BROMSGROVE DISTRICT COUNCIL

EXTRAORDINARY MEETING OF THE COUNCIL

WEDNESDAY 3RD SEPTEMBER 2025
AT 6.00 P.M.

PARKSIDE SUITE - PARKSIDE

MEMBERS: Councillors S. M. Evans (Chairman), B. Kumar (Vice-Chairman), S. Ammar, A. Bailes, R. Bailes, S. J. Baxter, J. Clarke, S. R. Colella, A. M. Dale, J. Elledge, D. J. A. Forsythe, E. M. S. Gray, C.A. Hotham, D. Hopkins, R. J. Hunter, H. J. Jones, R. E. Lambert, M. Marshall, K.J. May, P. M. McDonald, B. McEldowney, S. T. Nock, D. J. Nicholl, S. R. Peters, J. Robinson, S. A. Robinson, J. D. Stanley, K. Taylor, H. D. N. Warren-Clarke, S. A. Webb and P. J. Whittaker

AGENDA

WELCOME

1. **To receive apologies for absence**

2. **Declarations of Interest**

   To invite Councillors to declare any Disclosable Pecuniary Interests or Other Disclosable Interests they may have in items on the agenda, and to confirm the nature of those interests.

3. **Local Government Reorganisation Report - Mutual Ventures** (Pages 5 - 290)

4. **To consider any urgent business, details of which have been notified to the Assistant Director of Legal, Democratic and Procurement Services prior to the commencement of the meeting and which the Chairman, by reason of special circumstances, considers to be of so urgent a nature that it cannot wait until the next meeting**

J. Leach
Chief Executive

Parkside
Market Street
BROMSGROVE
Worcestershire
B61 8DA

26th August 2025

If you have any queries on this Agenda please contact
Jess Bayley-Hill and Jo Gresham

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Notes:

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BROMSGROVE DISTRICT COUNCIL

Council **3rd September 2025**

Local Government Re-organisation – Outcome of Options Appraisal Work

Relevant Portfolio Holder	Councillor Karen May, Leader and Cabinet Member for Strategic Partnerships and Enabling
Portfolio Holder Consulted	Yes
Relevant Senior Officers	John Leach, Chief Executive Claire Felton, Assistant Director of Legal, Democratic and Procurement Services
Report Authors John Leach Claire Felton	Job Title: Chief Executive Contact email: john.leach@bromsgroveandredditch.gov.uk Job Title: Assistant Director of Legal, Democratic and Procurement Services Contact email: c.felton@bromsgroveandredditch.gov.uk
Wards Affected	All
Ward Councillor(s) consulted	N/A
Relevant Council Priority	All Council Priorities
Non-Key Decision	
If you have any questions about this report, please contact the report author in advance of the meeting.	

1. RECOMMENDATIONS

Members are asked to RESOLVE to: -

1.1 NOTE the matters set out in this report and the findings of the Options Appraisal carried out by Mutual Ventures attached at Appendix 1; and appendices associated with the Mutual Ventures report listed within their report as Appendix A - Financial modelling and assumptions, Appendix B – Shape Worcestershire: outputs from public engagement, staff surveys and focus groups and Appendix C – Place profiles.

RESOLVE

1.2 Which model of Local Government re-organisation be selected as the Council's preferred option to be progressed to be developed into the final proposals for submission to the Ministry of Housing Communities and Local Government by the deadline of 28th November 2025. Members are asked to select from one of the following options: -

OPTION A: One Unitary Authority for the whole of Worcestershire made up of the six district/borough areas of Bromsgrove, Malvern Hills, Redditch, Worcester City, Wychavon and Wyre Forest (currently covered by the six Worcestershire District Councils and Worcestershire County Council).

OPTION B (Presented as Options B1 and B2 in this report): Two Unitary Authorities made up of North Worcestershire (covering Bromsgrove District, Redditch Borough and Wyre Forest District) and South Worcestershire (covering Malvern Hills District, Worcester City and Wychavon District) providing the former district/borough and county council local government services for each area.

1.3 That having selected Option A or Option B, that Members instruct officers: -

1.3.1 To undertake further analysis and development of the option selected under Recommendation 1.2 above: and

1.3.2 To bring back to Members at an extraordinary Council meeting in November a set of final proposals for their consideration representing the Council's draft submission on Local Government Re-organisation; and

1.3.3 In recognition of the requirement to collaborate with other authorities when putting forward plans for Local Government Reorganisation, to work with the Leader of this Council and Leader or Leaders of any other authorities which have chosen the same option to develop joint final proposals for consideration at the meeting referred to in 1.3.2,

1.4 To delegate authority to the Chief Executive following consultation with the Leader to work with other councils and consultants as necessary.

1.5 To agree a supplementary budget estimate of up to £100,000 to allow further work on the Council's proposal for Local Government Reorganisation. This is in two tranches of firstly £50,000 with a second tranche of £50,000 to be drawn only if required, under authority delegated to the Chief Executive following consultation with the Leader of the Council.

2. BACKGROUND

2.1 On 12th March 2025 members considered a report on the interim plan proposals for Local Government Reorganisation in Worcestershire. The purpose of the report was to inform Members of the proposals for Local Government devolution and re-organisation as set out in the Government White Paper titled English Devolution published on 16th December 2024 (referred to in this report as the "White Paper") by the Ministry of Housing Communities and Local Government ("MHCLG").

2.2 In the White Paper, the Government set out its ambition to create new Strategic Authorities (the new name for Combined Authorities). The establishment of the new Strategic Authorities

would enable increased levels of devolution to take place in locations not currently covered by a Combined Authority. It is the Government's intention that Strategic Authorities will have the ability to perform functions in the following areas: -

- transport and local infrastructure
- skills and employment support
- housing and strategic planning
- economic development and regeneration
- environment and net zero
- health, wellbeing and public service reform
- public safety

These are referred to as a Strategic Authority's "areas of competence" and are outlined in the English Devolution and Community Empowerment Bill. A link to the guidance to the Bill has been included in the background papers for this report.

2.3. Alongside the extension of Strategic Authorities to all areas, the Government announced its intention to carry out Local Government Reorganisation ("LGR"). This applies to all remaining areas of two-tier Local Government, i.e. areas where there are both County Councils and District Councils. The two-tier structures will be abolished and replaced with one tier Unitary Councils.

2.4 On 5th February 2025 the Minister wrote to all the Worcestershire authorities inviting the council leaders in the area to develop a proposal for single tier re-organisation in exercise of powers under Part 1 of the Local Government and Public Involvement in Health Act 2007. The timetable imposed by the Government required interim proposals to be submitted by 21st March 2025 and final proposals by 28th November 2025.

2.5 At the time of meeting on 12th March the Leaders of the authorities in Worcestershire had been holding joint discussions through the Worcestershire Leaders Board, supported by their respective Chief Executives. The focus had been to prepare a Draft Interim Plan setting out proposals for a unitary model or models covering Worcestershire as a whole. The draft interim plan would then be subject to agreement by each of the Councils in Worcestershire.

2.6 It emerged from the discussions that there was no one model on which all Councils could agree, and the final position reached was that the Draft Interim Plan would cover two options as follows: -

- OPTION A: One Unitary Authority for the whole county of Worcestershire.
- OPTION B: Two Unitary Authorities made up of North Worcestershire (covering the footprint of Bromsgrove, Redditch and Wyre Forest) and South Worcestershire

(covering the footprint of Malvern Hills, Worcester City and Wychavon) together with associated County Council functions for each area.

2.7 By the date of the meeting on 12th March, Members had been supplied with the approved version of the Draft Interim Plan and this document was discussed at some length. It was noted that there had not been a great deal of time between January 2025 and March 2025 to fully investigate and evaluate the options for LGR in Worcestershire. Some aspects required further detailed analysis particularly around the costs of the two alternative models of either a single unitary council or two separate unitaries for the North and the South of Worcestershire.

2.8 The final decision taken by Members was to support the submission of the Draft Interim Plan for Worcestershire which committed to further exploration of the two options of either a single county wide unitary or two separate North and South unitaries. It should be noted that unanimous agreement was not achieved across the county to investigate both options further.

2.9 At the meeting on 12th March, Members also discussed the report that had been commissioned by Worcestershire County Council from PricewaterhouseCoopers ("PwC"). This was a document that set out forecasts of the estimated costs of different models of single tier organisations for Worcestershire. At the meeting Members expressed concerns about the lack of transparency about the assumptions on which the PwC report had been based.

2.10 Following the meeting officers investigated commissioning a fresh options appraisal to assess the different models in the Interim Plan and how this piece of work could be combined with carrying out a public engagement exercise. As set out in the Ministerial Guidance issued on 5th February 2025, local leaders are expected to "ensure there is wide engagement with local partners and stakeholders, residents, workforce and the representatives and businesses on a proposal".

2.11 Noting the fact that there was not unanimous agreement, Bromsgrove District Council agreed to work in collaboration with the other District Councils in Worcestershire (excluding Wyre Forest District Council, which opted not to take part). A project was put together to jointly commission a piece of work, and following a procurement exercise, Mutual Ventures were selected to produce an Options Appraisal. Members are referred to the Options Appraisal issued by Mutual Ventures dated 26th August 2025 which is attached at Appendix 1.

2.12 This report therefore sets out an update for Members of events that have occurred since 12th March 2025, and the outcomes of the Options Appraisal undertaken by Mutual Ventures including an analysis of the results of the public and staff consultation. Members are being asked to consider the options appraisal provided through this report and decide which of the options (Option A or Option B (named as B1 and B2)) should be further developed to final proposal stage in order that a further report can be brought with this work to an extraordinary meeting of Council prior to the deadline for submission of final proposals on 28th November 2025.

3. OPERATIONAL ISSUES

BROMSGROVE DISTRICT COUNCIL

Council **3rd September 2025**

3.1 **Introduction and background**

3.1.1 The report to Members for the meeting on 12th March set out the full background of the Government's plans to widen and deepen devolution across England by the introduction of strategic authorities, and as a pre-cursor to this, the decision to launch a new round of re-organisation in two tier areas. These concepts were first set out in the English Devolution White Paper which was published on 16th December 2024. Subsequently on 5th February 2025, the Minister of State for Local Government and English Devolution ("the Minister of State") wrote to all the Leaders in Worcestershire to formally invite them to work with each other to develop a proposal for Local Government re-organisation. The invitation set out: -

- Further detail on the criteria.
- Guidance for the development of proposals.
- The timeline for the process.

3.1.2 As referred to at paragraph 2.4, the invitation to submit proposals has been made under Part 1 of the Local Government and Public Involvement in Health Act 2007 and invites Worcestershire County Council and the six District Councils in Worcestershire to submit a proposal for a single tier of Local Government. These proposals must be submitted to the Secretary of State by 28th November 2025.

3.1.3 There has been a strong emphasis from the Government on the need for the principal authorities in each County area to work together. The Minister's letter of 5th February states "We therefore expect local leaders to work collaboratively and proactively, including by sharing information to develop robust and sustainable unitary proposals that are in the best interests of the whole area to which this invitation is issued, rather than developing competing proposals. This will mean making every effort to work together to develop and jointly submit one proposal for unitary Local Government across the whole of your area."

