

Public Document Pack



BROMSGROVE DISTRICT COUNCIL

MEETING OF THE COUNCIL

WEDNESDAY 12TH MARCH 2025, AT 6.00 P.M.

PARKSIDE SUITE - PARKSIDE

SUPPLEMENTARY DOCUMENTATION 1

The attached papers were specified as "to follow" on the Agenda previously distributed relating to the above mentioned meeting.

4. **Local Government Re-organisation - Interim Plan Proposals for Worcestershire - Bromsgrove** (Pages 3 - 16)

An addendum to this report has been issued in this supplementary pack for the extraordinary Council meeting which sets out the conclusions reached following the discussions taking place through the Worcestershire Leaders Board together with a further appendix (Appendix 5).

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7th March 2025

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Local Government Re-organisation – Interim Plan Proposals for Worcestershire – Bromsgrove - Addendum

1. RECOMMENDATIONS

Additional recommendation 1.4

Council RESOLVE:

- 1.4 That the Interim Plan (as attached at Appendix 5) which identifies two options for a unitary structure in Worcestershire, be adopted as the Council's interim plan response. This is to be sent to the Ministry of Housing, Communities and Local Government setting out the Council's position on local government re-organisation devolution.**

2. BACKGROUND

- 2.1 This is an addendum to the original report on Local Government Re-organisation which was published by the Council on 4th March 2025 for consideration at the extraordinary meeting of Council on 12th March.**
- 2.2 The addendum provides an update on discussions between the Leaders of the Councils in Worcestershire that have been taking place through the Worcestershire Leaders Board. Further, the addendum refers to Appendix 5 to the report, the joint Interim Plan for Worcestershire, which Members are being asked to approve as set out in additional recommendation 1.4.**

3. OPERATIONAL ISSUES

- 3.1 As set out at paragraphs 2.9 and 3.22 of the covering report published on 4th March, officers were waiting for the outcome of a further meeting of the Worcestershire Leaders Board which was due to take place on 6th March. The purpose of the meeting was to continue discussions on the submission of a joint interim plan covering the whole of Worcestershire. As noted in the covering report, the government expectation is that one interim plan should be submitted jointly for each County area.**
- 3.2 Officers can report that the outcome of the meeting was that all seven Councils have indicated their intention to move forward with the joint interim plan. This will be subject to approval of that course of action by Members either through individual Council meetings or other processes**

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as appropriate for the Councils concerned. As Members are aware the deadline for submission of the interim plan to the Ministry of Communities, Housing and Local Government (MCHLG) is 21st March 2025. It should be noted that whilst the outcome of discussions through the Leaders Board has led to support for the submission of the joint Interim Plan at Appendix 5, individual councils may still choose to send additional comments relating to their own council to the MCHLG before the 21st March deadline

- 3.3 The joint Interim Plan sets out two alternative models of either a county wide unitary or two unitaries based in the North and the South, and expresses the 7 Worcestershire councils' commitment to working collaboratively to further examine the two options.

Proposals in the Worcestershire Interim Plan

- 3.4 Members are referred to the full details set out in the Interim Plan at Appendix 5. To highlight some key aspects Members are referred to the following points:-
- 3.5 With regard to timing, it is proposed in the Interim Plan that a unitary structure (or structures) be introduced across Worcestershire with effect from 01 April 2028 following elections to a shadow authority in 2027.
- 3.6 As already reported to Members the only two re-organisation models under consideration are:-
- Option A: A unitary council for the whole county with an estimated population of 614,000; or
- Option B: Two unitary councils, one made up of Malvern Hills, Worcester City and Wychavon (population 323,000) and the other made up of Bromsgrove, Redditch and Wyre Forest (population 291,000).
- 3.7 The county division boundaries have only recently been reviewed by the Boundary Commission. The Interim Plan suggests that the existing boundaries could continue to be used for a unitary structure by doubling the number of councillors per division. As none of the divisions crosses any District boundary this approach would be workable for either a single unitary council or two unitary councils and would result in the following size councils: -

Option A – single unitary – 114 councillors.

