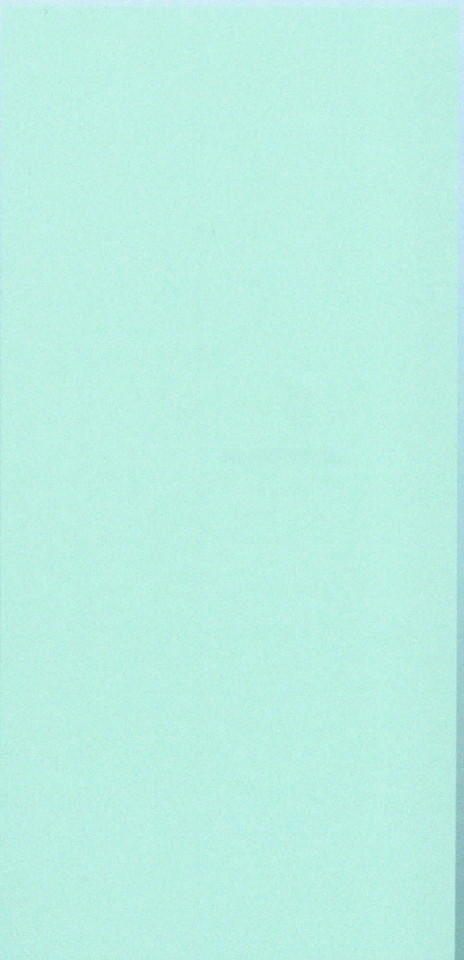


Local Government Reorganisation in Worcestershire



Letter from minister received in December 2024

Unitary: New unitary councils must be the right size to achieve efficiencies – for most areas this will mean creating councils with a **population of 500,000 or more**

Devolution: ‘Strategic Authorities’ - Mayors and councils working together, covering areas that people recognise and work in - Where progress is slow, Government will mandate them.

National Context - Local Government



Financial Pressures: Local government in the UK is facing significant financial challenge. The LGA estimates a funding gap of **£4 billion** over the next two years. Despite additional funding from the government, many councils still need to make significant cost savings following a long period of austerity, and increases in council tax to balance budgets are inevitable. This financial strain affects the delivery of local services and the ability of councils to plan for the future, and impacts the standards of living of Worcestershire's residents.

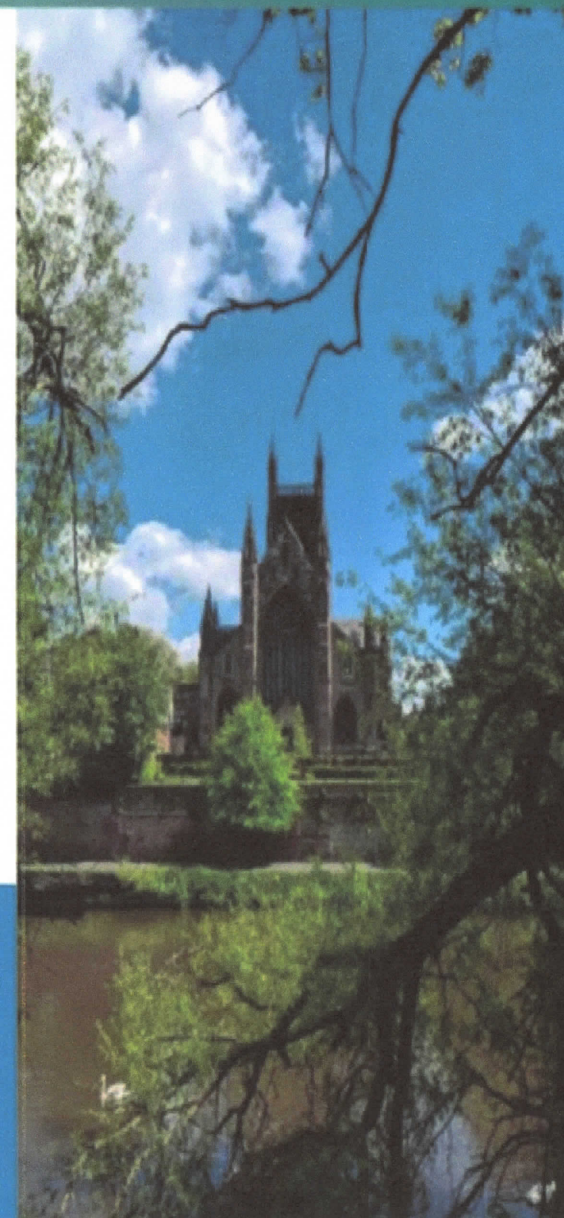


Demand for Services: Population growth, an ageing demographic, and increasingly complex needs being met in the community are driving increased demand for higher-cost services. This is particularly the case in special educational needs and disabilities, with deficits in the Dedicated Schools Grant now impacting general funding, and potentially likely to become the responsibility of local authorities in future.