3.1.4 The outcome of the Council meeting on 12th March was that Members agreed to adopt the Interim Plan for Worcestershire and that this be submitted to the MHCLG as the Council's interim response. A copy of the final version of the Interim Plan for Worcestershire as submitted to the MHCLG is attached at Appendix 2. Formal feedback on the interim Plan was received from MHCLG on 3rd June 2025 a copy of which is attached at Appendix 3 of this report. This feedback will need to be used to develop any final proposals for submission in November 2025.

3.1.5 In terms of other significant events relating to this report, the County Council elections took place on 1st May 2025 and this has resulted in a new administration taking over the running of Worcestershire County Council. Although the outcome of the election left no single political group in overall control, the Reform Party now holds the greatest number of seats on the Council and has therefore set up a new administration. The County Council has continued to pursue a single county option since the elections. The most up to date information available was discussed at the Overview and Scrutiny Performance Board Meeting of Worcestershire County Council held on 24th July 2025. A link to the papers for and the recording of that meeting has been included in the background papers to this report.

3.1.6 On 10th July 2025 the Government issued the first draft of the English Devolution and Community Empowerment Bill which is the document that will bring into law the ideas set out in the White Paper. The level of detail on LGR was not as great as some observers expected. The Government has indicated that where the Bill is silent on certain matters these areas will be the subject of secondary legislation and regulations at a later stage. It is not known what the timetable for the passage of the Bill through Parliament will be.

4.0 The Options Appraisal

4.1 This report provides feedback on a Local Government Reorganisation ("LGR") options appraisal that focused on two options (A and B) for the unitarisation of Local Government in Worcestershire. Option A is a new unitary council for the whole county of Worcestershire and Option B provides two unitary councils in Worcestershire (North Worcestershire: comprising the current districts of Bromsgrove and Wyre Forest and the borough of Redditch and South Worcestershire: comprising the current districts of Malvern Hills, Worcester City and Wychavon). Option B consists of two variants: Option B1 provides for two unitary councils to be established across Worcestershire; North Worcestershire (covering the current district areas of Bromsgrove and Wyre Forest and Borough of Redditch) and South Worcestershire (covering the current district areas of Malvern Hills, Worcester City and Wychavon). It involves the disaggregation and transferring of all statutory and non-statutory services, functions and operating model from Worcestershire County Council to the new unitary councils and the aggregation and transferring of all statutory and non-statutory services, functions and operating models from district councils to their respective new (north or south) unitary council. Option B2 provides two unitary councils established across Worcestershire; North Worcestershire and South Worcestershire. It offers a shared service/hybrid model across both new unitary councils, with specific services (i.e adult social care, children's services, education, adult education and transport) jointly delivered and commissioned. All other services would be delivered and commissioned by each new unitary council, including prevention and early help. The exact arrangement would be determined during the development of the full LGR proposal. The criteria used within this appraisal cover six key areas identified by the Minister of State for Local Government and English Devolution in relation to Local Government Reorganisation in his letter to the Leaders of all councils in Worcestershire (dated 5th February 2025), including further updates as they have been received from the Ministry of Housing and Local Government (MHCLG). The areas covered are: -

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

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

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

4. Proposals should show how councils in the area have sought to work together in coming to a view that meets local needs and is informed by local views.

5. New unitary structures must support devolution arrangements.

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

4.2 The options appraisal was commissioned by Bromsgrove District Council, Malvern Hills District Council, Redditch Borough Council, Worcester City Council and Wychavon District Council. Mutual Ventures whose aim "**is to make public services better, more sustainable and more connected to communities**" secured the commission and have been working with the commissioning councils to develop the options appraisal.

4.3 The approach taken in appraising each option was to consider against the Government's six criteria for LGR qualitative and quantitative information. The qualitative information considered was acquired through 32 engagement sessions, a countywide public survey for residents and other interested parties and staff surveys at the commissioning councils. The outputs from these engagements have been compiled and used to develop a series of design principles (see below). These principles demonstrate where broad consensus was achieved in terms of the key ambitions and characteristics that should inform and underpin Local Government structures, services, culture and priorities post-LGR.

4.4 Further work is required to develop the design principles and intended benefits into a comprehensive list of outcomes aligned to the Government's Local Government Outcomes Framework. This work would take place as part of any phase two work to develop a final proposal for consideration for submission to Government by 28th November 2025.

4.5 **Design Principles**

4.5.1 In developing the design principles **a transformation period of ten years** was utilised in recognising that although there will be a vesting day, change will take time. To this end it was determined that for LGR to be considered a success in ten years' time, services delivered by Local Government should effectively cover the following themes/activities: -

1. Relationship with the council(s)

- Be consistently high quality – whether I live in an urban or rural area
- Represent good value for money – so I can be confident in my council
- Be accessible, reliable and responsive – through a single front door to public services
- Be accountable – so I know who to talk to and how I can influence decisions that affect me and my community/business

2. Social

- Raise aspirations and improve life chances – irrespective of where I live and my background

- Catalyse pride in place – by investing in, protecting and celebrating our area, heritage and culture
- Reflect the needs of residents and communities by providing person centred support, rather than standardised services
- Empower communities to support themselves – we know what the problems are and how to solve them

3. Economic

- Create the conditions for economic growth and shared prosperity – aligning ambitious growth plans with the needs of residents, communities and businesses
- Provide connected infrastructure – that links communities, public services, businesses, community infrastructure and education/skills provision

4. Environmental

- Protect our environment – prioritising net zero, climate and flood resilience, air quality, nature recovery and protecting biodiversity
- Align increased housing supply with investment in public service provision – to manage the pressures on schools, GPs, roads and community services

4.5.2 Members in considering their preferred LGR option are encouraged as a guide to consider which model best aligns to this feedback alongside the feedback provided in this report against the Government's six criteria.

4.6 Shape Worcestershire Survey (See also Appendix 1.B)

4.6.1 The Shape Worcestershire public engagement campaign and survey was carried out for a month from 1st June to 29th June 2025. All borough, city and districts were involved including Wyre Forest District Council, but not the county council.

4.6.2 4,249 responses in total were received from across the county. The majority (94% or 4,009) were from residents. Some businesses, parish and town councils, and voluntary and community sector organisations also responded. The 'other' category of responses included police, church groups, housing associations, colleges, GPs, and some council employees and councillors.

4.6.3 The headline results were as provided in the table below: -

Based on the information provided, which option do you currently prefer?				
Answer Choices			Response Percent	Response Total
1	One unitary council covering all of Worcestershire		28.7%	1215
2	Two unitary councils - one for North Worcestershire and one for South Worcestershire		47.8%	2026
3	I don't have a preference		4.2%	176
4	I don't support reorganisation of local councils in Worcestershire		18.9%	799
5	I'm not interested		0.5%	20
			answered	4236
			skipped	13

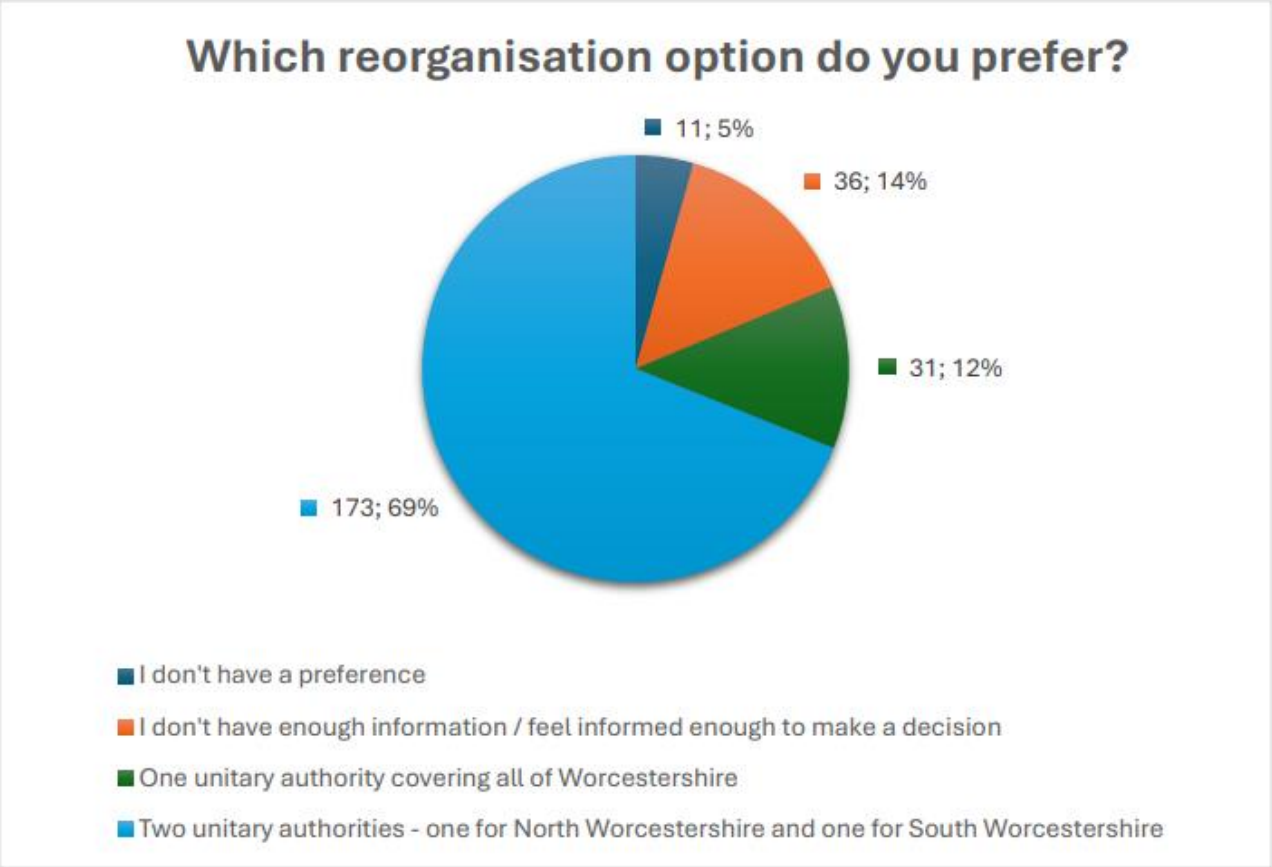
4.6.4 The Shape Worcestershire results by district council area were as follows: -

By local area - Based on the information provided, which option do you currently prefer?						
	Bromsgrove DC	Malvern Hills DC	Redditch BC	Worcester CC	Wychavon DC	Wyre Forest DC
One unitary authority	34%	24%	15%	46%	22%	40%
Two unitary authorities	46%	58%	41%	42%	57%	39%
I don't have a preference	2%	4%	6%	4%	3%	6%
I don't support reorganisation	18%	14%	37%	8%	17%	15%
I'm not interested	<0.2%	<0.5%	<1%	0	<1%	<0.5%

4.7 Staff Survey Results

4.7.1 The Bromsgrove District Council (BDC) and Redditch Borough Council (RBC) staff survey was launched on Wednesday 25th June and ran for three weeks, closing on Wednesday 16th July to the BDC and RBC workforce. The survey remained open a further two days until 18th July for staff members at Worcestershire Regulatory Services (WRS). In total the survey received 251 responses.