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Option B - 60 members in the Southern unitary council and 54 members in the Northern unitary council.

- 3.8 The Interim Plan identifies a clash in May 2027 between proposed elections for the new unitary structure and the district council elections which are due to take place. It is therefore being recommended to government that the 2027 district council elections should be cancelled and the term of office of those councillors that was due to end in May 2027 be extended to May 2028.
- 3.9 With regard to progressing devolution, the interim plan includes a pledge that "Worcestershire's councils commit themselves to working with neighbouring and nearby county and district councils and unitary authorities to provide clarity about the footprint [of a mayoral combined authority] and timetable as part of the final proposals". It further states that "Discussions with councils in neighbouring areas will be taken forward by all seven councils in order to identify a position that is supported not only in Worcestershire but also in other areas that would participate in a devolution structure".

Supporting evidence

- 3.10 Worcestershire County Council has commissioned PricewaterhouseCoopers ("PwC") to advise them on the likely costs and savings associated with the two models being considered. An initial assessment has been produced but further work needs to be done to fully understand the assumptions that were used for the modelling. At this stage the Section 151 officer is waiting for further information in relation to the PwC model to be shared by the County Council and until more data is forthcoming it will not be possible to validate to the assumptions in the PwC model.
- 3.11 Whilst it is to be welcomed that the 7 Worcestershire Councils are pledging to work collaboratively, as identified at paragraphs 3.29 to 3.31 of the covering report, it remains the case that additional expertise may be needed to carry out more detailed work on option appraisal.

4. APPENDICES and BACKGROUND PAPERS

Appendices

Appendix 5 - Interim Plan for local government reorganisation in Worcestershire

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APPENDIX 5 Interim plan for local government reorganisation in Worcestershire

1 Worcestershire: an introduction

Worcestershire is one of the historic counties of England formed in the Anglo-Saxon period. It is located in the West Midlands and is bounded to the north by the southern tip of the county of Staffordshire as well as the metropolitan districts of Dudley, Birmingham and Solihull; to the east by the county of Warwickshire; to the south by the county of Gloucestershire; and to the west by the unitary councils of Herefordshire and Shropshire.

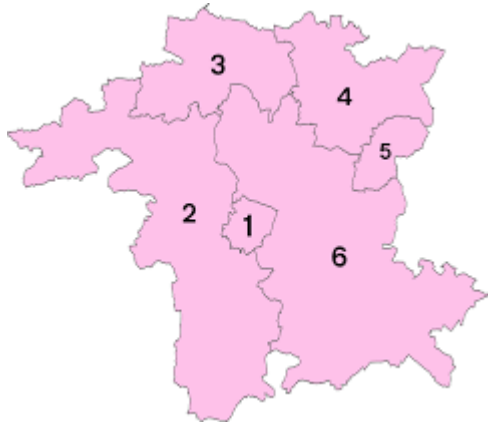
The boundaries of Worcestershire have changed many times over the centuries, with areas being added to and taken from the county, particularly areas to the north that now form part of Dudley. From 1974 to 1998, the counties of Hereford and Worcester were formed into a single county council which was not a success and ultimately led to the creation of the unitary Herefordshire council.

Worcestershire falls within the area of West Mercia Police, which also serves Herefordshire, Shropshire and Telford & Wrekin. Fire and rescue services are delivered under the oversight of the Hereford and Worcester Fire Authority. The Herefordshire and Worcestershire Integrated Care Board covers the area of the two counties.

The map shows the ceremonial counties that surround Worcestershire.



There are six districts in the county of Worcestershire, all of which have been on their present boundaries since 1974 apart from changes made to the boundaries of Malvern Hills district when Herefordshire was created as a unitary council.



Key to map of districts

1 Worcester; 2 Malvern Hills; 3 Wyre Forest; 4 Bromsgrove; 5 Redditch; 6 Wychavon

The table shows the population of the districts and the county area using ONS's 2023 mid year estimates and ONS's population projections for 2043 (ONS, 2018-based projections, 24 May 2020). 2021-based projections will be published in May 2025.