Social Care Costs: The rising costs of commissioning and delivering social care for adults and children are a major cost pressure. Over the past five years, adult social care costs have increased by 9% in real terms, while children's social care costs have risen by 18%. These services are heavily regulated by central government, and there are few avenues available to local authorities to reduce costs and demands whilst still meeting the expected standards.

The national relationship with local government is changing. As a result councils are facing a challenge to align to a new environment based on a single tier of governance, increased regional collaboration, and incentives to act regionally. The Government is actively pursuing LGR to create simpler and more efficient local structures which will form a pathway to greater devolution. Although local authorities have adapted to local challenges, finding ways to collaborate across the two tiers, the pace required to respond means that reform is essential.



Planned structure of local government

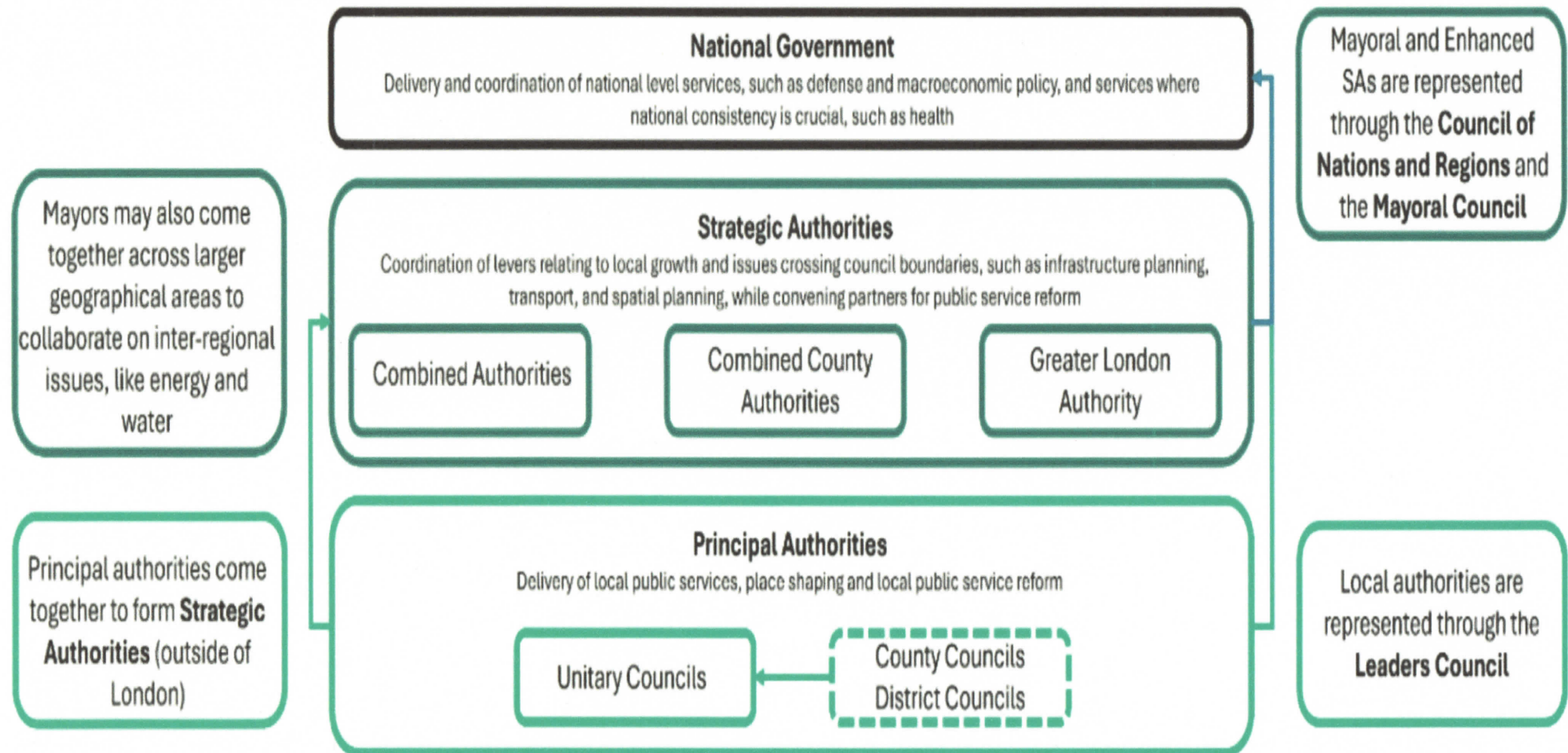
4

The following diagram sets out the planned structure of local government:

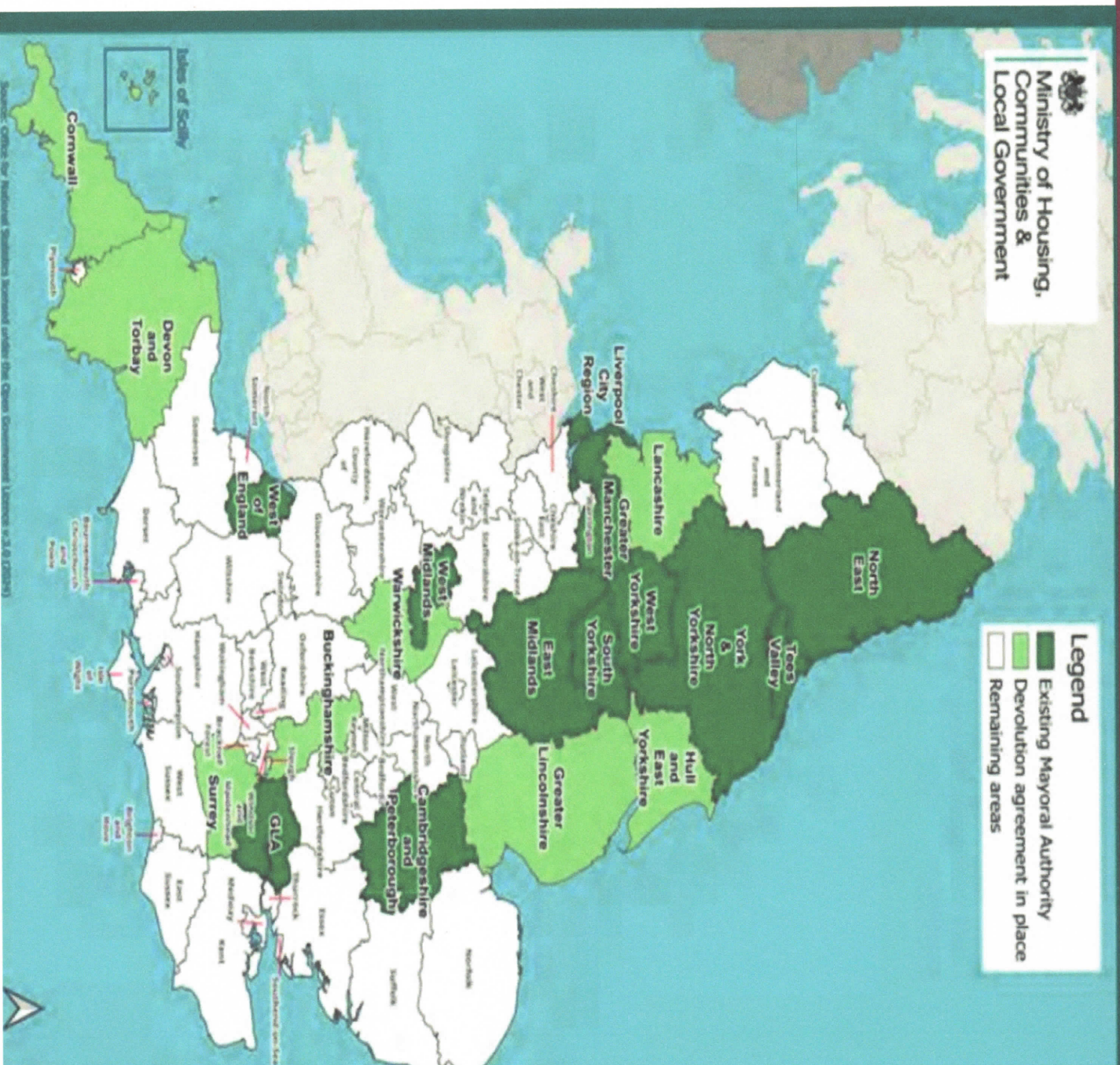
Policymaking and coordination

Tiers of government

Representation



MHCLG Map of Current English Devolution



When agreeing geographies, Government will be considering:

- **Scale.** The default of a combined population of 1.5 million or above
- **Economies:** Must cover sensible economic geographies with focus on functional economic areas
- **No 'devolution islands':** Geographies must not create devolution 'islands' by leaving areas which are too small to go it alone or which do not have natural partners.
- **Alignment:** The government will seek to promote alignment between devolution boundaries and other public sector boundaries.
- **Identity:** ability for local residents to engage and hold devolved institutions to account
- Strategic Authorities will have a defined list of areas of competence, set out in law, in the following areas, key to driving growth:
 - Transport, Skills and Employment Support, Housing and Planning, Environment and Climate Change, Supporting Businesses and Research, Reforming and Joining Up Public Services.

National context - Devolution and reform



The Devolution White paper, launched by the government in late 2024 marks a distinct shift in the approach to re-organising local government in England. The paper signals a move from the 'devolution deal' required by previous administrations, towards a new approach founded on an assumption that significant change is needed across the country in order to improve local services and to fundamentally change how they are funded to support sustainability.

The white paper is driven by three specific ambitions:

- for **increased powers** to be vested in local and regional government
- for 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,
- for these radical changes to **happen at pace**, hastening the delivery of benefits to everyone.

The white paper effectively provides two routes to the consolidation of governance:

- **Reorganisation** - through the creation of new unitary authorities which will ultimately remove the 'two tier' model of delivery from the map. This may involve the creation of a new unitary council which amalgamates the current county and districts into a single council, or creation of new unitary authorities to replace counties, which bring together groups of districts with disaggregated or shared county services.

- **Devolution** - through the creation of Strategic Authorities with or without a Mayor, which coordinate and commission services at a regional level. This could include the collaboration of multiple unitary authorities to provide a strategic regional authority in a similar form to that currently in place in the West Midlands or West of England. The white paper includes specific ambitions and incentives for these authorities to drive economic growth and lead intra- and inter-regional transport initiatives.

These routes to devolution can be considered on a continuum, with reorganised and unitarised authorities providing a necessary building block for the creation of future strategic authorities.

Reorganise

Consolidate

Delegate

National context - Drivers for change



There are three primary drivers for Devolution and Local Government Reorganisation:

Efficiency - it is clear that many local authorities, following the challenges of austerity and Covid-19, are facing critical financial challenges. The delivery of services at scale may be the only way to find the efficiencies needed to stabilise finances, and to shape a sustainable future based on new ways of funding local services.

Transparency - the complexity and variation in local government structures around the country challenges citizens to understand how their council taxes are spent, how effectively services are performing, and most importantly how to secure the support they need. A simplified structure for local government offers an opportunity to reconnect communities with their councils and elected representatives.

Growth and prosperity - continued accelerated growth which reaches all parts of Worcestershire requires a strategy which reflects regional priorities, aspirations and opportunities. The conditions for future prosperity will be influenced by new infrastructure and investment which rely on a broader focus across a wider geography than that provided by individual councils.



Following the publication of the English Devolution White Paper in December 2024, the Ministry of Housing, Communities and Local Government (MHCLG) received requests to progress Devolution or Reorganisation in the initial cohort from over half of the 21 areas eligible.



Local context - Local government in Worcestershire

The history of local government in Worcestershire is complex, with shifting boundaries and responsibilities, often as a result of changes outside the county, in the wider West Midlands. Reorganisation is not new to Worcestershire or its constituent districts, and there has historically been support for a range of positions. However, there is a longstanding continuity in the boundaries, identity and culture of Worcestershire which persists today.

Local Government Act, 1888

The administrative county of Worcestershire was created by this act, formalising the provision of services in any area based on historic county and hundred boundaries.

Local Government Act, 1992

This act introduced the 'unitary authority' offering the combined functions of non-metropolitan district, borough and county councils. A range of options were considered, and the Local Government Boundary Commission recommended that Hereford & Worcester should be split into three unitary authorities centred on Herefordshire, North Worcestershire and South Worcestershire. However, parliament selected a hybrid option of a unitary Herefordshire, and retention of district councils in Worcestershire..

