

Council

Tuesday 07th July 2025

**Subject: Local Government Reorganisation** 

Report by: Chief Executive

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To update members on government proposals in Purpose / Summary: respect of Local Government Reorganisation

respect of Local Government Reorganisation (LGR), following the receipt of Initial Plan

Feedback Letter

# **RECOMMENDATION(S):**

#### That Council:

- 1. Notes the matters set out in this report, including government feedback on the interim proposals submitted by councils in Greater Lincolnshire.
- 2. Approves option two as the Council's next course of action, this being to undertake 'Supportive Engagement' working across all Final Proposals being developed for Greater Lincolnshire, with further assessment and decision-making opportunities for members at a future Council meeting.
- 3. Notes the financial and resource implications for the Council in preparing for LGR and the allocation of £50,000, which will be approved in line with financial procedure rules, which will facilitate the initial preparation of data and evidence to enable the Council to engage effectively with the Final Proposals being worked on across Greater Lincolnshire.

#### **IMPLICATIONS**

#### Legal:

On 16<sup>th</sup> December 2024, the Secretary of State for Housing, Communities and Local Government presented the English Devolution White Paper to Parliament. The overarching intention of the White Paper is for Devolution to become the universal position across England, accompanied by a large-scale, England wide programme of Local Government Reorganisation (LGR).

In respect of LGR, the White Paper sets out the intention to facilitate a programme of reorganisation for two tier areas, and for unitary councils where there is evidence of failure or where the size or boundary may be hindering their ability to deliver sustainable and high-quality public services. The legal framework for unitarisation is provided by the Local Government and Public Involvement in Health Act 2007. Under the legislation, the Secretary of State may invite a principal authority to propose single tier local government arrangements, and then consult upon these proposals before making a decision under this legislation

Following the publication of the White Paper, on 5<sup>th</sup> February 2025, the Minister for Local Government and English Devolution wrote to Council Leaders in two-tier areas inviting Councils via a Statutory Invitation to develop proposals for reorganisation. The letter includes two key dates for submission of proposals: these being 21<sup>st</sup> March 2025 for submission of interim proposals and 28<sup>th</sup> November 2025 for submission of detailed proposals.

It is the Government's intention that both Devolution, and Local Government Reorganisation Proposals will be delivered in two waves, the first being by March 2027 and the second being by March 2028. In respect of Devolution, a Mayoral Combined County Authority (MCCA) has already been established in Greater Lincolnshire. The focus of this paper is purely on the Local Government Reorganisation element of the White Paper.

The Government have since provided all areas who received the Statutory Invitation on 05<sup>th</sup> February 2025 with an Interim Plan Feedback Letter. These were sent by MHCLG to areas across a staggered timeline from early May through to early June. Greater Lincolnshire received the feedback letter on 03<sup>rd</sup> June.

It is clear that despite the delay in the receipt of the Interim Plan Feedback letter the Government still require the Final Proposal to be submitted on 28<sup>th</sup> November 2025.

#### Financial: FIN/53/26/CL/SL

Following the receipt of the Interim Plan Feedback letter, appendix 3, the Minister followed up with a letter relating to funding to support the development of the Final Proposal. Greater Lincolnshire was allocated £357,246. It was agreed by Chief Executives that this funding would be allocated to Lincolnshire County Council who will disseminate the funding to those Councils developing a final proposal as required.

The Interim Plan Feedback letter and the funding allocation letter make it clear that collaboration across areas is required, specifically in relation to information and data sharing. Therefore, it is anticipated that some of this money will be used to develop a shared data baseline and that the remaining monies will then be allocated to specific proposal development. This ensures a fair share of monies and also accounts for any local authorities that have chosen not to engage in the broader LGR programme.

Whilst it is understood that the exact extent of the evidence, resource and financial implications has not yet been fully scoped, it is acknowledged that there are resource implications as a result of the Council actively engaging with other Councils in the development of a number of Final Proposals. A sum of £50,000 can be drawn down from reserves or contingencies to support and facilitate the Council's involvement.