	Mid year estimate, 2023	Projection, 2043
Bromsgrove	100,679	117,014
Redditch	87,059	86,293
Wyre Forest	103,253	112,713
<i>Sub-total: North Worcestershire</i>	<i>290,991</i>	<i>316,020</i>
Malvern Hills	81,822	92,799
Worcester	105,143	106,719
Wychavon	136,229	163,042
<i>Sub-total: South Worcestershire</i>	<i>323,194</i>	<i>362,560</i>
Worcestershire	614,185	678,580

2 Worcestershire's approach to reorganisation

The seven principal councils in Worcestershire have worked positively together since the current local government structure came into effect in 1998. Across that period, there has not been a shared appetite across the councils for further reorganisation. The seven councils make clear that they have not sought reorganisation at this time.

However, the Government's policy set out in the English Devolution White Paper makes clear that the structure which continues to work successfully in Worcestershire must be replaced with a unitary structure. (In this plan, "unitary

structure” means a local government structure that involves only unitary principal authorities. The singular “structure” does not imply any view about the number of unitary authorities.) It is in that context that the seven principal councils of Worcestershire expect reorganisation on 1 April 2028 as well as the county’s participation in devolution. It is recognised that a unitary structure would represent a simplification and be clearer for residents, businesses etc. as it would remove the transactional boundary between county and district functions. They would welcome feedback from the Government on this interim plan.

3 Options for a unitary structure

The councils believe that a unitary structure would be implemented across Worcestershire with effect from 1 April 2028, with elections being held in May 2027. Worcestershire councils and the Government should provide this clarity on the timetable, as it is essential in order to provide certainty for staff, councillors, partners and others.

Any proposal submitted will address the full range of the Government’s criteria set out in the statutory guidance issued on 5 February. For the interim plan, it has not been possible in the time available to undertake detailed assessment against all criteria.

The seven councils support reorganisation being within the boundaries of the county of Worcestershire only and using whole districts as building blocks.

Based on formal resolutions agreed by several councils, there are only two options for a unitary structure in respect of size and boundaries:

- (a) a unitary council for the whole county of Worcestershire, population 614k (2023 mid-year estimate). This accords with the statutory guidance that “As a guiding principle, new councils should aim for a population of 500,000 or more”;
- (b) two unitary councils in Worcestershire, one comprising the districts of Malvern Hills, Worcester and Wychavon (population 323k) and the other comprising the districts of Bromsgrove, Redditch and Wyre Forest (population 291k). This accords with the statutory guidance that “there may be certain scenarios in which this 500,000 figure does not make sense for an area, including on devolution”.

The table summarises the formal position of each of the seven councils (**drafting note: to be updated in light of outcome of meetings being held before 21 March**)

The formal position of each of the seven councils at the time of submission of the interim plan	
Worcester	Resolution of 11 February: “preferred option is for a South Worcestershire unitary council...builds on the strength of our partnerships with the other South Worcestershire district councils and our

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	strategic planning policy, the South Worcestershire Development Plan”.
Malvern Hills	Resolution of 25 February: “a two unitary council option for Worcestershire with one council for South Worcestershire comprising the districts of Malvern Hills, Worcester City and Wychavon is likely to provide the better solution.... so this is currently our first preference”.
Wyre Forest	Resolution of 26 February: “the best deal for Wyre Forest residents is a “One Worcestershire” approach of a Worcestershire unitary council It considers that a North Worcestershire unitary and South Worcestershire unitary would not meet the Government’s own policy agenda”
Wychavon	Resolution of 26 February: “their preferred view regarding local government reorganisation and devolution at the present stage was that both the One Worcestershire model and the North (Bromsgrove, Redditch, Wyre Forest) / South (Malvern Hills, Worcester City and Wychavon) model should be explored”.
Bromsgrove	<i>TBC Want to see the evidence in support of the two options, and wish to look at both options</i> <precise wording to follow resolution of Council on 12 March>
Redditch	<i>TBC Prepared to look at and explore both options but preference is for two unitary councils</i> <precise wording to follow resolution of Council on 17 March>
Worcestershire	<i>Worcestershire County Council only supports one option, a single Unitary Authority covering the whole county as detailed in the PWC report that will</i>

	<i>also be submitted to government in response to the interim plan</i> <precise wording to follow resolution by Cabinet on 20 March>
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All councils accept that the options set out above are the only two options, but they all recognise that views differ on the level to which both options meet the full range of the Government's criteria.

