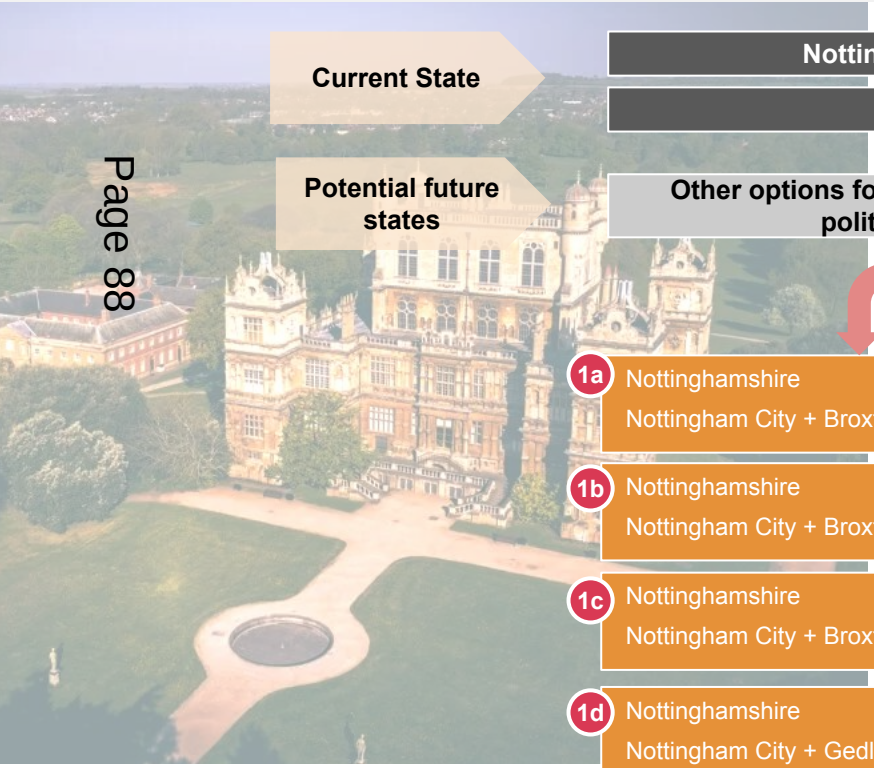
Local Election	Number of Councillors[3]	Election Cycle[3]	Last Election[1]	Votes Cast[1]	Number of electors per council member[3]
Nottinghamshire County Council	66	4 years	2025[2]	287,388[2]	9,404[4]
Nottingham City UA	55	4 years	2023	55,879	3,633
Ashfield	35	4 years	2023	29,594	2,662
Bassetlaw	48	4 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

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.