#### Staffing: HR Ref: HR241-06-25

LGR is a new priority workstream for the Council which will, by its nature, put pressure on the capacity and resources of some corporate and other service areas who will be required to respond to the different elements of the LGR process. This includes, but is not limited to, input from the Policy & Strategy Team, Finance Team, People Services, Change, Performance and Programmes Team, Communications Team, and Senior Management Team. Depending on the option resolved by Council. Whilst the allocation of £50,000 will support the initial work involved to deliver a position for the Final Submission date of 28<sup>th</sup> November 2025, there will be implications for the Council's own resources which will need to be considered as part of the broader staffing structure. This will be considered in a future paper.

Council staff are being kept informed of key developments relating to LGR via a dedicated page on the Council's intranet, through weekly staff messages, and all staff corporate updates as required. This will continue throughout the next stages of the indicative LGR timeline.

# **Equality and Diversity including Human Rights:**

High-level consideration has been given to Equality, Diversity and Human Rights implications and more detailed considerations will be undertaken over the course of the summer, as part of the Council's options appraisal. A full Equality Impact Assessment will be undertaken ahead of any final proposal that may be submitted in in November 2025, subject to the decision of this Council.

# **Data Protection Implications:**

Effective collaboration through the development of shared assumptions and datasets is a key requirement as part of the government's criteria for assessing the Final Submission. In order to do this, is it expected that Local Government will openly and effectively share data and information.

Across Greater Lincolnshire there is an intention to create a shared financial and demand baseline for all to use, allowing all bids put forward on behalf of Greater Lincolnshire to be based on the same principles, and allowing for alternative forecasting and assumptions to be tested to support the variety of models being promoted.

Most of the data required to develop these baselines will be open-source datasets. However, in order to safeguard data and ensure that it is handled in accordance with GDPR regulations a data sharing framework is being drafted for all authorities to sign up to, to ensure that high standards of data management are adhered to at all times.

This data framework has been drafted with the input of Lincolnshire authorities and will be reviewed by legal representatives prior to signing up to the framework and sharing data.

### **Climate Related Risks and Opportunities:**

None arising from this report

#### **Section 17 Crime and Disorder Considerations:**

None arising from this report

#### **Health Implications:**

None arising from this report

# Title and Location of any Background Papers used in the preparation of this report:

English Devolution White Paper 2024

Statutory Invitation from the Minister for Local Government & English Devolution to Greater Lincolnshire Council Leaders 5th February 2025.

https://LGR WLDC Interim Proposal 18.03.25

Link below is to the Local Government Boundary Commission for England website, LGR FAQs

https://www.lgbce.org.uk/local-government-reorganisation

#### Risk Assessment:

The Government has stated its intention to reorganise all two-tier local authority areas within this Parliament.

In providing feedback on the interim proposals, government was clear that Councils should work together to develop a single proposal for the area. It is therefore important that all Councils engage in the process to ensure their area is appropriately represented in discussions and decisions.

Not engaging in the discussions creates a risk that any future decisions regarding local government structures in Lincolnshire do not represent the best interests of West Lindsey. Likewise, not submitting or supporting a final proposal on 28<sup>th</sup> November 2025 risks West Lindsey's priorities and interests not being taken into consideration by MHCLG when undertaking their assessments and making any final decisions. These risks are mitigated by regular and consistent engagement in LGR discussions at the local, regional and national level by both members and senior officers.

Where agreement has not been possible, government has stipulated that Councils can submit individual proposals if they wish, but that these should be limited to one option per council.

# Call in and Urgency:

is the decision one which Rule 14.7 of the Scrutiny Procedure Rules ap					
i.e. is the report exempt from being called in due to urgency (in consultation with C&I chairman)	Yes		No	X	
Key Decision:					
A matter which affects two or more wards, or has significant financial implications	Yes	X	No		

### **Executive Summary**

On 21<sup>st</sup> March 2025 West Lindsey District Council ("the Council") submitted an Interim Proposal for Local Government Reorganisation (LGR). This paper sets out the next steps for the Council post the interim submission and following the receipt of the Interim Plan Feedback letter, appendix 2, on 03<sup>rd</sup> June 2025.

The paper considers the requirements of developing a Final Proposal, a shared evidence base, robust financial testing, including efficiencies, public sector reform and engagement, all of which is required to ensure that any Final Proposal meets the set criteria and overarching purpose of LGR.

In the context of these requirements, the paper presents three options for members consideration and decision, noting the pros and cons of each option as set out in this report.