4.7.2 The chart below (Appendix B – page 11), shows responses to the question "As an employee of Bromsgrove District and/or Redditch Borough Councils, considering the needs of your area, which reorganisation option do you prefer? Represented as a pie chart. Data callout = tally; percentage of set.



4.8 When considering the six criteria against the options set out at Paragraph 4.1 the below scores have been provided utilising the following key and are shown in table 1 on the next page: -

Key

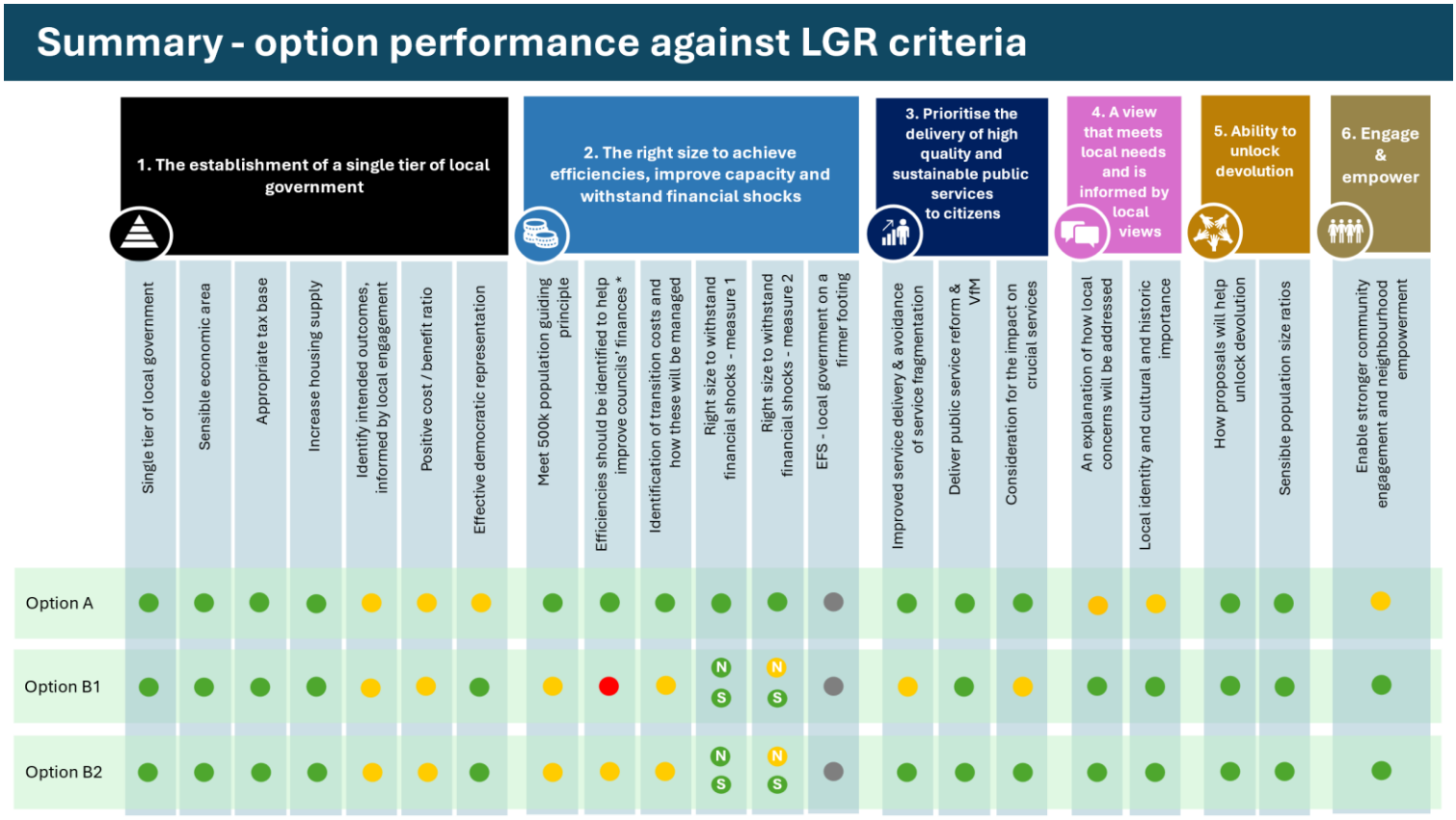
- **High probability** - analysis provides demonstrable evidence that the option can meet the criterion.
- **Medium probability** - analysis provides partial evidence

that the option can meet the criterion.

- **Low probability** - analysis indicates that the option is unlikely to meet the criterion.

- **Unclear** - further information is required to assess the performance of the option against the criterion.

Table 1: Option Performance Against LGR Criteria (Appendix 1 – page 27 of the Mutual Venture report)



	OPTION A – SINGLE UNITARY				OPTION B 1 – TWO UNITARY				OPTION B2 – TWO UNITARY HYBRID			
	Green	Amber	Red	Grey	Green	Amber	Red	Grey	Green	Amber	Red	Grey
TOTAL *	14	6	0	1	12.5	6.5	1	1	14.5	5.5	0	1

Please note whilst the criteria is not weighted by the Government it would be incorrect to assume the option with the most green dots automatically is the best option. It will be important for Members to determine what weight they place on the Red, Amber and Green ratings ("RAG ratings") attracted by each option against each element of the criteria.

4.9 The following provides a summary description of each option as considered through the options appraisal conducted by Mutual Ventures.

Option A

4.9.1 **A new single unitary council for the whole county of Worcestershire. This would be achieved by the transferring of the county council's statutory and non-statutory services, functions and operating model to a new unitary council. Additionally, the transferring of all statutory and non-statutory services, functions and operating models from the six district councils to the new unitary council.**

(i) Single Tier of Local Government

4.9.2 This option offers the creation of a single tier of Local Government across Worcestershire that falls within the areas of West Mercia Police, fire and rescue services and the current Herefordshire and Worcestershire Integrated Care Board. It provides the foundations for coordinated economic development across council service directorates (economic development, housing, transport, skills, planning etc.) to address local economic challenges. Options B1 and B2 provide a greater opportunity to ensure effective democratic representation. Should option A establish the maximum number of councillors permitted for a unitary council (i.e. 100 councillors, as per the Local Government Boundary Commission for England (LGBCE) guidance), this would result in 6,142 residents per councillor. For options B1 and B2, a new North Worcestershire unitary council would require 63 councillors (4,619 residents per councillor) and a new South Worcestershire unitary council 70 councillors (4,617 residents per councillor) to broadly align with the national average (4,600 residents per councillor for unitary councils).

(ii) Efficiencies, Savings and Size

4.9.3 Option A meets the LGR criteria's guiding principle for population size of 500,000 residents per new unitary council with a population of c614,000. This is a guiding principle, rather than a hard target. Councils are permitted to submit a case for exception within their final LGR proposal. Option A is forecast to achieve the highest level of financial savings over 10 years (£89.269m). However, as referenced in Appendix A of the Mutual Venture report research by the District Councils Network ("DCN") has shown that there is evidence that larger systems can introduce diseconomies of scale. Option A is forecast to achieve the shortest payback period (3 years) of all options. The LGR guidance does not provide a specific target in terms of the required/maximum duration of the payback period.

4.9.4 It is important to note that the calculations provided in the report do not take into account the impact of the Fair Funding Formula (which, for example, indicates increased future funding levels for Redditch), the allocation of Exceptional Financial Support ("EFS") liabilities, the sale of land or properties and any future additional borrowing.

(iii) High Quality, Sustainable Public Services to Citizens

4.9.5 This option aims to avoid service fragmentation, with services either aggregated or transferred to the new unitary council. Continuation of existing single discharge pathways (social care/health), Better Care Fund and Special Educational Need and Disability ("SEND") arrangements. There are benefits to system partners in terms of the reduced number of partners, relationships and joint working arrangements required (compared to options B1 and B2).

4.9.6 Under option A there are significant opportunities for public service reform at a system and council level.

4.9.7 Option A provides reduced levels of disruption to services including adult social care, children's services and SEND compared to option B1. Service disruption may be experienced across homelessness services and other service areas that would have to be aggregated and transferred from the district councils to the new unitary council. There would be added complexity for those services being aggregated/ transferred that are currently delivered as shared services between district councils.

4.9.8 The risks under option A associated with the new unitary council operating at scale and across multiple systems would require mitigation. Ensuring clear lines of accountability between neighbourhood governance structures and councillors would be crucial in offsetting the loss of local representation that would result from the deletion of district and county councillor posts (which is inherent within all options for LGR). The ability of residents to influence and understand decisions, and the transparency of decision making, were identified as critical characteristics of any new unitary council by local stakeholders during the engagement process.

(iv) A view that meets local needs and is informed by local views

4.9.9 The loss of localism (including the removal of district councils) and requirement to provide clear lines of accountability and governance structures would need to be addressed by option A. During the Shape Worcestershire public engagement process 47.8% of respondents (2,026) highlighted their preference for a two unitary model due to a view that the model would better reflect the diverse needs of urban and rural areas, while also believing that two smaller councils would be more responsive to and maintain local connections. This compared to 28.7% of respondents (1,215) preferring a single new unitary council option. Concerns regarding a single new unitary model focussed on diminishing community involvement and remote decision making.

(v) Ability of new unitary structures to unlock devolution

4.9.10 Option A would establish a single unitary council with a significant population (c614,000) and economy. The new unitary would possess significant economic power/assets and the capacity/scale to deliver regional priorities. Under option A a single new unitary council would maintain joint working relationships with all public service system partners (Integrated Care Board ('ICB'), Police and Crime Commissioner, West Mercia Police, the Hereford & Worcester Fire and Rescue etc.), in addition to housing providers, colleges and the university. However, there will be a requirement for a new single unitary council and strategic authority model to mitigate the challenges posed in relation to the north/south and urban/rural splits that exist across the county. The ability to ensure that ambitious growth plans align with the needs of all residents and businesses, over a large and diverse geographic area, represents a significant challenge, particularly across areas of the county that currently feel underserved by current arrangements.

(vi) Enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment

4.9.11 Option A would require clear lines of governance and accountability between neighbourhoods and the council which would serve a population of c614,000 residents. Establishing these arrangements at such a scale, in a way that strengthens each community's trust in decision making while providing transparency and clear lines of accountability, represents a challenge. Effective local engagement and empowerment would require a culture of ceding control to be embedded within the new unitary council. Local, visible and accountable leaders would be required to work with communities to develop innovative approaches to neighbourhood empowerment, potentially including (for example) the devolution of power, decision making, assets and budgets. All supported by trusting and strong local connections.

Option B1

4.9.12 **Option B1 provides for: -**

- **two new unitary councils to be established across Worcestershire; North Worcestershire and South Worcestershire.**
- **the disaggregation and transferring of all statutory and non-statutory services, functions and operating model from Worcestershire County Council to the new unitary councils.**
- **the aggregation and transferring of all statutory and non-statutory services, functions and operating models from district councils to their respective new (north or south) unitary council.**

(i) Single Tier of Local Government

4.9.13 Option B1 (and B2) offers a unitary model for Local Government Reorganisation that potentially brings decision making and democratic accountability closer to the respective communities of north and south Worcestershire than option A.