Current State

Nottinghamshire County Council

District Councils

Nottingham City Council

Potential future states

Other options for change discounted for political reasons

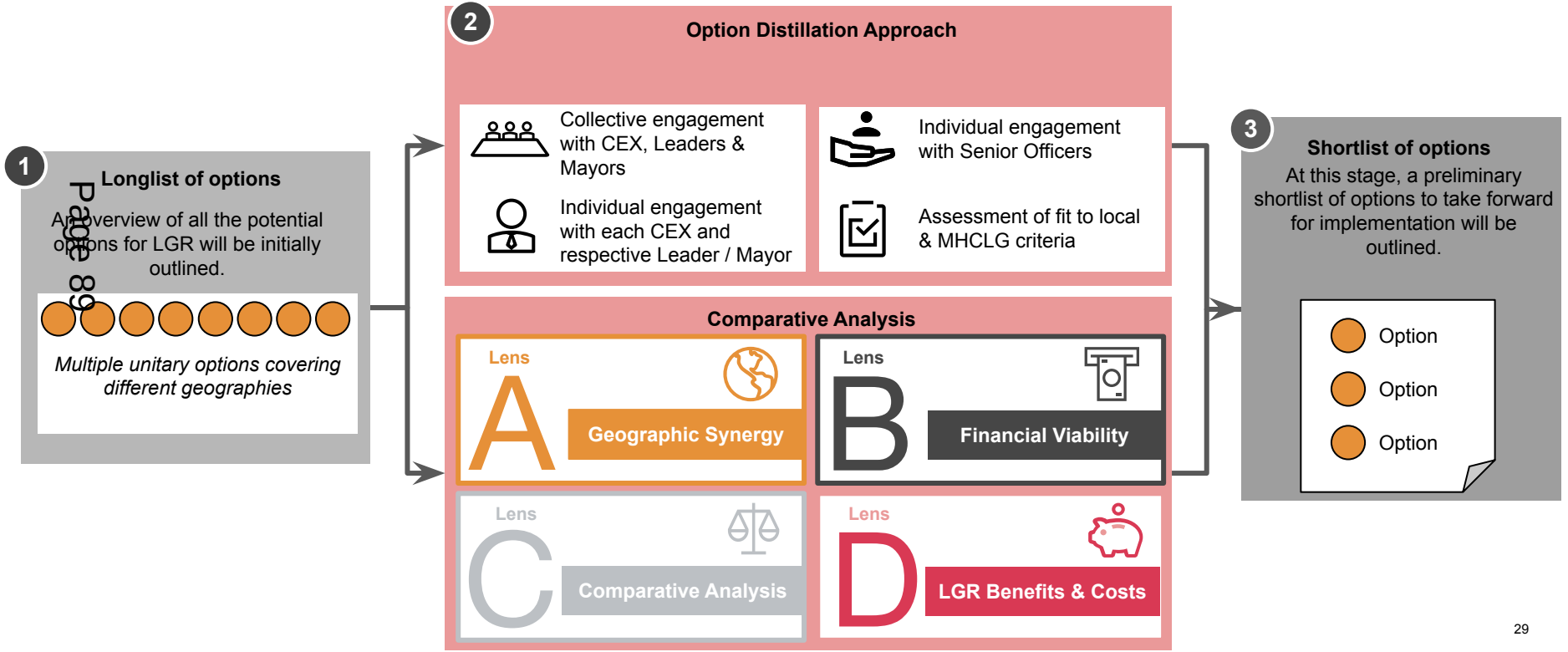
Two Unitary Authorities

Multiple remaining options

- 1a Nottinghamshire; Nottingham City + Broxtowe + Gedling + Rushcliffe
- 1b Nottinghamshire; Nottingham City + Broxtowe + Gedling
- 1c Nottinghamshire; Nottingham City + Broxtowe
- 1d Nottinghamshire; Nottingham City + Gedling
- 1e Nottinghamshire; Nottingham City + Broxtowe + Rushcliffe
- 1f Nottinghamshire; Nottingham City + Rushcliffe
- 1g Nottinghamshire; Nottingham City + Gedling + Rushcliffe
- 2 Nottinghamshire; Nottingham City

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 analyses 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

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.

Current State

Nottinghamshire County Council

District Councils

Nottingham City Council

Potential future states

Other options for change discounted for political reasons

Two Unitary Authorities

Multiple remaining options

1a Nottinghamshire
Nottingham City + Broxtowe + Gedling + Rushcliffe

1b Nottinghamshire
Nottingham City + Broxtowe + Gedling

1c Nottinghamshire
Nottingham City + Broxtowe

1d Nottinghamshire
Nottingham City + Gedling

1e Nottinghamshire
Nottingham City + Broxtowe + Rushcliffe

1f Nottinghamshire
Nottingham City + Rushcliffe

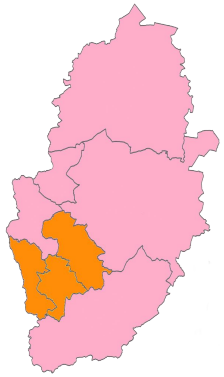
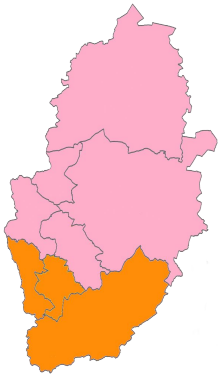
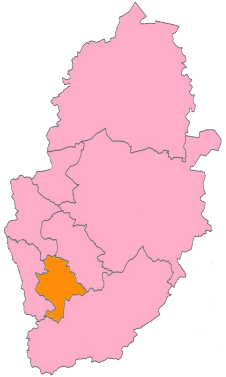
1g Nottinghamshire
Nottingham City + Gedling + Rushcliffe

2 Nottinghamshire
Nottingham City

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.

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

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.

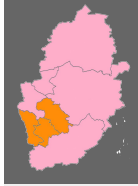
Each option demonstrates varying degrees of alignment with the MHCLG criteria and presents distinct strengths and risks. Key factors that have been considered include financial sustainability, service coordination, and sensible geographic and economic configurations.

Assessment against MHCLG Criteria + **Domain Analysis**

01	Sensible single tier of local government	1(b) Sensible economic breakdown
02	'Right-sized' local local government	
03	High quality, sustainable services	1(c) Sensible geographic breakdown
04	Meets local needs	3(a) Improves local government & service delivery
05	Supports devolution arrangements	3(b) Opportunity for public service reform
06	Local engagement and empowerment	3(C) Improves delivery of, or mitigates risk on crucial services

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 provides the greatest degree of fragmentation of travel to work, hospital and housing market areas, a significant population and debt-to-reserve imbalance which is the highest amongst all options, significant challenges in coordinating and financing services, and may leave communities that identify with the city in a different geography.

01 02 03 04 05 06

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			
2 '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			

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(e) (< 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 *Sensible single tier of local government*	*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 be 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 *'Right-sized' local government*	*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 *High quality, sustainable services*	*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 *Meets local needs*	*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 *Supports devolution arrangements*	*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 *Local engagement & empowerment*	*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*

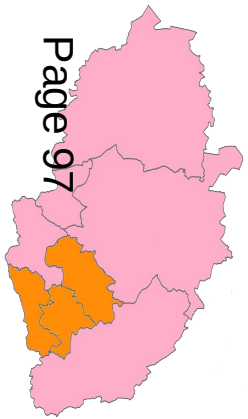
Note: RAG rating indicates how the option aligns to the MHCLG criteria relative to the other two options

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

H M L

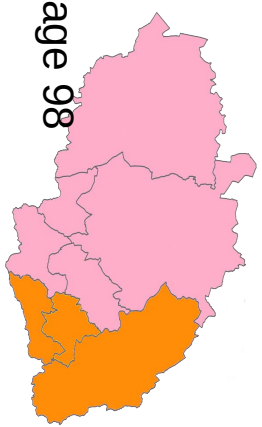
Criteria	Advantages and Disadvantages (Key: Footnote (Page))
Criteria 1	Presents a stronger alignment with the Sensible Economic Area criteria than Option 2 though is not an optimum fit as fragments both the travel to work and housing market areas in Nottingham; though only marginally more more than 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] (8) 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 Two Unitary Authorities: Nottinghamshire and Nottingham City + Broxtowe + Rushcliffe