The three options have been designed to balance the timescales, resource and financial implications against delivery of the Council's priorities in order to best meet the needs of the residents, communities and businesses in West Lindsey. In considering the options, members are asked to support Option B as described in recommendation two.

#### 1.0 Introduction

- 1.1 In publishing the English Devolution White Paper 2024, the Government set out its intention to redraw the Local Government landscape in England via an enhanced programme of devolution, and the reorganisation of all remaining two-tier local government areas in England. Such change, if delivered, represents the largest reform of the Local Government sector since 1974.
- 1.2 This paper sets out the latest position with regards to Local Government Reorganisation, following the issue of the Interim Plan Feedback letter on 03<sup>rd</sup> June 2025, appendix 2, and seeks approval to work with Councils across Greater Lincolnshire to meet the requirement to develop a proposal for a new single tier of Local Government.

#### 2.0 Background

- 2.1 Following the Statutory Invitation, appendix 1, issued on 5<sup>th</sup> February 2025, the Minister for Local Government and English Devolution ("the Minister"), Jim McMahon OBE MP wrote to all council Leaders in remaining two-tier areas formally inviting the submission of proposals for LGR.
- 2.2 Following the receipt of this letter initial, work was undertaken to appraise the various options around a geographical split of Greater Lincolnshire, taking into consideration the strengths and weaknesses of each option based on metrics that aligned with the Corporate Plan priorities. This work resulted in six options being presented to members for consideration at an extraordinary meeting of Council in March 2025. A copy of these options is included for context as appendix 4. At this meeting, Council resolved to:

- Note the matters set out in the report and receive further updates in respect of LGR.
- Agree to submit the options included as the Councils interim position with a covering letter indicating initial preference for two options (these being options A and E).
- Note the requirement by government for councils to work together to develop and agree to work with other Greater Lincolnshire councils to develop proposals for LGR.
- Agree to support officers and provide further direction for further development of proposals for LGR, with referral back to Council for any decisions required in accordance with the timeline set out by government.

#### 3.0 Current Position

- 3.1 Following submission of the Council's Interim Proposal, MHCLG provided their initial feedback in a letter to all ten Greater Lincolnshire councils on 3<sup>rd</sup> June 2025, six weeks later than anticipated. A copy of this letter is attached as appendix 2 and summarised withing this report.
- 3.2 The letter reaffirms the broader timelines set out in the original Statutory Invitation, as depicted in Fig. 1 below.

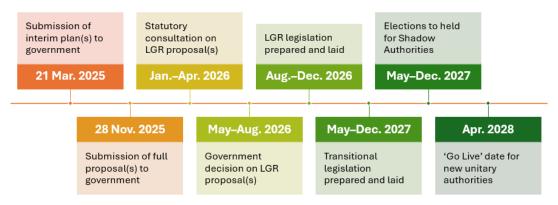


Fig 1. Indicative timeline for local government reorganisation in Lincolnshire

#### 4.0 Criteria for Developing Final Reorganisation Proposals

- 4.1 The Ministerial Feedback Letter acknowledges and provides an overview of the proposals submitted by organisations across Greater Lincolnshire and acknowledges and welcomes the work undertaken by Local Government to facilitate reorganisation plans.
- 4.2 The letter is clear that the Final Proposal will be evaluated against the criteria outlined in the Statutory Invitation, summarised below.
  - A proposal should seek to achieve for the whole of the area concerned the establishment of a single tier of local government.
  - Unitary local government must be the right size to achieve efficiencies, improve 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
- 4.4 The feedback provided highlights areas where more detail may help but is clear the list is not exhaustive and that additional materials are welcome. A named MHCLG official has been allocated to Greater Lincolnshire as the point of contact for support and it is anticipated that an initial meeting will take place in due course.

# 5.0 Guiding Principles for the final submission as detailed in the Interim Feedback Letter

5.1 The letter sets out key elements of the feedback and reaffirms the expectations of Government from all Local Government organisations developing their Final Proposals. The feedback is summarised thus:

#### 1. Collaboration and Evidence Base

- The Government welcomes interim planning efforts and intentions for future joint working.
- Councils are encouraged to strengthen collaboration, particularly around data sharing, to support a robust shared evidence base.
- Final proposals should:
  - i. Use consistent assumptions and datasets.
  - ii. Clearly demonstrate how data supports proposed outcomes and aligns with assessment criteria.
  - iii. Include an options appraisal to justify the preferred approach.