Collaboration via Shared Services

A single leadership structure is developed for Redditch Borough Council and Bromsgrove District Council, and for Wychavon and Malvern Hills, bringing together key strategic roles. Other shared initiatives include Worcestershire Regulatory Services, North Worcestershire Economic Development Regeneration, and North Worcestershire Building Control hosted by Redditch and Wychavon Councils..

1974

1998

2025

1888

1992

2008

Hereford and Worcester

The Local Government Act 1972 made sweeping changes to the county map of the UK, not least in the creation of Hereford & Worcestershire County Council, and establishment of the District Councils which form the second tier of governance in Worcestershire today.

Worcestershire County Council and its six districts

The new county council began operating in 1998, within borders closely aligned with the original administrative County of Worcestershire, and a second tier of one city council and five districts. The districts were largely unchanged from the 1974 review, aside from Malvern Hills which was divided with Herefordshire.

Devolution and LGR white paper

In January 2025 Worcestershire County Council submitted a request to MHCLG to delay the planned 2025 elections with a view to exploring a case for change in the landscape of local governance.

Local context - Geography and governance

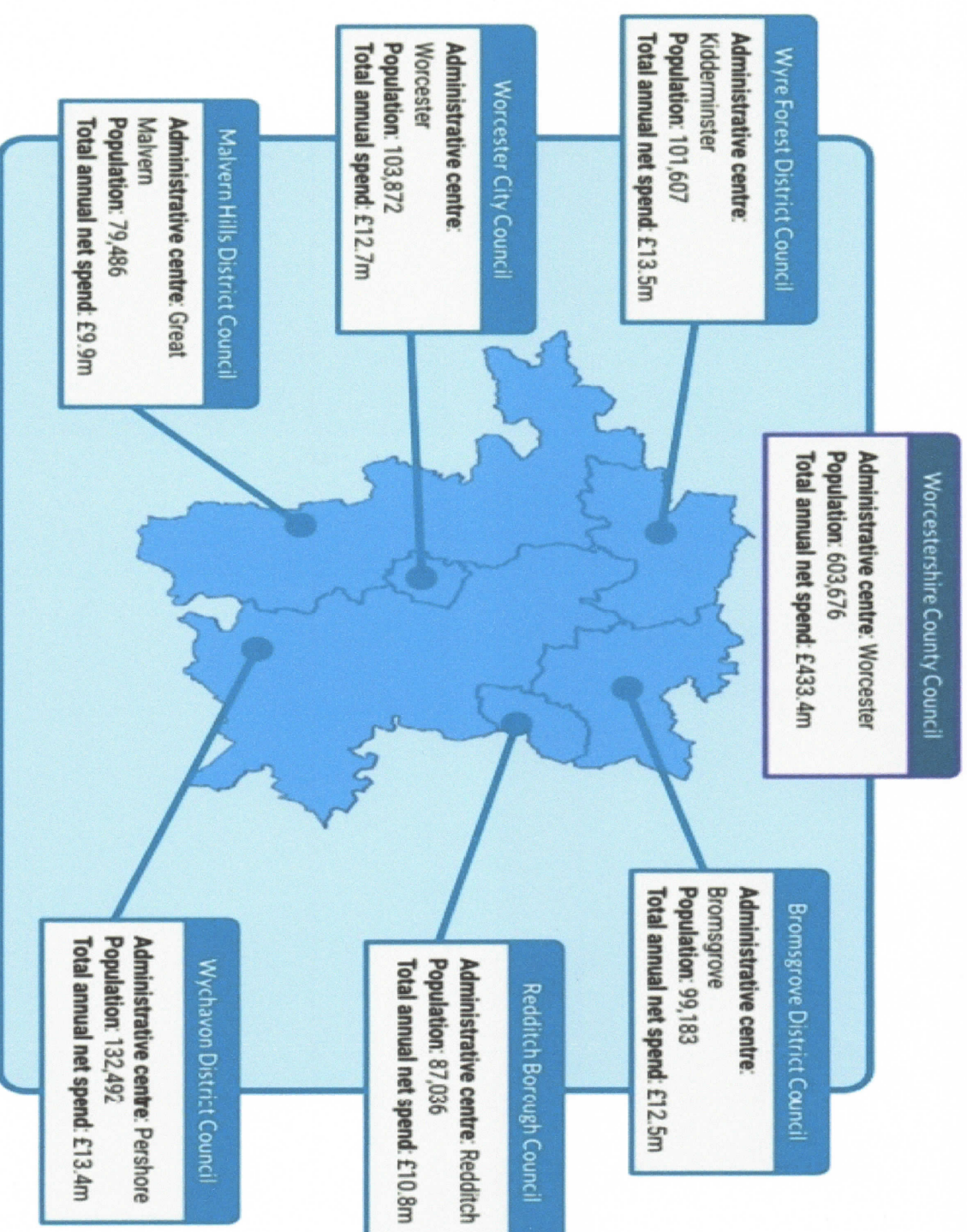


The area is currently served by multiple tiers of local governance - **Worcestershire County Council** provides education, social care, waste disposal and highways while **six second-tier councils** provide housing, waste collection and other local services. All District Councils are also subdivided into Parishes.

Six parliamentary constituencies largely coterminous with District boundaries, serve Worcestershire.

Worcestershire shares a boundary with the **West Midlands** to the north, and Redditch Borough Council has joined the West Midlands Combined Authority as a non-constituent member.

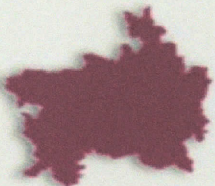

The county also borders **Gloucestershire, Warwickshire and Staffordshire** (which are also retain districts) and **Shropshire and Herefordshire** (unitary authorities).



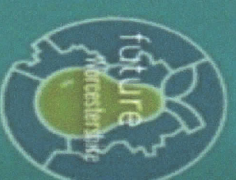
Options for change



Based on the geography and MHCLG guidance, there are two potentially viable options - a **single unitary authority**, or **two unitary authorities** based on a north-south division of existing Districts. An east-west option was ruled out on the basis that it creates large rural areas which are distant from key population centres, and results in imbalances in population which would impact the sustainability of the option.

Option	Geography	Population
1. A single unitary authority		603,676
2. Two unitary authorities - North/South		<div>North: 287,826</div> <div>South: 315,850</div>

Engaging with the local community