Alignment to MHCLG criteria

H M L

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 unitarties.[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
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4. Criteria Assessment: Adult Social Care services in Nottingham and Nottinghamshire
5. Comparative Analysis: Rural-Urban comparative analysis (Phase 1)
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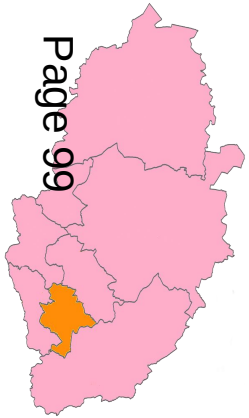
7. Comparative Analysis: Population (Phase 1)
8. Comparative Analysis: Debt to Reserve per capita Ratio Analysis (Phase 1)
9. Comparative Analysis: Deprivation (Phase 1)
10. Criteria Assessment: Homelessness in Nottingham and Nottinghamshire
11. Criteria Assessment: Public Safety in Nottingham and Nottinghamshire
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

H M L

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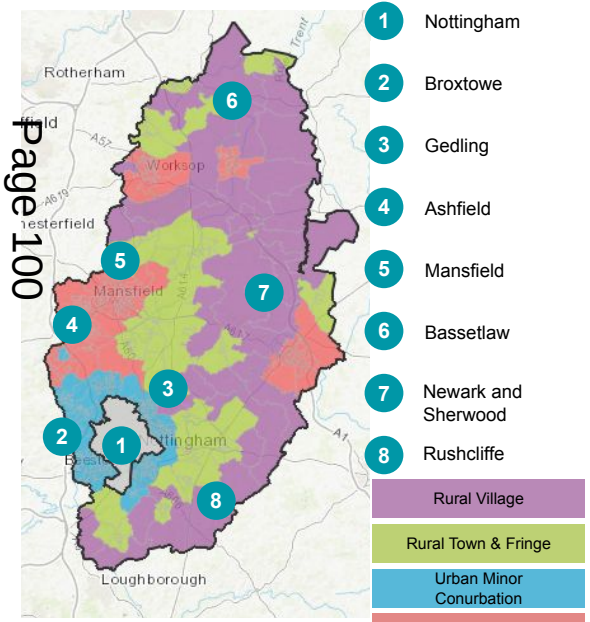
Analysis: Rural-Urban comparative analysis of 11 core cities in the UK

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

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

Sources:
[1] Nottingham Core HMA and Nottingham Outer HMA Employment Land Needs Study
[2] Kickstarting Economic Growth

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 Areas[1]:*** 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 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 fragemention 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 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)***

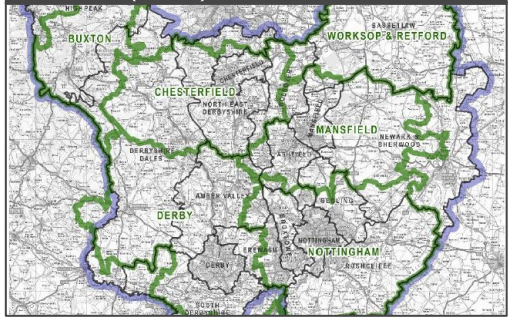
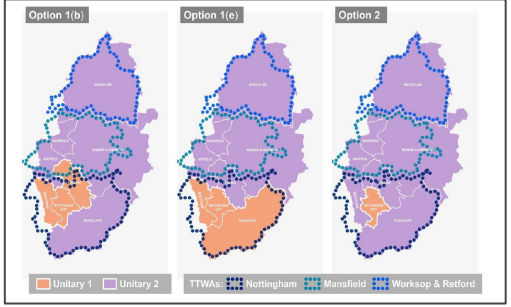


Figure 2: ***Submitted Options and Travel to Work Areas (TTWAs)***



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 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)***

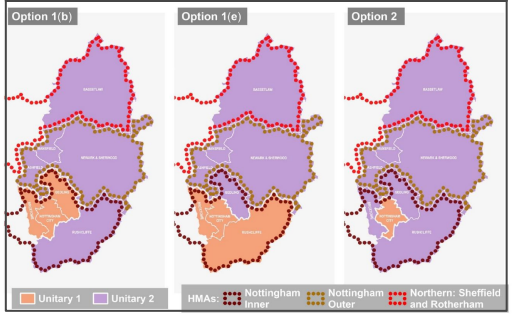
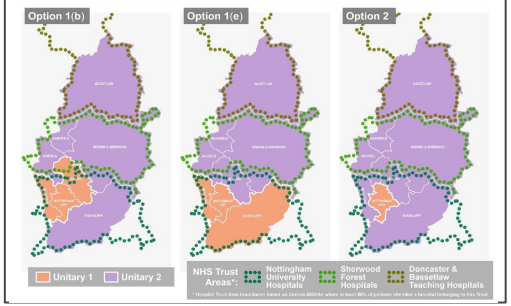


Figure 2: ***Submitted Options and NHS Hospital Trust Areas***



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

Additional analysis suggests that Option 2 represents the least sensible economic are 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
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 fragemention 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.