4.9.14 Under option B1 both new unitary councils would fall within the organisational boundaries of system partners (West Mercia Police, Hereford and Worcester Fire and Rescue service and the current Herefordshire and Worcestershire Integrated Care Board). Each system partner would be required to hold separate relationships with each new unitary council in relation to adult social care, children's services, prevention and early help etc.

4.9.15 The creation of two new unitary councils would reflect the varying characteristics of Worcestershire's economic geography (i.e. the 'north/south split'). Each council would possess a strong understanding of their local economies, allowing for the development of tailored and specific economic development strategies. The councils would maintain strong connections with local businesses, skills and housing providers given the increased focus on place and reduced number of relationships required with local stakeholders (i.e. from six district councils and a county council to two unitary councils).

4.9.16 Options B1 and B2 provide a greater opportunity to ensure effective democratic representation. Should option A establish the maximum number of councillors permitted for a unitary council (i.e. 100 councillors, as per LGBCE guidance), this would result in 6,142 residents per councillor. For options B1 and B2, a new North Worcestershire unitary council would require 63 councillors (4,619 residents per councillor) and a new South Worcestershire unitary council 70 councillors (4,617 residents per councillor) to broadly align with the national average (4,600 residents per councillor for unitary councils). Opportunities would also exist to establish closer links with existing town and parish councils as part of a more localised approach to community capacity building.

(ii) Efficiencies, Savings and Size

4.9.17 Option B1 is anticipated to realise the lowest level of efficiencies / financial savings across all options. Over a 10 year period, option B1 is anticipated to realise £1.685m of savings, compared to £89.269m for option A and £16.786m for option B2. However, as referenced in Appendix A of the Mutual Venture report research by the District Councils Network ("DCN") has shown that there is evidence that larger systems can introduce diseconomies of scale.

4.9.18 Option B1 is anticipated to take the longest period of time to pay back the cost of LGR transformation (10 years). By comparison, option A is forecasted to have a 3 year payback period, while option B2 has a 7 year payback period. The LGR guidance does not provide a specific target in terms of the required/maximum duration of the payback period. The new South Worcestershire unitary council demonstrates the anticipated ability to withstand financial shocks (high probability of meeting both liquidity measures), while the new North Worcestershire unitary council demonstrates a medium to high probability. It is important to note that calculations that relate to Appendix 1 of this report do not take into account the impact of the Fair Funding Formula (which, for example, indicates increased future funding levels for Redditch), the allocation of EFS liabilities, the sale of land or properties and any future additional borrowing.

4.9.19 Option B1 does not meet the MHCLG guiding population principle of 500,000 residents per new unitary council. North Worcestershire would possess a population of 290,991, while

South Worcestershire's population would be 323,194. These figures are predicted to increase to 300,133 for North Worcestershire and 345,035 for South Worcestershire by 2032.

(iii) High Quality, Sustainable Public Services to Citizens

4.9.20 Given the structural characteristics of option B1, this option would possess the agility to deliver change at pace. Under this option place based services, close connections to communities and deep local insights would provide the conditions to achieve significant and meaningful public service reform, particularly at a neighbourhood level.

4.9.21 Establishing option B1 would result in significant service disaggregation, including a splitting of the county councils adult social care and children's services offers. It would however provide the basis for longer term service transformation, with services in the future designed and delivered across a neighbourhood model of working. This level of disaggregation though represents a complex process involving a range of core functions and statutory services. Under this option the commissioning arrangements (adults and children's services) would be disaggregated, potentially creating pressures in relation to the cost and availability of internal and market provision. The process may also represent a risk to service continuity, in addition to creating complexity, cost and challenges relating to single discharge pathways, Better Care arrangements and the children's services improvement journey. From a place services perspective this option offers better service continuity, as many of the services delivered across north and south Worcestershire are already shared/jointly delivered by district councils.

(iv) A view that meets local needs and is informed by local views

4.9.22 During the Shape Worcestershire public engagement process 47.8% of respondents (2,026) highlighted their preference for a two unitary model; comments by respondents stated that this was due to a view that the model would maintain local focus, democratic accountability and community connections.

4.9.23 45.7% of respondents (1,924) identified a two unitary model as best supporting local identity (compared to 20.3% (855) for a single unitary model). Additionally, the characteristics of option B1 provide the conditions to address several of the main concerns expressed by respondents in relation to the impact of LGR (given services would be delivered locally and decisions, informed by strengthened local insights, would be made closer to communities): -

- A loss of localism and representation - Concerns regarding diminished community involvement, loss of local facilities and remote decision-making.
- Clear accountability and governance - A desire for clear, transparent governance with councillors who live in the areas they represent.
- Allocation of services and resources - Concerns include potential marginalisation of rural areas, unequal resource allocation and fears that rural needs (e.g. isolation, transport) will be overlooked.

(v) Ability of new unitary structures to unlock devolution

4.9.24 Should option B1 be implemented, several approaches to devolution could be considered: -

- **A combined approach to devolution**, involving both new unitary councils joining the same strategic authority as constituent members. Other unitary constituent members may include (for example) unitary councils in Herefordshire, Shropshire, Warwickshire, Gloucestershire and Staffordshire.

- **Separate approaches to devolution**, reflecting the different social, economic and environmental profiles of north and south Worcestershire. The two new unitary council option provides the opportunity for North Worcestershire to consider associating itself more closely with the West Midlands Combined Authority (WMCA), while South Worcestershire may consider a strategic authority that contains (for example) South Warwickshire (should that be available) and unitary councils in Gloucestershire. At the moment however, it is understood that WMCA is not currently available to North Worcestershire.

(vi) Enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment

4.9.25 Under this option a neighbourhood delivery model and governance structures would create the conditions for clearer and more localised lines of accountability, enabling residents to influence decisions and hold decision makers to account. Given the greater place focus, a culture of ceding control could be embedded within each new unitary council. Local, visible and accountable leaders from the council and communities would be in a position to work together to develop innovative approaches to neighbourhood empowerment, including (for example) devolved decision making and agreeing a social contract between the council and communities.

Option B2

4.9.26 **Option B2 provides two new unitary councils established across Worcestershire; North Worcestershire and South Worcestershire. It offers a shared service/hybrid model across both new unitary councils, with specific services (i.e. adult social care, children's services, education, adult education and transport) jointly delivered and commissioned. All other services would be delivered and commissioned by each new unitary council, including prevention and early help. The exact arrangement would be determined during the development of the full LGR proposal.**

(i) Single Tier of Local Government

4.9.27 The new unitary councils under option B2 would create a single tier of Local Government across Worcestershire. Both new unitary councils fall within the organisational boundaries of system partners. System partners would hold relationships with the care partnerships (e.g. adult social care and children's services), while also supporting neighbourhood area committees (or equivalent) via the neighbourhood health service. The creation of two new unitary councils would reflect the varying characteristics of Worcestershire's economic geography (i.e. the 'north/south split'). Each council would possess a strong understanding

of their local economies, allowing for the development of tailored and specific economic development strategies. Each unitary council would be well placed to maintain strong connections with local businesses, skills and housing providers given the increased focus on place and reduced number of relationships required with local stakeholders (i.e. from six district councils and a county council to two unitary councils). The likelihood of adoption of inherited plans is considered to be greater for options B1 and B2, given that the South Worcestershire Development Plan has been jointly developed by the district councils that would form the new South Worcestershire unitary council. Across north Worcestershire, Bromsgrove and Redditch currently share strategic functions and collaborate on housing delivery while maintaining their own separate Local Plans. Additionally, the opportunity exists for a place-based approach to balancing local character and infrastructure.

4.9.28 Options B1 and B2 provide a greater opportunity to ensure effective democratic representation. Should option A establish the maximum number of councillors permitted for a unitary council (i.e. 100 councillors, as per LGBCE guidance), this would result in 6,142 residents per councillor. For options B1 and B2, a new North Worcestershire unitary council would require 63 councillors (4,619 residents per councillor) and a new South Worcestershire unitary council 70 councillors (4,617 residents per councillor) to broadly align with the national average (4,600 residents per councillor for unitary councils). Opportunities would also exist to establish closer links with existing town and parish councils as part of a more localised approach to community capacity building.

(ii) Efficiencies, Savings and Size

4.9.29 Option B2 does not meet MHCLG guiding population principle of 500,000 residents per new unitary council. North Worcestershire would possess a population of 290,991, while South Worcestershire's population would be 323,194. These figures are predicted to increase to 300,133 for North Worcestershire and 345,035 for South Worcestershire by 2032.

4.9.30 Recent updates relating to the MHCLG guidance state that the population guiding principle is not a hard target, with commissioning councils having the opportunity to demonstrate a compelling case for exemption during the development of the full LGR proposal.

4.9.31 Option B2 is forecast to achieve £16.786m of financial savings over 10 years, less than the financial savings forecast to be realised by option A (£89.269m) but more than option B1 (£1.685m). However, as previously set out at paragraphs 4.9.3 and 4.9.17 as referenced in Appendix A research by the District Councils Network ("DCN") has shown that there is evidence that larger systems can introduce diseconomies of scale. Option B2 is forecast to achieve a payback period of 7 years, representing a longer period than the 3 years anticipated for option A, but shorter than the 10 year payback period for option B1. The LGR guidance does not provide a specific target in terms of the required/maximum duration of the payback period. The new South Worcestershire unitary council demonstrates the anticipated ability to withstand financial shocks (high probability of meeting both liquidity measures), while the new North Worcestershire unitary council demonstrates a medium to high probability. The calculations as previously indicated do not take into account the impact of the Fair Funding Formula (which, for example, indicates increased future funding levels for Redditch), the allocation of EFS liabilities, the sale of land or properties and any future additional borrowing.

(iii) High Quality, Sustainable Public Services to Citizens

4.9.32 Option B2 would avoid the fragmentation of key services (adult social care, children's services, education, public health, adult learning and transport), given that shared services arrangements would account for c80% of the county council's current annual expenditure.

4.9.33 The establishment of option B2 would create numerous conditions and likely advantages, centred on a model that combines the benefits of a place based approach to the delivery of services with the structural efficiencies of shared service models (leading to better value for money and financial sustainability) and levels of integration associated with public services operating across geographies.

4.9.34 Both new unitary councils under option B2 would be responsible for the delivery of prevention and early help services and they would provide opportunities to align preventative services to neighbourhood area committees (or their equivalent), the neighbourhood health service and community led initiatives. These arrangements provide the basis for targeted and timely support to communities, through a strengthened understanding of local needs and effective investment of additional funds via the Fair Funding Formula.

4.9.35 Given the structural characteristics of option B2, this option would possess the agility to deliver change at pace. Place based services, close connections to communities and deep local insights provide the conditions to achieve significant and meaningful public service reform, particularly at a neighbourhood level. Opportunities also exist in relation to each unitary council's role as a place leader; by establishing strong working relationships with neighbourhood area committees (or their equivalent), town and parish councils and Voluntary and Community Sector organisations, the conditions required for long term planning and investment, tailored to the needs of local communities, would be established.