#### 2. Proposal Structure and Coordination

- Each council may submit one Final Proposal with a clear single option and defined geography.
- Joint Final Proposals are encouraged to reduce duplication and resource strain.
- Proposals should aim to consolidate differing views into fewer, well-supported submissions.

### 3. Geographic Scope and Neighbouring Areas

- Acknowledge that some Interim Proposals included areas like Rutland, which lies outside the GLCCA invitation area.
- Confirms Councils may explore cross-boundary options but must:
  - i. Assess impacts on the entire neighbouring area.
  - ii. Engage and share data with affected councils.
  - iii. Reflect any cross-boundary support in both sets of proposals.

# 4. Population Considerations

- While a population of 500,000+ is a guiding principle, flexibility is allowed.
- All proposals should clearly justify their population rationale, whether above or below the guideline.

# 5. Boundary Changes

- Boundary changes are permissible with strong justification.
- Proposals must specify the proposed unitary area, using clear identifiers (e.g. parish/ward boundaries or maps).
- Councils may alternatively propose unitary structures using existing boundaries and request a Principal Area Boundary Review (PABR) later.

### 6. Implications for GLCCA

- Proposals should detail the governance implications for GLCCA and how each option supports local communities.
- Engagement with the new GLCCA Mayor is recommended.
- Proposals involving Rutland should explain the impact on GLCCA and Leicestershire proposals.

# 6.0 Response to specific barriers and challenges raised as part of Interim Proposal submission by Lincolnshire Authorities

6.1 Many of the Interim Proposals made raised specific issues or concerns, these were also covered within the feedback letter and are summarised below.

#### 1. Ministerial Engagement

- While direct ministerial engagement was requested, support will be provided equally across all councils.
- Alex Jarvis has been appointed as the MHCLG point of contact to facilitate engagement with government.

# 2. Capacity Funding

• £7.6 million will be distributed across 21 areas to support Final Proposal development.

#### 3. Funding Reform and Transitional Protection

• Further consultation on funding and transitional arrangements will follow the June Spending Review.

#### 4. GLCCA Boundary Review,

- The boundary review option in relation to North and North East Lincolnshire's role and relationship to Humber and the Hull and East Yorkshire County Authority (HEYCA) will remain an option and will be monitored as part of the devolution journey.
- Final Proposals should assess how proposed unitary structures will align with Combined Authorities across Humber and Lincolnshire.

#### 5. Financial Pressure

 Final Proposals should include detailed financial positions and modelling.  Councils are expected to manage transitional costs using existing budgets and capital receipts.

#### 6. Timescales

- The November deadline is designed to allow sufficient time for Final Proposal development.
- Councils are encouraged to continue collaborative working to meet the deadline.

#### 7. Structural Transition

- Post-reorganisation, all new unitary councils will become constituent members of the GLCCA.
- Further details on the transition process will be provided, and implications for GLCCA governance should be included in Final Proposals.

# 8. Internal Drainage Boards (IDBs)

- Funding concerns are acknowledged; MHCLG is working with Defra on long-term solutions.
- The 2025/26 Local Government Finance Settlement includes a £5 million grant to support authorities impacted by IDB levies.

# 9. Application of Criteria

- The 500,000 population guideline is flexible; proposals should clearly justify their approach.
- Criteria are not weighted; decisions will be based on overall evidence and alignment with guidance.

# 10. Timely Feedback

• This document serves as the Government's feedback to support Final Proposal development.

#### 7.0 Engagement Activity to Date

Following the submission on the Interim Proposals, there has been limited formal engagement with members on LGR across Greater Lincolnshire and internally within the Council. This is in part due to the May elections, but also the delay in receiving the Interim Plan Feedback Letter.