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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,

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

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

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 purse 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

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

5c. *Crucial Services*

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 improve 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	*Data analysis and comparison of the different unitary arrangements*	High	Medium	Low
	The opportunities presented by the different unitary arrangements	Low	Low	Medium
	The risk presented by the different unitary arrangements	Medium	Low	High*
	Impact on delivery e.g. staffing considerations, geography	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 case 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 rations 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% amd 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 is'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: I*mproves 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 unitaties would be providing services to areas with greater commonality of needs - predominantly urban, in the city-based unitary of NBG, 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.

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 need 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). Opton 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 unitaries 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 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 delivert. 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 main 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:***

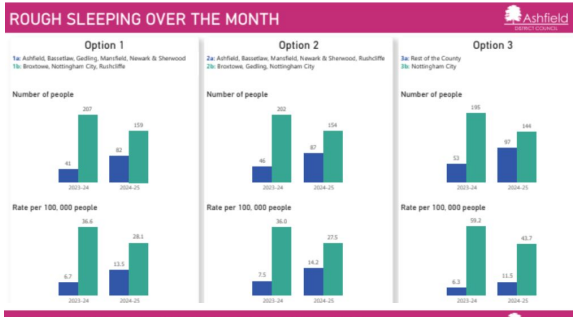
Household prevention duty: The data shows a comparison between Option 1(b), 1(e) and 2 regarding the number of households owed prevention duty and the rate per 1,000 households for two time periods, 2023-24 and 2024-25. Option 1e offers the lowest values for both years in terms of lowest rate per 1,000 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.



Across most categories Option 1(b) & 1(e) show similar patterns. They generally provide moderate and stable numbers for households and rates, indicating a balanced approach to resource allocation and management. Option 2 has greater variability and often higher rates in specific categories, especially rough sleeping and housing register metrics.

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 serval 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. Manfield'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	*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.*	*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).*	*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*
The opportunities presented by the different unitary arrangements	*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.*	*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.*	*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.*
The risks presented by the different unitary arrangements	*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.*	*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.*	*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.*
Impact on delivery e.g. staffing considerations, geography	*Potential fragmentation of homelessness services given confused pathways and weaker relationships between health and housing/homeless teams/services.*	*There are challenges with delivery of ASC, CSC and SEND services, particularly the loss of income for the county authority.*	*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.*
Summary	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.	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.	Option 2 does not meet the LGR objectives due to increased viability issues and services imbalances, despite maintaining the current level of service delivery.

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

6. Financial Analysis

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

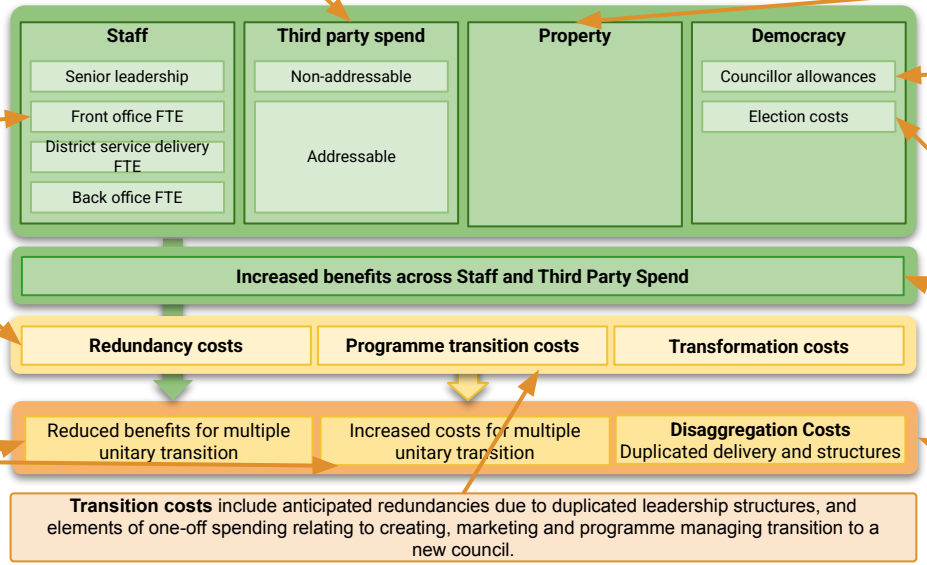
Financial Modelling: Definitions (1/3)

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.



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

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

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

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.

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**

Transition costs include anticipated redundancies due to duplicated leadership structures, and elements of one-off spending relating to creating, marketing and programme managing transition to a new council.

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.***	• Enquiry Handling • Processing Requests and Applications • Managing Appointments • Eligibility • Simple and Rules Based Assessment • Complex Assessment • Approval of Service	• 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.	• Service Delivery	
Back office	The activities aligned to this category provide support to other service areas: • 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.	• 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	• 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)
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
Comparative purposes only **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.