4.9.36 Given the increased place focus of option B2, a culture of ceding control could be embedded within each new unitary council. Local, visible and accountable council representatives would work with communities to develop innovative approaches to neighbourhood empowerment, potentially including (for example) the devolution of power, decision making, assets and budgets.

4.9.37 Evidence demonstrates that new unitary councils created through LGR are able to realise service delivery improvements via a shared services model. For example, following LGR in Cumbria in 2023, Westmorland and Furness Council's Adult Learning Service, which also provides learning programmes on behalf of Cumberland Council, was rated as 'good' by Ofsted in July 2025, with two service areas rated as 'outstanding'. This represents an improvement from 'good' in all areas at the last inspection (2018). Ofsted found that courses '*are aligned to meet the needs of these communities to help learners develop skills, pick up a new hobby, enhance their CV, or improve their health and wellbeing*'.

(iv) A view that meets local needs and is informed by local views

4.9.38 As previously stated during the Shape Worcestershire public engagement process 47.8% of respondents (2,026) highlighted their preference for a two unitary model; some respondents stated that this was due to a view that the model would maintain local focus, democratic accountability and community connections. 45.7% of respondents (1,924) identified a two unitary model as best supporting local identity (compared to 20.3% (855) for a single unitary model). Under this criteria option B2 is considered to outperform options A and B1, given that the model would blend local service delivery with the realisation of financial efficiencies through a shared services model (providing improved value for money). Residents would also benefit from system and service level integration associated with public services operating across geographies, resulting in single front doors into public services.

(v) Ability of new unitary structures to unlock devolution

4.9.39 Please refer to the summary of findings for option B1.

(vi) Enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment

4.9.40 Please refer to the summary of findings for option B1.

4.9.41 In overview the headlines might be seen as: -

- All options deliver a single tier of Local Government. Options A and B2 have a high probability of prioritising the delivery of high quality and sustainable public services to citizens. Option B2 offers the dynamic of operating at size and scale for large services such as adults and children services whilst being able to also deliver placed based services at the locality level. Both options B1 and B2 offer a higher probability than option A of being able to deliver to meet local needs as informed by local views.

- **Option A:** This option achieves significant savings but is believed to perform less well when it comes to empowering local communities and meeting people's expectations/views in terms of what kind of local authority they want to serve them and their local area.

- **Option B1:** Whilst this option with option B2 gives the opportunity to provide stronger local community engagement/neighbourhood empowerment than option A it delivers the least efficiencies of all of the options and includes the risks and costs of disaggregating adults and children's services.

- **Option B2:** Under this option adults and children services are not disaggregated and place services remain focussed on localities and prevention. This option whilst making more savings that option B1 does not perform as well as option A when looking at efficiencies but performs better than option A when it comes to empowering local communities and meeting people's expectations/views in terms of what kind of local authority they want to serve them and their local area.

5.0 Summary of Local Government Reorganisation Process and Next Steps

5.1 The Local Government Reorganisation process is following seven key steps as follows: -

a) **Stage One: Inviting Unitary Proposals.** The Minister of State for Local Government and English Devolution wrote to 21 two tier areas and their neighbouring small unitary authorities on 5th February 2025 inviting proposals for unitarisation.

b) **Stage two: Submission of formal unitary proposals.** As specified in the invitation, each council can only make one formal proposal for unitary Local Government, and a proposal can either be submitted individually by a council or jointly with other councils that were invited. To meet the terms of the invitation, the proposal must be for the whole of the area concerned and provide the information requested in the invitation. If councils within an area cannot agree on a single proposal and want to submit separate proposals, the Government's preference is for these to be submitted together, as a single submission for the area, which includes all proposals being put forward by councils, and is supported by a shared evidence base used by all proposals.

c) **Stage three: Statutory consultation.** The Government will carry out a statutory consultation in accordance with the requirements of the legislation, which is that the Secretary of State must first consult any council affected that has not submitted the proposal, as well as any other persons considered appropriate, before a proposal can be implemented. The consultation is also clear that the views of any persons or bodies interested in these proposals are welcome.

d) **Stage four: Decision to implement a proposal.** Once a statutory consultation is concluded, Ministers will decide, subject to Parliamentary approval, which, if any, proposal is to be implemented, with or without modification. In taking these decisions, Ministers will judge proposals in the round against the criteria. The decision taken by Ministers will be subject to collective agreement across Government.

e) **Stage five: Making secondary legislation – the Structural Changes Order (SCO).** Once a decision is taken on which proposal to implement, the Department will prepare the necessary legislation (the SCO) for Parliamentary approval. The SCO establishes the new single tier of Local Government in the relevant area and makes provision to abolish the predecessor councils. It will replace any currently planned elections with new elections for the new councils with appropriate wards/divisions for these new elections, amend the terms of office of current councillors as required, and give any preparatory functions needed. This means, for example, any councillors elected in local elections in May 2026 will be elected for a normal term but, if the council is abolished during that term through the reorganisation process, their terms would be reduced in this legislation.

e(i) **The Order:** will specify arrangements for the first elections for the new unitary council/s, councillor numbers, the functions the new council has in the transition period and establish suitable governance arrangements for the transition period before new councils go live, by giving powers to the relevant executive or joint committee overseeing the transition.

e(ii) **Elections:** Typically, the first elections to new unitary councils take place on electoral arrangements specified in the SCO, and which are built using a mixture of existing wards, divisions or, in some cases, parishes. The names of wards/divisions and the numbers of councillors to be elected are also specified in the legislation. After the first elections, it is usual for the Local Government Boundary Commission for England ("LGBCE") to undertake an electoral review to put in place longer-term arrangements. A councillor can stand in elections for the new unitary authority at the same time as serving their term in the existing council. If elected to the new unitary council, this will be for a new term as set out in the SCO. They can simultaneously serve out the remainder of their term as a councillor for the existing local authority until such time as the existing local authority is abolished – this may be a reduced term, or in some cases their term may be extended to provide for the transition.

e(iii) **Transition period arrangements:** The SCO will specify the governance arrangements for the new unitary councils in the transition period.

f) **Stage six: Transition period**: Once the SCO has been made, the existing councils carry on delivering services and fulfilling their duties until vesting day, while preparing to transfer all assets, functions and staff on vesting day when the predecessor councils are dissolved and the new unitary authority takes on the legal duties and powers for providing Local Government to the area. The relevant transition body will focus on getting ready for the go-live day for the new unitary authority and will be responsible for taking any decisions relating to the preparation for new unitary authority to be safe and legal on day one. MHCLG will require an Implementation Plan from the relevant transition body, which will set out what steps and decisions the body needs to take in order for the new unitary council to be ready for vesting day.

g) **Stage seven: New unitary authority goes live.** This is vesting day. While preparatory work may start with the development of proposals and continue through the process, a minimum of around a year is allowed to enable safe and legal transfer of key services from the point the legislation is made, to when the new unitary council/s goes live. Elections to the new unitary councils, in the transition year ahead of vesting day, aid a safe and legal transition by ensuring those who will be responsible for governing the new authority/ies are accountable for decisions on transition arrangements. In Worcestershire a 1st April 2028 vesting day is being aimed for. A 1st April start date is necessary for financial arrangements.

6.0 Our Indicative Timetable for Local Government Reorganisation

- Options appraisal considered at early September Full Council Meetings
- Development of preferred option working with consultants and potentially other commissioning councils.
- November Full Council Meetings consider the final proposal for submission to Government.
- Final proposals submitted by 28th November 2025.
- Government consultation could be launched in the New Year, and it would likely close after the local elections in May.
- Following this, decisions on which proposal to implement could be announced before the summer 2026 recess.

- Secondary legislation would then be prepared, to be laid in the House after the summer recess.
- The legislation could then be made, subject to Parliamentary approval. This would allow for elections to the new unitary authority or authorities on 6th May 2027.
- The new authority or authorities would then go live on 1st April 2028.

7. FINANCIAL IMPLICATIONS

7.1 Depending on the decision taken from this report, it is possible that further work will be required to move to phase 2 (preparation of a final LGR proposal). Additional consultancy would be required to deliver this phase of work. The costs of the extra work will be met by all the authorities who wish to partake; until it is confirmed how many councils will be contributing, it is therefore difficult to set a budget that may cover all the costs.

7.2 Therefore this report seeks Council's agreement for an in-year and one-off supplementary estimate of up to £100,000 in order to commission consultants to assist in the production of the final proposal to be considered by Council prior to any submission to Government by 28th November 2025. It is further suggested that this is split into £50,000 agreed and a second £50,000 to be agreed and only drawn-down if other partner councils are not forthcoming. Council is asked to delegate use of the additional draw-down to the Chief Executive, in consultation with the Leader of the Council.

7.3 This supplementary estimate will be funded from the balance of the Government grant already received and from general fund balances in year.

7.4 Although not directly requested in this report, Members are advised to note that whatever option is chosen, it is likely that additional costs to transition may also need to be met if Government support is not forthcoming.

8. LEGAL IMPLICATIONS

8.1 The existing legislation which enables Local Government reorganisations to be implemented is the Local Government and Public Involvement in Health Act 2007. This is the legislation which has been used previously to create county unitary authorities and was the legislation under which the invitation to submit plans for unitary local authorities was made by the Government in February 2025.

8.2 As explained to Members in the previous report on LGR dated 12th March 2025, the Government was intending to issue new legislation to support Local Government re-organisation and the introduction of Strategic Authorities and other aspects of devolution as described in the White Paper.

8.3 On 10th July 2025 the first draft of the English Devolution and Community Empowerment Bill ("the Bill") was published. It is not known what the timetable for the passage of the Bill through Parliament will be.

8.4 Whilst the Bill contains detailed provisions in relation to the creation of Strategic Authorities, there is less detail on the issue of Local Government reorganisation. Some key points to note are: -

- The power to "direct" as well as invite councils to submit proposals for re-organisation has been re-introduced.
- It will no longer be possible for councils to operate a committee system and all councils currently operating under it will have to adopt new constitutions featuring leader and cabinet arrangements.
- Local authorities in England will be under a duty to make "appropriate arrangements" to secure the effective governance of any "neighbourhood area". The Secretary of State will have the power, by way of regulations, to define a neighbourhood area and to specify the parameters of what arrangements will be appropriate to meet this duty.

8.5 The Secretary of State has passed a series of generic regulations applicable to all re-organisations, under section 14 of the 2007 Act. These cover the common practical issues that arise when implementing a re-organisation including finance requirements, the transfer of assets and employees and other transitional arrangements and can be listed as follows: -

- The Local Government (Structural Changes) (Transitional Arrangements) (No.2) Regulations 2008/2867 (Transition Regulations).

- Local Government (Structural Changes) (Transfer of Functions, Property, Rights and Liabilities) Regulations 2008/2176 (2008 Regulations).

- Local Government (Structural and Boundary Changes) (Staffing) Regulations 2008 (Employment Regulations).

