

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.

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| 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. |
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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.

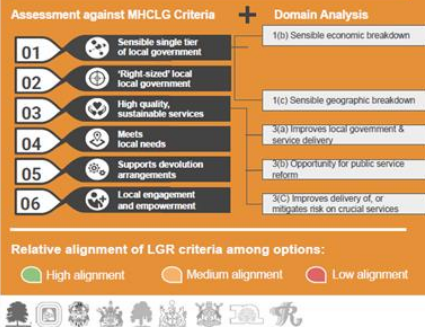
1b Nottinghamshire and Nottingham City + Broxtowe + Gedling	1e Nottinghamshire and Nottingham City + Broxtowe + Rushcliffe	2 Nottinghamshire and Nottingham City
		
<ol style="list-style-type: none"> 1. Nottingham City conurbation to include Broxtowe and Gedling 2. The rest of Nottinghamshire becomes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

- 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.

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.



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.

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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.

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Option 2
Nottinghamshire
and Nottingham
City

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

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- 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