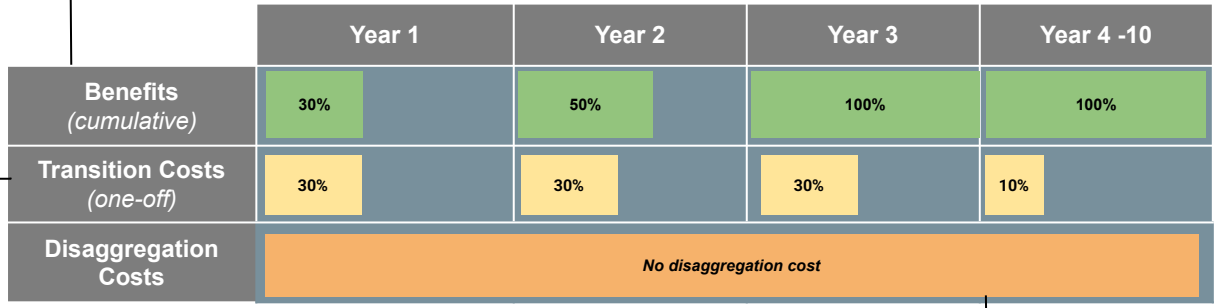
Impact of Phasing

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.



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.

Proposal *Submitted*

The submission of a proposal to MHCLG in March 2025 signaled the start of this process. Note that there may be multiple proposals for an area, and coherence with the MHCLG criteria will be a significant factor in the next stages.

21 March 2025

Decision

The period between March and November requires dedicated governance, time and resource to develop detailed plans for implementation, including financial and legal matters. This will require coordination and collaboration across all nine councils.

We are here

Phase 1: Mobilisation

Once a decision is made, resources must be mobilised and implementation plans put into effect to deliver the complex task of dissolving existing bodies and creating a new local authority in an effective and legal manner.

An Implementation Executive is 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.

28 November 2025

Phase 2: Transition

Phase 3: Transformation

Vesting Day 1 April 2028 (TBC)

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

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.

Final proposal: by 28th November 2025

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.

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.

1 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.

2 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).

3 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 4

- 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.

Communi-cation and engagement 5

- 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 6

- 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

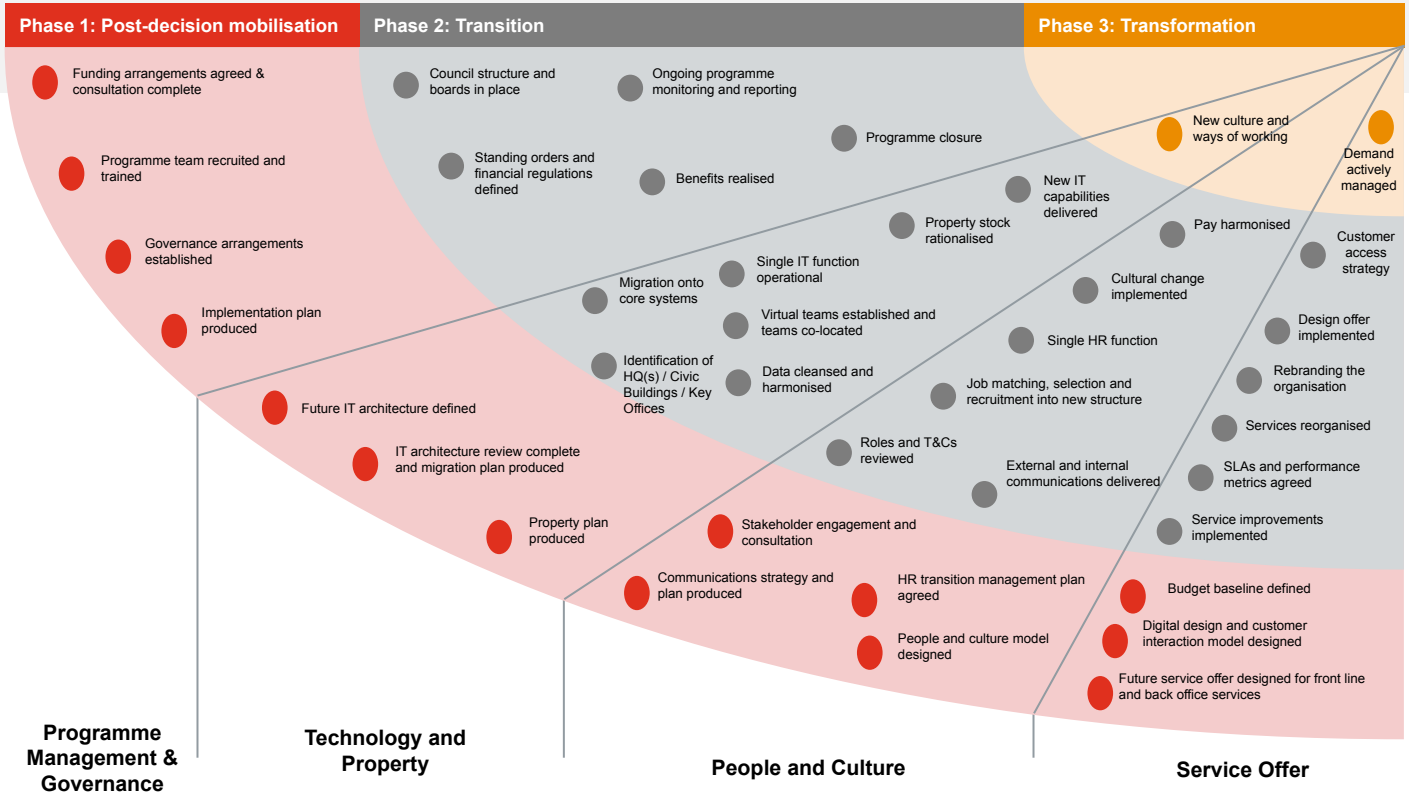
Phase 1: Mobilisation

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).