- Local Government (Structural Changes) (Finance) Regulations 2008/3022 (Finance Regulations)

8.6 When a proposal for a new unitary council has been agreed, the Secretary of State will issue specific regulations and orders under section 7 of the 2007 Act to create local arrangements to ensure a smooth implementation. These local regulations will cover a number of matters including: -

- Effective dates
- Establishment of a shadow authority and its membership
- Governance arrangements for shadow authority
- Duty to produce an implementation plan
- Duty of all councils to co-operate
- Arrangements for first elections
- Treatment of any specific assets or liabilities

9. OTHER – IMPLICATIONS

Implications for Local Government Reorganisation

9.1 The whole of this report deals with Local Government Reorganisation.

Relevant Council Priority

9.2 All.

Climate Change Implications

9.3 None as a direct result of this report

Equalities and Diversity Implications

9.4 None as a direct result of this report. An equality impact assessment will be completed as part of the work associated with any final proposal to be made available to Full Council prior to any final submission to Government by 28th November 2025.

10. RISK MANAGEMENT

10.1 None as a direct result of this report. A risk assessment exercise will be conducted as part of the development of any final proposal to be made available to Full Council prior to any final submission to Government by 28th November 2025.

11. APPENDICES, BACKGROUND PAPERS AND GLOSSARY

11.1 **Appendices**

- Appendix 1: Options Appraisal by Mutual Ventures and associated appendices referred to as:
  - Appendix A - Financial modelling and assumptions,
  - Appendix B – Shape Worcestershire: outputs from public engagement, staff surveys and focus groups
  - Appendix C – Place profiles, in the Mutual Ventures report.
- Appendix 2: Interim Plan for Worcestershire as submitted to the MHCLG
- Appendix 3: Formal feedback on the interim Plan from MHCLG dated 3rd Jun 2025

11.2 **Background Papers**

- Report to Council dated 12th March 2025 – Local Government Re-organisation - Interim Plan Proposals for Worcestershire – Bromsgrove
- English Devolution White Paper - English Devolution White Paper - GOV.UK
- Letter to all two-tier councils from Jim McMahon MP dated 16th December 2024

- English Devolution and Community Empowerment Bill published on 10th July 2025 – English Devolution and Community Empowerment Bill - GOV.UK
- Link to meeting of Overview and Scrutiny Performance Board of Worcestershire County Council held on 24th July 2025 - **Agenda for Overview and Scrutiny Performance Board on Thursday, 24th July, 2025, 10.00 am - Modern Council**
- Link to the guidance for the English Devolution and Community Empowerment Bill **- English Devolution and Community Empowerment Bill: Guidance - GOV.UK**

11.3 **Glossary**

DCN	District Councils Network
ICB	Integrated Care Board
LGR	Local Government Re-Organisation
LGBCE	Local Government Boundary Commission for England
RAG ratings	Red, Amber and Green rating
MHCLG	Ministry of Housing Communities and Local Government
SEND	Special Educational Need and Disability

12. REPORT SIGN OFF

Department	**Name and Job Title**	**Date**
Portfolio Holder	Cllr Karen May	.
Lead Director / Assistant Director	John Leach - Chief Executive	

	Claire Felton – Assistant Directors of Legal, Democratic and Procurement Services	
Financial Services	Bob Watson - Director of Finance and Section 151 Officer	
Legal Services	Claire Felton - Assistant Directors of Legal, Democratic and Procurement Services	
Policy Team (if equalities implications apply)	N/A	
Climate Change Team (if climate change implications apply)	N/A	

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MUTUAL VENTURES

Local Government Reorganisation in Worcestershire
Options appraisal

August 2025

Bromsgrove District Council
www.bromsgrove.gov.uk

Malvern Hills District Council

Redditch Borough Council
Working together for our communities

Worcester CITY COUNCIL

WYCHAVON

Introduction

Overview

This options appraisal has been commissioned by five of the six district councils in Worcestershire ('the commissioning councils'):

- Bromsgrove District Council.
- Malvern Hills District Council.
- Redditch Borough Council.
- Worcester City Council.
- Wychavon District Council.

The appraisal is designed to provide an objective and evidence-based assessment of the two options for Local Government Reorganisation ('LGR') identified within the commissioning councils' Interim Plan for LGR in Worcestershire:

- Option A - A new unitary council for the whole county of Worcestershire.
- Option B - Two new unitary councils in Worcestershire:
  - North Worcestershire: Bromsgrove, Redditch and Wyre Forest.
  - South Worcestershire: Malvern Hills, Worcester City and Wychavon.
- Option B consists of two variant options:
  - Option B1 - The transfer of all statutory and non-statutory services, functions and operating models to the two new unitary councils.
  - Option B2 - A shared service/hybrid model across both new unitary councils, with specific services (i.e. adult social care, children's services, education, adult education and transport) jointly delivered and commissioned. All other services would be delivered and commissioned by each new unitary council, including prevention and early help. The exact arrangement would be determined during the development of the full LGR proposal.

The criteria ('LGR criteria') used within this appraisal are those identified by the Minister of State for Local Government and English Devolution in his letter to the Leaders of all councils in Worcestershire (dated 5th February 2025). Since being published, further updates have been provided by the Minister. For example, the criteria relating to a required population size of 500,000 is now a 'guiding principle', rather than a hard target. These updates are reflected within the options appraisal.

LGR - an opportunity for reform

LGR presents the opportunity to reimagine local leadership, rebuild trust between citizens and the state and transform public services so they are truly people-centred, integrated and relational.

Creating truly person-centred support requires both a strengthening of collaboration across public and community services and the direct connections between people, their neighbourhoods and the support they need.

Stakeholder engagement and data analysis

As part of this appraisal, significant engagement has been undertaken (see section 3) to gather qualitative information in relation to the views, insights and sentiments of local stakeholders.

From a quantitative perspective, a comprehensive data set has been established to allow for an analysis of Worcestershire at both a county and district council level (see Appendix C). The data set includes the common LGR data set created and shared across all Worcestershire councils.

Introduction

During the engagement process, Worcestershire was regularly referred to as a 'community of communities'. The engagement process and approach to data gathering are designed to ensure a strong understanding of Worcestershire as a whole, while also recognising the diversity that exists across the county; the identities, demographics, heritage and culture, connections and dependencies associated with specific places, communities, public services and local economies.

The approach is also designed to establish a strong understanding of 'what good local government looks like', from the perspectives of residents, communities, public services, local leaders, businesses and voluntary and community sector ('VCSE') organisations.

Options appraisal scope and remit

This options appraisal provides an assessment of the perceived and potential abilities of two options for local government to meet the LGR criteria (see section 5).

The specifics of how services and functions would be delivered has yet to be fully determined by the commissioning councils. While broad principles have been identified (i.e. a focus on locally based prevention), the exact delivery and governance structures, commissioning arrangements and associated operating model requirements have yet to be defined.

As such, this options appraisal assesses the perceived abilities, advantages and disadvantages of the structural arrangements specific to each shortlisted option for LGR in Worcestershire.

Descriptions of the key structural characteristics of each option have been developed (see section 4), however governance and service design and delivery arrangements are still to be determined.

Financial models to assess and test the financial viability and sustainability of each option have been developed. The assumptions that underpin the respective financial models are provided within Appendix A.

LGR decision making and timescales

The commissioning councils have requested an assessment of each shortlisted option for LGR in Worcestershire, rather than the identification of a preferred or recommended option.

The intention is for each commissioning council to independently consider the findings of this appraisal, in addition to other relevant information. Full Council meetings have been scheduled by each council for early September 2025.

At these meetings, each sovereign council will decide on their preferred option for LGR in Worcestershire. Decisions will then be taken by each council on whether to develop a full LGR proposal (individually or collectively), or alternatively to inform/support other proposals being developed by other councils (e.g. Worcestershire County Council's anticipated 'One Worcestershire' proposal).

Councils intending to submit a full LGR proposal are required to do so by 28th November 2025.

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MUTUAL VENTURES

Section 1

Summary of findings

Bromsgrove District Council
www.bromsgrove.gov.uk

Malvern Hills District Council

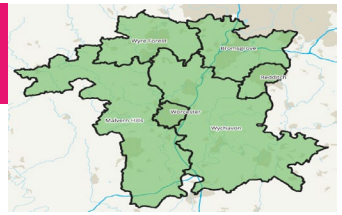
Redditch Borough Council
Working together for our communities

Worcester City Council

WYCHAVON

1. Summary - option performance against LGR criteria

A

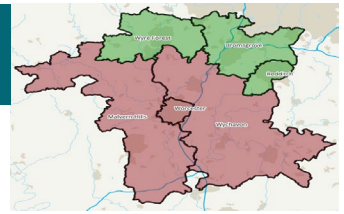


Single new unitary council

High probability of meeting criteria:
- Establishing a single tier of local government
- Operating across a sensible economic area
- Appropriate tax base, not creating areas of disadvantage
- Increasing housing supply to meet local need
- Meeting 500,000 population guiding principle (not a hard target)
- Achieving efficiencies to improve council finances and provide value for money
- Transition cost payback period
- Being the right size to sustain financial shocks
- Improving service delivery and avoiding service fragmentation
- Delivering public service reform
- Impact on crucial services
- Unlocking devolution

Medium probability of meeting criteria:
- Ensuring effective democratic representation
- Intended outcomes, informed by engagement
- Positive cost / benefit ratio
- Demonstrating how concerns will be addressed
- Local identity and culture
- Enable stronger community engagement and neighbourhood empowerment

B1



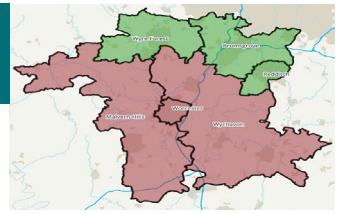
Two new unitary councils

High probability of meeting criteria:
- Establishing a single tier of local government
- Operating across a sensible economic area
- Appropriate tax base, not creating areas of disadvantage
- Increasing housing supply to meet local need
- Ensuring effective democratic representation
- Delivering public service reform
- Demonstrating how concerns will be addressed
- Local identity and culture
- Unlocking devolution
- Enable stronger community engagement and neighbourhood empowerment

Medium probability of meeting criteria:
- Intended outcomes, informed by engagement
- Positive cost / benefit ratio
- Meeting 500,000 population guiding principle (not a hard target; case for exemption would be developed)
- Transition cost payback period
- Being the right size to sustain financial shocks
- Improving service delivery and avoiding service fragmentation
- Impact on crucial services

Low probability of meeting criteria:
- Achieving efficiencies to improve council finances

B2



Two new unitary councils (shared service/hybrid)

High probability of meeting criteria:
- Establishing a single tier of local government
- Operating across a sensible economic area
- Appropriate tax base, not creating areas of disadvantage
- Increasing housing supply to meet local need
- Ensuring effective democratic representation
- Improving service delivery and avoiding service fragmentation
- Delivering public service reform
- Impact on crucial services
- Demonstrating how concerns will be addressed
- Local identity and culture
- Unlocking devolution
- Enable stronger community engagement and neighbourhood empowerment

Medium probability of meeting criteria:
- Intended outcomes, informed by engagement
- Positive cost / benefit ratio
- Meeting 500,000 population guiding principle (not a hard target; case for exemption would be developed)
- Achieving efficiencies to improve council finances and provide value for money
- Transition cost payback period
- Being the right size to sustain financial shocks

1. Summary of findings - Option A

Option description: A new single unitary council for the whole county of Worcestershire. The transferring of the county council's statutory and non-statutory services, functions and operating model to a new unitary council. Additionally, the transferring of all statutory and non-statutory services, functions and operating models from the six district councils to the new unitary council.