At present, there is not unanimity among the seven principal councils. More work will be done to identify which structure will feature in the proposal submitted by 28 November, with a view to reaching agreement upon it. However, all councils recognise that ultimately there might be competing proposals.

4 Costs of a unitary structure

Work is being done on the costs and savings associated with moving to a unitary structure, including an initial assessment that has been commissioned by the county council from PwC. At this stage, there has not been time for PwC's assumptions to be fully tested by all councils. Further work will be done on costs and savings in preparing final proposals.

No work has yet been done on planning for future service transformation opportunities. In Worcestershire, some district services are already organised on a basis that is either county-wide, aligned with option (b) or on a shared service basis/shared management arrangements across districts and borough councils. In that respect, there is more limited scope for service transformation than exists in some other county areas where districts each continue to make their own arrangements.

5 Devolution

The seven principal councils in Worcestershire wish to realise the benefits of devolution for the county's communities, residents and businesses. Initial discussions have been held between some Worcestershire councils and councils in neighbouring areas.

Ultimately the footprint and timing of the devolution process will involve decisions with neighbouring areas about what area represents a sensible economic geography to support and drive growth. Worcestershire's councils commit themselves to working with neighbouring and nearby county and district councils and unitary authorities to provide clarity about the footprint and timetable as part of final proposals.

The earliest timetable would see elections for a mayor or mayors in May 2027, with the unitary council or councils being constituent members of a mayoral combined authority from that date. Later timetables are possible such as mayoral elections in May 2028.

Whether there are one or two unitary councils in Worcestershire, their population would be comparable to or larger than other unitary authorities that exist in neighbouring areas; and they would be unlikely to be significantly smaller than any new unitary authorities that are created in neighbouring areas that have county and district councils. It would therefore be easy to incorporate one or two councils within a mayoral combined authority footprint in a way that did not lead to unwieldy governance arrangements.

There is a range of options for the footprint of a mayoral combined authority. It is recognised that, under option (b), it is possible that the two councils could be in different mayoral combined authorities. Discussions with councils in neighbouring areas will be taken forward by all seven councils in order to identify a position that is supported not only in Worcestershire but also in the other areas that would participate in a devolution structure.

In advance of Worcestershire councils being able to produce a proposal for reorganisation that is aligned with devolution, it will be essential that the Government sets out a clear and unequivocal position on whether it is prepared to see the areas of police forces, fire and rescue services and integrated care boards split. If the answer to any or each of those is “no”, it has a fundamental effect on the footprints that are possible, given the Government’s policy statements about alignment.

6 Electoral arrangements

The electoral arrangements for the county council have recently been reviewed by the Local Government Boundary Commission for England and will be used for the elections on 1 May 2025.

To avoid repeating work done only recently by the Commission, they could continue to be used without any additional effort for a unitary structure. There is no county electoral division in the Worcestershire (Electoral Changes) Order 2024 that crosses a district boundary. The divisions could therefore easily be used for two unitary councils in option (b), and they should be used in the event of a single unitary council.

One option could be to double the number of councillors in each division, a simple solution that would provide councils of the following sizes:

Option (a) – a unitary council of 114 members;

Option (b) – a unitary council for southern Worcestershire of 60 members and a unitary council for northern Worcestershire of 54 members.

This would represent a reduction of 143 councillors (-56%) compared to the current structure of 257 councillors. Assuming that the basic allowance for a unitary councillor would be broadly similar to the basic allowance of c£12k paid in nearby unitaries such as Shropshire and Telford & Wrekin, it would provide an estimated saving of about £300k a year.