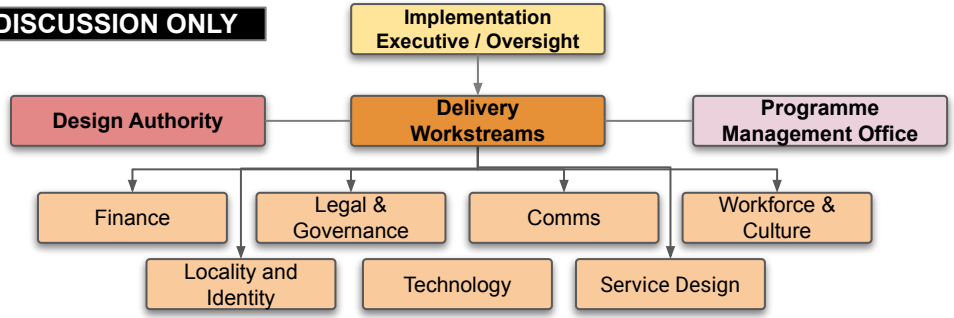
Immediate next steps

- 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	• 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	• 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	• 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	• 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)

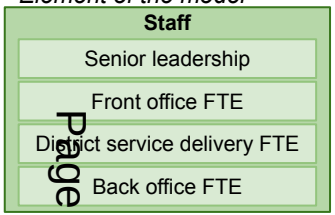
The table provides details on the information which was included in the additional analysis.

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



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

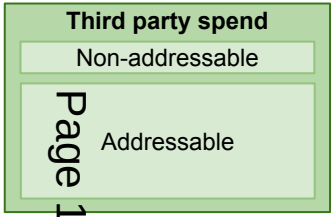
1. The combined County and District Councils spend on staff has been estimated, and grouped into front office, service delivery, and back office spend based on local authority averages.
2. Percentage reductions have been applied to front office, district service delivery and back office full-time equivalent (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

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*	
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

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

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*	
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

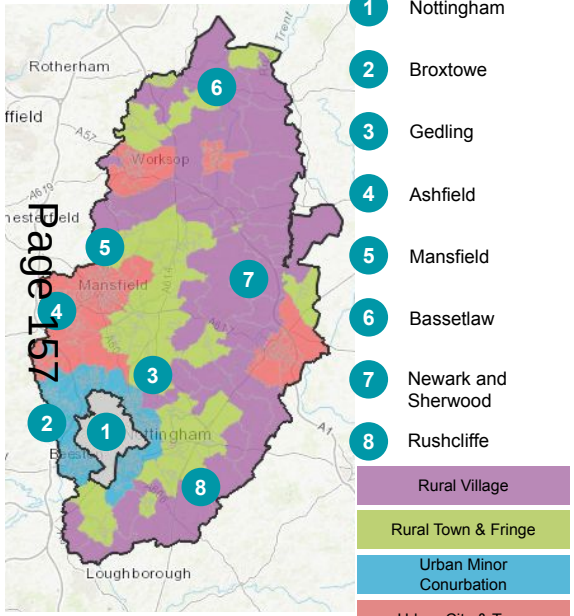
Summary view of comparative analysis for the three options

		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	34.4%	3.5	53.5	0.94	0.94	603,185	26.5	19.6	See detail on page 104	7,101
	Nottinghamshire with the remaining LAs			14.0	0.84	0.87	661,460	20.7	17.2		8,281
1e	Nottingham City + Broxtowe + Rushcliffe	18.3%	1.7	47.4	0.87	0.87	611,518	24.7	20.5	See detail on page 104	6,906
	Nottinghamshire with the remaining LAs			14.7	0.90	0.92	653,127	22.3	16.3		8,556
2	Nottingham City remains the same	30.4%	3.9	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			14.2	0.81	0.83	912,182	19.0	17.7		8,279

Options with lowest difference — Options with highest difference

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.



Average proportion of rural population

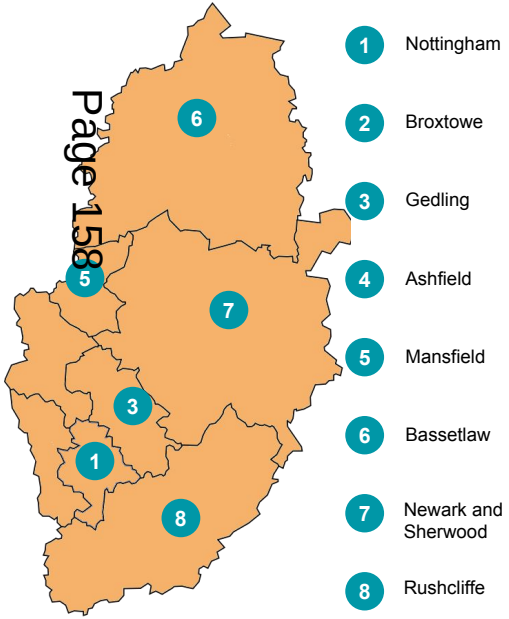
Department for Rural Affairs - Rural Urban Classification Map - Nottingham Observatory

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%	

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
	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
	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
	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 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

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

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

The analysis set out below 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

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 FY24/2

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

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

Key: Options with lowest difference — Options with highest difference

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

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	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

**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.

Options with least vulnerable sectors

Analysis: Healthcare Provision

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

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: Options with lowest difference … Options with highest difference

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.