Criteria	Summary of analysis
1. The establishment of a single tier of local government	**Anticipated advantages** • **Sensible geography** - The creation of a single tier of local government across Worcestershire that falls within the areas of West Mercia Police, Hereford & Worcester Fire and Rescue and the Herefordshire and Worcestershire Integrated Care Board. • **Sensible economic area** - Provides the foundations for coordinated economic development across council service directorates (economic development, housing, transport, skills, planning etc.) to address local economic challenges (i.e. skills and housing shortages, transport and connectivity issues and comparatively low levels of productivity). The new unitary council would possess the delivery capabilities, resources and economic scale to support the delivery of regional priorities. **Areas for further consideration** • **Democratic representation** - Options B1 and B2 provide a greater opportunity to ensure effective democratic representation. Should option A establish the maximum number of councillors permitted for a unitary council (i.e. 100 councillors, as per LGBCE guidance), this would result in 6,142 residents per councillor. For options B1 and B2, a new North Worcestershire unitary council would require 63 councillors (4,619 residents per councillor) and a new South Worcestershire unitary council 70 councillors (4,617 residents per councillor) to broadly align with the national average (4,600 residents per councillor for unitary councils). • **Risk of diluting local economic priorities** - Although option A is considered to represent a sensible economic area, options B1 and B2 may enable greater alignment of economic priorities to local economies given the differing characteristics of the north and south Worcestershire economies. • **Ensuring equitable and needs led decision making** - The requirement for governance arrangements to ensure that investment decisions balance local, council and regional priorities. • **Housing supply** - The new unitary council would be required to (i) adopt inherited Local Plans or (ii) review and update the inherited Local Plans. Where emerging Local Plans have not yet been adopted, the option of (iii) withdrawing the Local Plan could be considered. There is currently no statutory mechanism for the withdrawal of an adopted plan. The reviewing/updating of adopted plans or withdrawal of unadopted plans would have significant implications. In addition to resource and cost considerations, the process would result in a lack of clarity in planning policy, potentially causing delays and uncertainty in development decisions. This may impact levels of economic growth and create challenges associated with the alignment between new unitary council plans and regional plans developed by the strategic authority.

1. Summary of findings - Option A

Criteria	Summary of analysis
1. The establishment of a single tier of local government (cont.)	**Areas for further consideration (cont.)** The likelihood of adoption of inherited plans is considered to be greater for options B1 and B2, given that the South Worcestershire Development Plan has been jointly developed by the district councils that would form the new South Worcestershire unitary council. Across north Worcestershire, Bromsgrove and Redditch currently share strategic functions and collaborate on housing delivery while maintaining their own separate Local Plans. • **Local democracy and representation** - Ensuring that existing town and parish councils possess the capacity and capabilities to play an increased role in neighbourhood decision making. Consideration of local governance arrangements given not all of Worcestershire is currently parished (particularly Worcester).
2. The right size to achieve efficiencies, improve capacity and withstand financial shocks	**Anticipated advantages** • **Population size guiding principle** - Option A meets the LGR criteria's guiding principle for population size, with a population of c614,000 - **NB**. This is a guiding principle, rather than a hard target. Councils are permitted to submit a case for exception as part of their full LGR proposal. • **Financial efficiencies and achieving value for money** - Forecast to achieve the highest level of financial savings over 10 years (£89.269m). - **NB**. In relation to ongoing efficiencies, recently published evidence indicates that (i) there are no economies of scale in delivering social care, and in some cases, there is evidence that larger systems introduce diseconomies, and (ii) in all areas except Section 251 Residential unit costs, unitaries and those with a population size of 250,000-350,000 are achieving the lowest unit costs (DCN/PeopleToo 'Adults Social Care and Children's Service's Lens'). • **Transition cost payback period** - Option A is forecast to achieve the shortest payback period (3 years) of all options. - **NB**. The LGR criterion does not provide a specific target in terms of the required/maximum duration of the payback period. • **Financial sustainability** - Demonstrates a high probability of being able to withstand financial shocks. - **NB**. Calculations do not take into account the impact of the Fair Funding Formula (which, for example, indicates increased future funding levels for Redditch), the allocation of EFS liabilities, the sale of land or properties and any future additional borrowing. **Areas for further consideration** • **Exceptional Financial Support** - Further clarity is required regarding the impact of current and future EFS on the financial sustainability of the new unitary council.

1. Summary of findings - Option A

Criteria	Summary of analysis
3. Prioritise the delivery of high quality and sustainable public services to citizens	**Anticipated advantages** • **Improved service delivery** - The avoidance of service fragmentation, with services either aggregated or transferred to new unitary council. Continuation of existing single discharge pathways (social care/health), Better Care Fund and SEND arrangements. Benefits to system partners in terms of the reduced number of partners, relationships and joint working arrangements required (compared to option B1). Provides the basis for effective strategic authority oversight of public service reform, transformation and collaboration. Complexity would exist in relation to the aggregation/transfer of existing district council services to the new unitary councils, many of which are currently delivered via shared services delivery models. • **Public service reform** - Demonstrates significant opportunities for public service reform at a system and council level. Services including housing and benefits management would transfer from district councils to the new unitary council (creating the conditions for improved integration with social care and health), while at a system level opportunities would exist to strengthen integration between social care, health, housing, benefits management, homelessness, education and skills. • **The impact on crucial services** - Reduced levels of disruption to services including adult social care, children's services and SEND compared to option B1. Service disruption may be experienced across homelessness services, given they would be aggregated and transferred from the district councils to the new unitary council. However homelessness services being provided by the same new unitary council that delivers housing and social care, in addition to a single interface with health services, creates the conditions for improvements in prevention, service integration and outcomes. **Areas for further consideration** • **Required conditions to catalyse improved service delivery** - The requirement for the new unitary council to establish a clear strategic vision, strong leadership, integrated working across sectors, resilient provider markets, and a skilled, stable workforce; all are key attributes required to ensure the delivery of high quality public services. These attributes are required to enable public services to respond effectively to local needs and ensure fair resource distribution across a large county, spanning both urban and rural areas. • **The challenges of operating at scale and across multiple systems** - In terms of social care, prevention/early help, public health, education and leisure services, communities require locally specific services developed and delivered collaboratively, as opposed to a standardised and universal offer. Neighbourhood governance arrangements that align council governance with town and parish councils, neighbourhood area committees and the NHS neighbourhood health service would need to be effectively established and maintained. • **Local accountability** - Ensuring clear lines of accountability between neighbourhood governance structures and councillors would be crucial in offsetting the loss of local representation that would result from the deletion of district and county councillor posts (which is inherent within all options for LGR). The ability of residents to influence and understand decisions, and the transparency of decision making, were identified as critical characteristics of any new unitary council by local stakeholders during the engagement process.

1. Summary of findings - Option A

Criteria	Summary of analysis
4. 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	**Areas for further consideration** The loss of localism (including the removal of district councils) and requirement to provide clear lines of accountability and governance structures would need to be addressed by option A. During the Shape Worcestershire public engagement process (see Appendix B), 47.8% of respondents (2,026) highlighted their preference for a two unitary model; comments reflected the view that the model would maintain local focus, democratic accountability and community connections. This compared to 28.7% of respondents (1,215) preferring a single new unitary council option, with 4.2% (176) saying they did not have a preference, 18.9% (799) saying they did not support LGR and 0.4% (20) saying they were not interested. Concerns regarding a single new unitary model focussed on diminishing community involvement and remote decision making. As such, option A is required to demonstrate how a single new unitary council would address challenges associated with the following: • **Local identity** - A total of 43.8% of respondents (1,856) stated that the impact on local community and local identity was one of the most important three things that matter to them, in terms of how councils are currently organisation. When asked which option would best support local identity: - 45.7% of respondents (1,924) identified a two unitary model as best supporting local identity. - 20.3% of respondents (855) identified the single unitary option as best supporting local identity. - 25.3% (1,065) of respondents said neither option would support local identity. 5.1% of respondents (215) said both options would support local identity, while 3.6% (152) did not know. • **Resident concerns** - Residents highlight the following concerns regarding the impact of LGR: - A loss of localism and representation - Concerns regarding diminished community involvement, loss of local facilities and remote decision-making. - Clear accountability and governance - A desire for clear, transparent governance with councillors who live in the areas they represent. - Allocation of services and resources - Concerns include potential marginalisation of rural areas, unequal resource allocation and fears that rural needs (e.g. isolation, transport) will be overlooked. - Service quality - Fear of service decline, particularly in relation to services supporting vulnerable people. Additionally, concerns regarding the loss of non-statutory services (e.g. parks) and reliance on digital-only systems.

1. Summary of findings - Option A

Criteria	Summary of analysis
5. Ability of new unitary structures to unlock devolution	**Anticipated advantages** • **Ability to deliver regional priorities** - MHCLG guidance outlines a requirement for each new strategic authority to serve a population of c1.5 million residents (with some flexibility). The creation of a single new unitary would establish a council with a significant population (c614,000) and economy. The new unitary would possess significant economic power / assets and the capacity / scale to deliver regional priorities. • **Providing a foundation for economic growth** - Economic development, skills, transport and housing functions / responsibilities would be delivered by the new unitary council through integrated governance and strategies, aiding strategic planning and the delivery of Worcestershire-wide and regional priorities. • **Ability to act as a prominent regional public services place leader** - A single new unitary council would maintain joint working relationships with all public service system partners (Integrated Care Board, Police and Crime Commissioner, West Mercia Police, Hereford & Worcester Fire and Rescue etc.), in addition to housing providers, VCSE organisations, colleges and the university. The new unitary council would have direct access to numerous levers to initiate change at scale, while supporting the strategic authority to deliver regional priorities (i.e. health, wellbeing and public service reform etc.). **Areas for further consideration** • **Potential imbalance of constituent member populations** - A single new unitary council with a population of c614,000 would potentially be significantly larger than other constituent members (e.g. Herefordshire and Shropshire), risking an imbalance in a new strategic authority. • **Balancing local, council and regional priorities** - A requirement for a new single unitary council and strategic authority model to mitigate the challenges posed in relation to the north / south and urban / rural splits that exist across the county. Spanning housing, transport, skills and health inequality, the needs of Worcestershire's residents, communities and businesses vary from place to place. The ability to ensure that ambitious growth plans align with the needs of all residents and businesses, over a large and diverse geographic area, represents a challenge, particularly across areas of the county that currently feel underserved by current arrangements.