- 7.1 At officer level, high-level collaboration continues through existing networks such as Chief Executive meetings, and meetings of Finance, Communications, and Policy Leads.
- 7.2 At these informal sessions information and intelligence is shared and exploration of opportunities to collaborate discussed, specifically in relation to the creation of a shared data and evidence baseline on which assumption and projections can be applied to support the development of Final Proposals ready for November.
- 7.3 A meeting of Greater Lincolnshire Chief Executives was held on 04<sup>th</sup> June 2025 to discuss the implications of the feedback letter and give partners an opportunity to confirm their positions on Final Proposals

- and next steps where known. The feedback which includes the mapped areas can be found in appendix 2.
- 7.4 It was clear that, currently, at least four separate Final Proposals will continue to be worked up with a view to submit on 28<sup>th</sup> November 2025.
- 7.5 A summary of each Greater Lincolnshire Council's position is included in the table in appendix 5, noting that this position is fluid and subject to change depending on the formal decisions made by each Council.
- 7.6 Officers are also regularly attending online briefings delivered by Government and other bodies such as the Local Government Association (LGA), and District Councils' Network (DCN).

# 8.0 Options for Consideration

- 8.1 In considering the position of the Council, the requirements set out in the feedback letter, and the position of other Greater Lincolnshire authorities, three possible options have been worked up for member consideration and decision. An update position was shared with members via an all-member briefing on 23<sup>rd</sup> June 2025.
- 8.2 During this session, members discussed the opportunities and challenges presented by each of the four proposals currently known to be in development across Greater Lincolnshire, and the potential implications each proposal may have for West Lindsey. The feedback from the workshop has been used to shape the options further, which are presented below for Council decision. Each option included an overview of risks and opportunities associated with each, which are also summarised below for context.
- 8.3 Option One 'No Engagement' Do not submit a Final Proposal for LGR in Greater Lincolnshire and do not engage with the development of any other Final Business case's being developed by other authorities in Greater Lincolnshire.

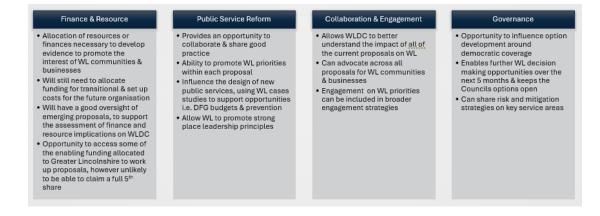
This option would result in the Council choosing not to engage with LGR or the development of any of the proposals being worked on across the Greater Lincolnshire area. By extension, this would mean that the Council would not submit or support a Final Proposal to government in November.

Fig. 2 Key Risks and opportunities for option 1

#### Collaboration & Engagement Finance & Resource Public Service Reform Governance • Unable to collaborate & . No opportunity to influence • Unable to influence option · No requirement to earmark . source or finances for share good practice development of a business • No opportunity to provide areas democratic coverage case proposal or supporting · Can't advocate for WL Removes WL decision ideas on new public service evidence design communities & businesses making opportunities · Will still need to allocate . Council will not be in a No need for engagement with funding for transitional & set WL businesses & position to inform thinking up costs for the future arding the needs of communities WLDC's residents. No opportunity to · With little or no oversight of communities, businesses demonstrate what works in emerging proposals, will be and third sector West Lindsey for our difficult to assess finance organisations; as such these residents, businesses etc. stakeholders will not be and resource implications on Good/strong practice WLDC represented during the LGR developed over years will be • Unable to claim a portion of process in Lincs. lost, as non-engagement means that the Council has enabling funding allocated to Greater Lincolnshire (£357K) no ability to shape strategic thinking, operating model design, place leadership

- 8.4 Option Two 'Supportive Engagement' Work across all Final Proposals being developed for Greater Lincolnshire
  Under this option, the Council would engage and collaborate proactively with all partners across Greater Lincolnshire to influence and share intelligence in the advancement of the existing four Final Proposals that are currently known to be in development.
- 8.5 The Council would not 'hold the pen' on writing its own final submission, rather, it would play a facilitative role in all, with further assessment and decision-making opportunities for members in September and November as to which, if any, of the four proposals could be supported by the Council.
- 8.6 Of the three options, it was considered that this was the most feasible and preferred option. Support was indicated by members in attendance at the LGR briefing held on 23<sup>rd</sup> June that this was the preferred option.

Fig. 3 Key Risks and opportunities for option 2

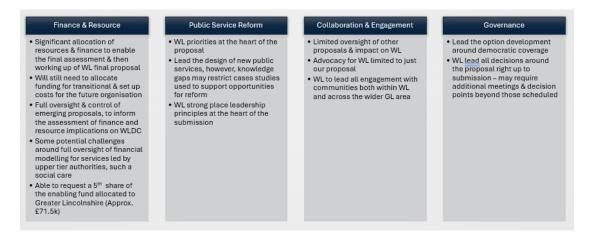


8.7 Option Three – 'Directive Engagement & Full Submission' The Council develop it's own Final Proposal and work up a full

# business case which accords with the requirements of the Governments criteria

This final option would see the Council 'hold the pen' and submit its own proposal to government in November 2025. Should members choose this option a further decision is required from Full Council as to which proposal to develop into a final submission.