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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

1 Strengthening Regional Governance	LGR can help ensure that local councils work more efficiently with EMCCA, avoiding fragmented governance and complex decision-making processes.
2 Attracting More Investment	EMCCA can unlock significant funding and access to regional and national investment, while a streamlined local government structure simplifies bidding and fund management and delivery once funding is secured.
3 Supporting Economic Growth	Aligning LGR choices with the regional strategy and economic vision by simplifying the two-tier system decision-making and implementation.
4 Enhancing Democratic Accountability	LGR creates clearer governance, strengthening local authority ties with EMCCA and ensuring transparent, accountable decision-making for residents and businesses.

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

Limitations

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

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

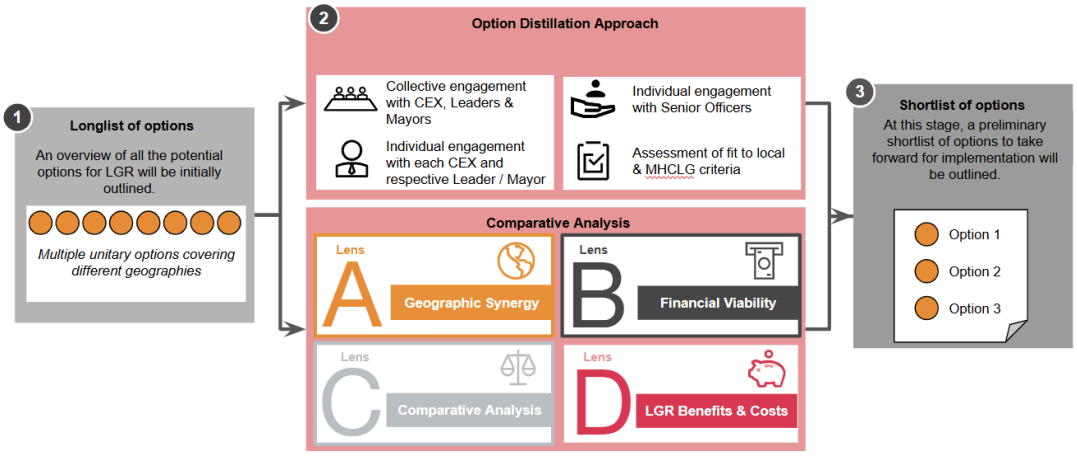
Escalating challenges in Financial Stability

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

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

2. Options Appraisal

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



Local criteria

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

How people live their lives

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

Financial and fiscal sustainability

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

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

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

Enables strong, local accountability and connection to communities and neighbourhoods

- Ensures services are easily accessible for all
- Strengthens the role of local democratic leadership
- Builds trust with local communities
- Seeks the active input and engagement of residents, businesses and employees