Holding elections to the unitary structure in May 2027 results in extra cost, which constitutes a preparatory cost for which we seek funding. District councils have

whole council elections in May 2027 except Redditch (one third of councillors to be elected) and Worcester (May 2028). The district council elections in May 2027 should be cancelled and the term of office of district councillors that is due to end then should be extended to 31 March 2028. In line with arrangements for unitary councils elsewhere, elections to the new structure should be held every four years from 2027 i.e. 2031, 2035 etc.

Adopting the proposed arrangements for the first elections to the unitary structure would not preclude a subsequent review by the Boundary Commission, for example to reduce councillor numbers further or to create single member divisions.

If mayoral elections were held in May 2027, at the same time as elections to the unitary structure, we advocate a different timetable for subsequent mayoral elections. Holding elections in different years is preferable as it ensures that there is a clear, separate mandate for a mayor and for unitary councillors. If the first mayoral elections were held in 2027 at the same time as elections to the unitary structure, this separation could be achieved by the first term of office for a mayor being either three or five years, so that subsequent mayoral elections would be in 2030 or 2032. We will address this issue as appropriate in discussions with neighbouring areas about devolution.

7 Engagement

The Ministerial letter of 5 February has provided insufficient time for engagement with the public, businesses, staff or other stakeholders, although there have been informal conversations with some neighbouring councils and stakeholders in Worcestershire.

The councils will undertake wide engagement before submitting a proposal and will set out the results as part of the proposal.

8 Preparatory costs

The councils are prepared to undertake engagement work with public and businesses; to take other steps to prepare proposals including the work already commissioned from PwC; and to set up an implementation team involving staff from all councils. Worcestershire councils seek Government funding to cover these preparatory costs, as they are a direct consequence of Government policy as set out in the devolution white paper. They are a new burden, representing additional work when there are no offsetting savings to fund them: the Government's decision not to postpone the May 2025 elections means that an opportunity for savings has been lost.

The preparatory costs that can be identified or estimated at present are set out in the table. **These are early estimates and may not include all preparatory costs that will arise. Worcestershire councils reserve the right to submit updated estimates as the process goes forward.**

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Opportunity cost of existing staff time in producing interim plan and proposals: not charged	Zero
PwC business case, March 2025	Up to £70k
Policy and consultancy support for preparation of proposals Assumption: preparation of proposals subsumes public engagement to underpin proposals (including weighted opinion survey that produces reliable indications from each district area). Based on £500k for each potential proposal.	£500k-£1.0m
Additional cost of unitary elections in Worcester in May 2027 (plus minor additional costs in Redditch) Elections in Worcester would be a year earlier than normal but the saving from not holding those elections will not be available to fund costs in 2027-28.	£100k-£120k
Additional basic allowances for members, 11 months, May 2027 to March 2028 The costs vary depending on the structural arrangements in the shadow period, but the higher end of the range assumes elections will be held to a unitary structure in May 2027. Special responsibility allowances for shadow period to be estimated	£275k-£565k (basic allowances only)
Statutory officers for shadow period Costs arise if there is one shadow council that is not the present county council or there are two shadow councils	Zero-£500k
Implementation team/programme management office, miscellaneous professional and consultancy support e.g. valuations of properties, legal advice, HR support in period to March 2028	To be identified as part of final proposals
Minimum estimated total	£1m to £2.3m

9 Joint working on reorganisation and devolution

The seven principal councils in Worcestershire have a record of working together positively. The leaders in the guise of the Worcestershire Leaders' Board have confirmed the commitment of all councils to openness and collaboration, and have also supported the principle of a memorandum of understanding on collaboration, which is being drafted.

10 Barriers or challenges requiring Government action

Early written feedback and views from Government following submission of the interim plan, and deadline by which they will be provided.

Early written confirmation of the level of funding that will be made available for preparatory costs to submit proposals and to prepare for reorganisation, and which councils would receive the funding.

Early confirmation of the Government's policy position on splitting areas of police, fire and integrated care boards.

Confirmation of the Government's preferred date for devolution embracing Worcestershire, and the dates by which a footprint for devolution would need to be agreed with neighbouring areas in order to allow mayoral elections in May 2027 or in May 2028.

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