Fig. 4 Key Risks and opportunities for option 3



8.8 Given the short time frame left (five months), the extensive work and associated cost, in the region of £200 - £300 thousand pounds required to meet the government's criteria in full, it is not considered feasible for the Council to pursue this option.

#### 9.0 Finance & Resource implications

- 9.1 Whether or not the Council plays an active role in LGR, there will be a requirement to develop specific evidence either in support of a final proposal, or in order to understand the impacts and implications any final proposals submitted by other councils will have on West Lindsey. This is necessary in order to begin the work required to transition West Lindsey services into the new unitary authority.
- 9.2 This evidence will be developed in such a way that it will support the Council's priorities and ensure the needs of West Lindsey residents, businesses and stakeholders can be well represented across each of the proposals, as well as specifically influencing public sector service reform proposals. Further the evidence can be used to support the implementation of any new unitary once the decision on the final geography has been made by Government.
- 9.3 The exact extent of the evidence, resource and financial implications has not yet been fully scoped however it is estimated that a sum of £50,000 will be required which will be approved in line with financial procedure rules, to support and facilitate the Council's involvement in the 4 Final Proposal's currently being considered.
- 9.4 As well as facilitating the development of the 4 Final Proposals, any data and evidence commissioned will be done so for the dual purpose of supporting the Council's response to the Final Submission

- requirements in the short term, but also longer term in supporting the Council's corporate priorities and helping to shape the priorities of the new unitary council with replace West Lindsey District Council.
- 9.5 Council will receive updates on commitment and spend, as well as reporting on the outcomes and recommendations of that work in due course.
- 9.6 Finally, whilst the resource allocation will support the initial work involved to deliver a position for the Final Submission date of 28th November 2025. There will be implications for the Council's own resources as a result of LGR and the requirements for policy development, implementation and service transformation which will need to be considered as part of the broader staffing structure. This will be considered in a future paper.

### 10.0 Summary

- 10.1 In considering the contents of the Interim Plan Feedback letter, Council is asked to note the government's feedback and requirements for the development of the Final Proposal submission on 28<sup>th</sup> November 2025, specifically:
  - Fully appraised whole area options which supports devolution and the Greater Lincolnshire Mayoral County Combined Authority (GLCCA)
  - Robust evidence base & financial modelling to demonstrate long term sustainability of future unitary organisations
  - Delivers high quality public services through innovative service reform
  - Clear evidence and positive risk mitigation where proposals recommend service disaggregation, particularly in relation to social care and other high risk and high-cost services
  - Include evidence of thorough engagement and strong community voice
  - Demonstration how the new organisation will maintain close links to the community
- 10.2 The 'supportive engagement' option has been recommended acknowledging that there remains a number unknown and untested elements of each of the 4 Final Proposals.
- 10.3 It is anticipated that each of the 4 Final Proposals will need further detailed work and evidence to meet the assessment criteria. In order to do this each proposal will need to be able to demonstrate reliance on robust data and financial modelling, support through feedback from residents and stakeholders across the whole Greater Lincolnshire area and be formally supported by organisations that are either in other administrative areas, such as Rutland in Leicestershire or those areas who have chosen not to engage in LGR.

- 10.4 As such the opportunity for the Council to work with partners promoting the 4 Final Proposals to shape and influence inputs and considerations is appropriate. This also allows the Council time to refine thinking around priorities which promote the best outcomes for residents and business of West Lindsey, particularly around quality service provision, appropriate levels of democratic representation and maintaining good local linkages between a new larger unitary organisation and the community it serves.
- 10.5 Acknowledging there remains much work to be done both by the Council, and across Greater Lincolnshire to prepare a Final Proposal submission by November 2025, Council is asked to support the recommendations laid out in this report to allow work to take place across all four Final Proposals, including the development of a bespoke evidence base to support the Council's priorities and promote the best interests of the West Lindsey district.