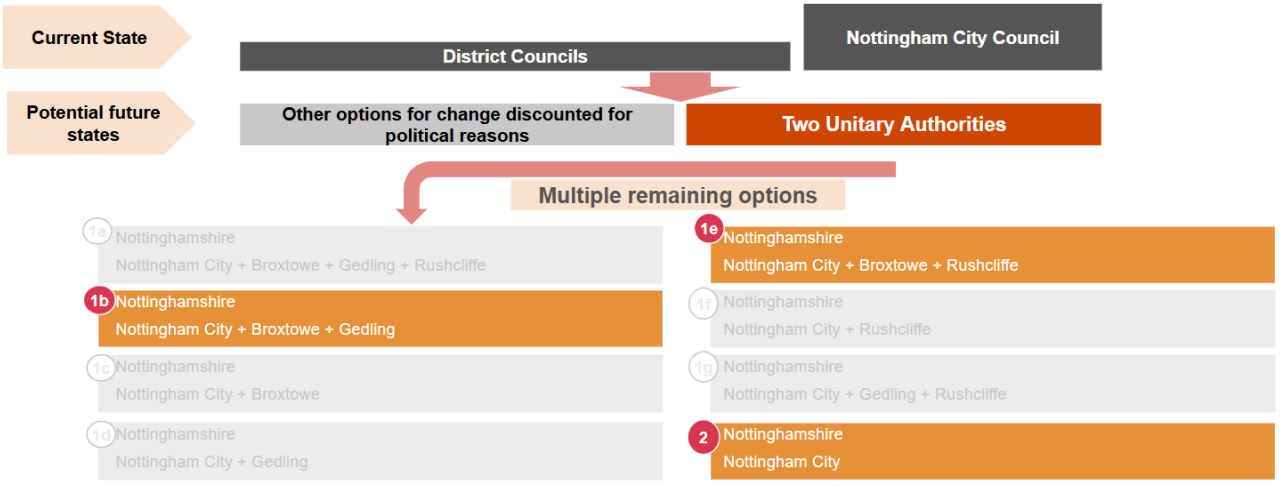
MHCLG criteria

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

Criteria 1	Criteria 2	Criteria 3	Criteria 4	Criteria 5	Criteria 6
Establishing a single tier of government for the whole area	**Improve efficiencies, capacity and withstand financial shocks**	**Unitary structures must prioritise the delivery of high quality and sustainable public services to citizens**	**Proposals should show how councils in the area have sought to work together in coming to a view that meets local needs and is informed by local views**	**New unitary structures must support devolution arrangements**	**New unitary structures should enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment**
Sensible economic areas, with an appropriate tax base. A sensible geography which will help to increase housing supply and meet local needs. Proposals need to be supported by robust evidence and analysis and include an explanation of the outcomes. There is a need to describe clearly the single tier local government structures it is putting forward for the whole of the area, and explain how, if implemented, these are expected to achieve the outcomes described.	New councils should aim for a population of 500,000 or more. There may be scenarios in which this does not make sense for an area, including on devolution. Efficiencies should be identified to help improve councils' finances and make sure that council taxpayers are getting the best possible value for their money. Proposals should set out how an area will seek to manage transition costs, including planning for future service transformation opportunities from existing budgets.	Proposals should show how new structures will improve local government and service delivery, and should avoid unnecessary fragmentation of services. Opportunities to deliver public service reform should be identified, including where they will lead to better value for money. Consideration should be given to the impacts for crucial services such as social care, children's services, SEND and homelessness, and for wider public services including for public safety.	It is for councils to decide how best to engage locally in a meaningful and constructive way. Proposals should consider issues of local identity and cultural and historic importance. Proposals should include evidence of local engagement, an explanation of the views that have been put forward and how concerns will be addressed.	Proposals will need to consider and set out for areas where there is already a Combined Authority (CA) or a Combined County Authority (CCA) established, how that institution and its governance arrangements will need to change to continue to function effectively; and set out clearly (where applicable) whether this proposal is supported by the CA/CCA /Mayor. Proposals should ensure there are sensible population size ratios between local authorities and any strategic authority, with timelines that work for both priorities.	Proposals will need to explain plans to make sure that communities are engaged. Where there are already arrangements in place it should be explained how these will enable strong community engagement.

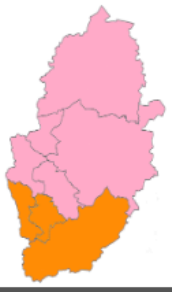
Longlist and shortlist of options

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



2 MHCLG. Correspondence: Nottinghamshire and Nottingham. February, 2025.

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

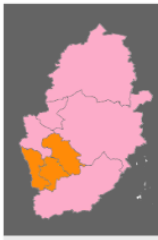
1b Nottinghamshire and Nottingham City + Broxtowe + Gedling	1e Nottinghamshire and Nottingham City + Broxtowe + Rushcliffe	2 Nottinghamshire and Nottingham City
		
1. Nottingham City conurbation to include **Broxtowe and Gedling** 2. The **rest of Nottinghamshire** becomes a new unitary authority	1.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

Further detailed analysis of shortlisted options

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

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

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



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

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.

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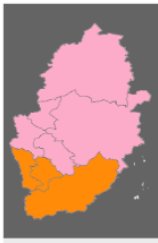

1(e)
Nottinghamshire and Nottingham City + Broxtowe + Rushcliffe

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.

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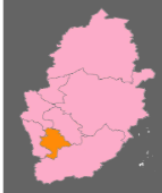


2
Nottinghamshire and Nottingham City

This option demonstrates the weakest alignment against the MHCLG criteria of the three options under further consideration. It would provides the greatest degree of fragmentation of travel to work, hospital and housing market areas, a significant population and debt-to-reserve imbalance which is the highest amongst all options, significant challenges in coordinating and financing services, and may leave communities that identify with the city in a different geography.

01 02 03 04 05 06

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

Overview of Options 1b and 1e

Option 1b

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

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

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

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

Option 1e

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

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

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

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

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

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

Option 1e is marginally stronger against criteria 1.

The summary of this analysis is outlined below:

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

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

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

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

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

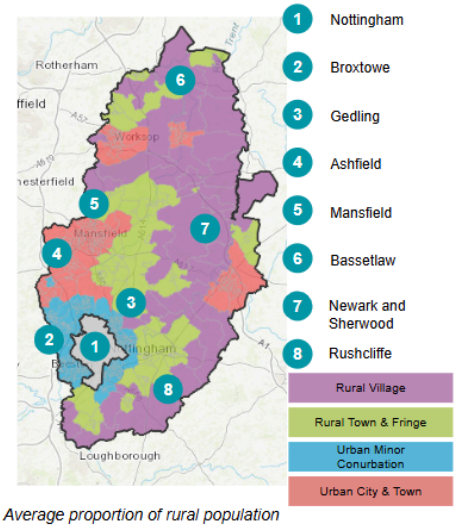
	Challenges	● For a variety of reasons to it is key to consider the implications of having a wider variance of authorities in terms of rural/ urban settings, introducing contrasting service needs, cost profiles and expectations ● Option 1e would merge areas such as Nottingham and Rushcliffe and as a result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

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

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

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

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



Average proportion of rural population
Department for Rural Affairs - Rural Urban Classification Map - Nottingham Observatory

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

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

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

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

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.

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
Comparative purposes only **Option 3:** Single Unitary Authority	£19,249,433	£30,044,575	£94,919,953	Less than 1 year

4. Next steps

Indicative timeline to implementation

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

Requirements for the full proposal and financial case

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

Refining the options appraisal

- Since submission in March, the Options Analysis has been narrowed down to three options: Option 1(b), Option 1(e) and Option 2.
- Deep dives have been conducted against MHCLG criterion such as sensible economic area, sensible geography and crucial services.
- The financial analysis has been updated.

Developing the full proposal

- 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.

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.