Any proposal to change governance in Worcestershire will require a commitment to engaging with stakeholders in the statutory, voluntary and private sectors, and particularly with local residents:



Routes to resources: Developing clear pathways for resources to support change, and for responses to questions will ensure that community concerns are addressed promptly and effectively. This may include establishment of dedicated resources to support information provision, manage opportunities to meet with stakeholders, and to seek advice and support. If people feel that their concerns are being heard and escalated they will be more motivated to engage in the decision making process.



Building Effective Relationships: Relationships both within the current group of Worcestershire Councils, and with stakeholders across the County will be of paramount importance as the plan progresses. A shadow transitional executive (as required by legislation) and officer group should begin operation early, to enable an effective transition, and to respond to any challenging situations which may arise.



Focus on Inclusivity: Ensuring that engagement is inclusive and seeks the views of hard-to-reach groups in Worcestershire is essential. This may require targeted outreach, addressing barriers to participation, and ensuring that all community members feel their views are valued. During this period, it is also important that an Equalities Impact Assessment is undertaken to understand and mitigate any potentially disproportionate impacts.



Leveraging Existing Engagement and Community Relationships: Projects including REACH Worcestershire, which focuses on improving health and wellbeing outcomes through community engagement, can be expanded and adapted support residents transition to the new structure. These projects already have frameworks in place for engaging diverse groups.

From proposal to transformation



This section provides a preliminary overview of the timescales, activities and potential opportunities which will arise as Local Government Reorganisation progresses. The following slides focus on activity necessary before submission of a detailed proposal in November, and in order to implement the changes following decision. A future Strategic Business Case will provide a view on the potential scale of additional efficiencies which could be realised by progressing towards further public service transformation, both prior to and after vesting day.

Proposal

The submission of a proposal to MHCLG in March 2025 signals 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

Decision

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

Phase 1: Mobilisation

Phase 2: Transition

Phase 3: Transformation

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 will be required by statute, consisting of representatives of the current local government areas which will form the new unitary authority. This will generally include the leader of the County and District Councils concerned.

21 March
2025

28 November
2025

Vesting Day
Likely 2027/2028