1. Summary of findings - Option A

Criteria	Summary of analysis
6. New unitary structures should enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment	The intended structure for community engagement and neighbourhood empowerments involves: • Strengthening links with existing town and parish councils, ensuring they have sufficient capacity and capabilities to effectively deliver their responsibilities, represent the views of residents and influence unitary council decision making. • The creation of neighbourhood area committees (or equivalent) to work alongside local organisations (including VCSEs) to deliver local priorities and shape services to meet local need. • Alignment with the neighbourhood health service, to create integrated person-centred services. **Areas for further consideration** Given the size and scale of a single new unitary council, the following issues require consideration: • **Aligning neighbourhood and council governance arrangements** - Option A would require clear lines of governance and accountability between neighbourhoods and the council which would serve a population of c614,000 residents. Establishing these arrangements at such a scale, in a way that strengthens each community's trust in decision making while providing transparency and clear lines of local accountability, represents a challenge. • **Establishing a culture of community engagement and neighbourhood empowerment** - Effective local engagement and empowerment would require a culture of ceding control to be embedded within the new unitary council. Local, visible and accountable leaders would be required to work with communities to develop innovative approaches to neighbourhood empowerment, potentially including (for example) the devolution of power, decision making, assets and budgets, all supported by trusting and strong local connections. • **Establishing bespoke and robust neighbourhood governance arrangements** - Delivering person-centred support across Worcestershire's communities requires long term commitment and investment into neighbourhood delivery models, governance, community engagement, and ensuring services are sufficiently flexible to adapt to changing local needs. • **Building on existing arrangements and 'what works'** - The new unitary council would be required to leverage the county council's current experience of delivering services both at scale and locally, while ensuring that the corporate intelligence, insights, connections and relationships are effectively transferred from the district councils to the unitary council. • **Establishing a localised approach to working in partnership with VCSE organisations** - The new unitary council would be required to adopt a localised approach to commissioning and joint working with VCSE organisations. While some VCSEs operate on a county wide or regional basis, other smaller organisations operate at a hyper-local level and are deeply embedded within their communities.

1. Summary of findings - Option A

1. The establishment of a single tier of local government		2. The right size to achieve efficiencies, improve capacity and withstand financial shocks		3. Prioritise the delivery of high quality and sustainable public services to citizens		4. Working together in coming to a view that meets local needs and is informed by local views		5. Ability of new unitary structures to unlock devolution		6. Enable stronger community engagement and neighbourhood empowerment	
The establishment of a single tier of local government	🟢	Meet the 500,000 population guiding principle	🟢	Improved service delivery and avoidance of unnecessary fragmentation of services	🟢	Evidence of local engagement and an explanation of the views that have been put forward and how concerns will be addressed	🟡	Proposal should set out how it will help unlock devolution	🟢	Arrangements will enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment	🟡
Represent a sensible economic area	🟢	Efficiencies should be identified to help improve councils' finances*	🟢	Identified opportunities to deliver public service reform	🟢	Consideration of issues of local identity and cultural and historic importance	🟡	Sensible population size ratios between local authorities and any strategic authority	🟢		
Appropriate tax base & not creating undue advantage or disadvantage for one part of the area*	🟢	Identification of transition costs and how these will be managed	🟢	Consideration for the impact on crucial services	🟢						
Increase housing supply and meet local need	🟢	Be the right size to withstand financial shocks – Measure 1*	🟢								
		Be the right size to withstand financial shocks – Measure 2*	🟢								
Identify intended outcomes, informed by local engagement	🟡	EFS - putting local government in the area as a whole on a firmer footing	⚫								
Demonstrate a positive cost/benefit ratio	🟡										
Ensure effective democratic representation for all parts of the area	🟡										

Key

🟢 **High probability** - analysis provides demonstrable evidence that the option can meet the criterion.

🟡 **Medium probability** - analysis provides partial evidence that the option can meet the criterion.

🔴 **Low probability** - analysis indicates that the option is unlikely to meet the criterion.

⚫ **Unclear** - further information is required to assess the performance of the option against the criterion.

* Assessment against criteria does not take into account the potential impact of the Fair Funding Formula.

1. Summary of findings - Option B1

Option description: Two new unitary councils established across Worcestershire; North Worcestershire and South Worcestershire. The disaggregation and transferring of all statutory and non-statutory services, functions and operating model from Worcestershire County Council to the new unitary councils. The aggregation (where not already shared) and transferring of all statutory and non-statutory services, functions and operating models from district councils to their respective new (north or south) unitary council.

Criteria	Summary of analysis
1. The establishment of a single tier of local government	**Anticipated advantages** • **Sensible geography** - The new unitary councils would create a single tier of local government across Worcestershire. Both new unitary councils would fall within the organisational boundaries of system partners (West Mercia Police, Hereford and Worcester Fire and Rescue service and Herefordshire and Worcestershire Integrated Care Board). Each system partner would be required to hold separate relationships with each new unitary council in relation to adult social care, children's services, prevention and early help etc. • **Sensible economic area** - The creation of two new unitary councils would reflect the varying characteristics of Worcestershire's economic geography (i.e. the 'north / south split'). Each council would coordinate economic development across various directorates (economic development, housing, transport, skills, planning etc.) to address local economic challenges. Each council would possess a strong understanding of their local economies, allowing for the development of tailored and specific economic development strategies, The councils would maintain strong connections with local businesses, skills and housing providers given the increased focus on place and reduced number of relationships required with local stakeholders (i.e. from six district councils and a county council to two unitary councils). • **Housing supply** - The likelihood of adoption of inherited plans is considered to be greater for options B1 and B2, given that the South Worcestershire Development Plan has been jointly developed by the district councils that would form the new South Worcestershire unitary council. Across north Worcestershire, Bromsgrove and Redditch currently share strategic functions and collaborate on housing delivery while maintaining their own separate Local Plans. Additionally, the opportunity exists for a place-based approach to balancing local character and infrastructure. • **A balanced approach to taxation and meeting local need** - While North Worcestershire's Council Tax base would be lower than that of South Worcestershire, it is anticipated that demand for public services (adult social care, children's services etc.) would be higher in South Worcestershire. Additionally, the Fair Funding Formula is anticipated to invest additional public funds into areas experiencing proportionally higher levels of inequality and deprivation; areas of North Worcestershire (e.g. Redditch) would therefore expect to benefit from an increase in funding. • **Democratic representation** - Options B1 and B2 provide a greater opportunity to ensure effective democratic representation. Should option A establish the maximum number of councillors permitted for a unitary council (i.e. 100 councillors, as per LGBCE guidance), this would result in 6,142 residents per councillor. For options B1 and B2, a new North Worcestershire unitary council would require 63 councillors (4,619 residents per councillor) and a new South Worcestershire unitary council 70 councillors (4,617 residents per councillor) to broadly align with the national average (4,600 residents per councillor for unitary councils). Opportunities would also exist to establish closer links with existing town and parish councils as part of a more localised approach to community capacity building.

1. Summary of findings - Option B1

Criteria	Summary of analysis
1. The establishment of a single tier of local government (cont.)	**Areas for further consideration** • **Housing supply** - The two new unitary councils would be required to work collaboratively to ensure that their separate housing strategies / Local Plans align with the prioritisation, design and delivery of major infrastructure projects. • **Local democracy and representation** - Consideration of local capacity, given not all of Worcestershire is currently parished (particularly Worcester).
2. The right size to achieve efficiencies, improve capacity and withstand financial shocks	**Anticipated disadvantages** • **Population size guiding principle** - Option B1 does not meet the MHCLG guiding population principle of 500,000 residents per new unitary council. North Worcestershire would possess a population of 290,991, while South Worcestershire's population would be 323,194. - **NB.** Recent updates relating to the MHCLG guidance state that the population guiding principle is not a hard target, with the commissioning councils having the opportunity to demonstrate a compelling case for exemption within their full LGR proposal. • **Financial efficiencies and achieving value for money** - Option B1 is anticipated to realise the lowest level of efficiencies / financial savings across all options. Over a 10 year period, option B1 is anticipated to realise £1.685m of savings, compared to £89.269m for option A and £16.786m for option B2. - **NB**. In relation to ongoing efficiencies, recently published evidence indicates that (i) there are no economies of scale in delivering social care, and in some cases, there is evidence that larger systems introduce diseconomies, and (ii) in all areas except Section 251 residential unit costs, unitaries and those with a population size of 250,000-350,000 are achieving the lowest unit costs (DCN/PeopleToo 'Adults Social Care and Children's Service's Lens'). • **Transition cost payback period** - Option B1 is anticipated to take the longest period to pay back the cost of LGR transformation (10 years). By comparison, option A is forecasted to have a 3 year payback period, while option B2 has a 7 year payback period. - **NB**. The LGR criterion does not provide a specific target in terms of the required/maximum duration of the payback period. • **Financial sustainability** - The new South Worcestershire unitary council demonstrates the anticipated ability to withstand financial shocks (high probability of meeting both liquidity measures), while the new North Worcestershire unitary council demonstrates a medium to high probability. - **NB**. Calculations do not take into account the impact of the Fair Funding Formula (which, for example, indicates increased future funding levels for Redditch), the allocation of EFS liabilities, the sale of land or properties and any future additional borrowing. **Areas for further consideration** • **Exceptional Financial Support** - Further clarity is required regarding the impact of current and future EFS on the financial sustainability of the new unitary councils.

1. Summary of findings - Option B1

Criteria	Summary of analysis
3. Prioritise the delivery of high quality and sustainable public services to citizens	**Anticipated advantages** • **Improved service delivery** - Establishing option B1 would result in significant service disaggregation. It would however provide the basis for longer term service transformation, with future services designed and delivered across a neighbourhood model of working: - The benefits of place-based leadership and the convening powers of smaller new unitary councils, including the potential for increased service responsiveness, with services designed in partnership with communities to better reflect their needs. The new unitary councils would be in a strong position to design, deliver and coordinate a range of co-produced person-centred services across their respective unitary council footprints. - Providing the conditions for targeted and more timely support to communities experiencing localised inequality and deprivation, through a stronger understanding of local needs and effective investment of additional funds via the Fair Funding Formula. - The ability to develop and maintain strong relationships with local VCSE organisations. These relationships would support the design and delivery of bespoke services tailored to the needs of communities, given that many of VCSE organisations operate on a local (or hyperlocal) basis. - Each council would operate across a reduced geography, with council decision making focussed on meeting the needs of a smaller population. This would provide the basis for deeper insights and understanding of the needs of specific communities and businesses, informing a more localised approach to decision making and strategy / policy development. - Informed by the greater place focus of options B1 and B2, a culture of ceding control could be embedded within each new unitary council. Local, visible and accountable council representatives would work with communities to develop innovative approaches to neighbourhood empowerment, potentially including (for example) the devolution of power, decision making, assets and budgets, supported by trusting and strong local connections. Other opportunities include agreeing a social contract between the council and communities (e.g. the Wigan Deal). - The continuation of the North Worcestershire and South Worcestershire Safer Community Partnerships, supported by enhanced levels of neighbourhood working. • **Public service reform** - Given the structural characteristics of Option B1, the option would possess the agility to deliver change at pace. Place based services, close connections to communities and deep local insights provide the conditions to achieve significant and meaningful public service reform, particularly at a neighbourhood level. Opportunities also exist in relation to each unitary council's role as a place leader; by establishing strong working relationships with neighbourhood area committees, town and parish councils and VCSE organisations, the conditions required for long term planning and investment, tailored to the needs of local communities, would be established. **Areas for further consideration** • **Service fragmentation** - Establishing Option B1 would result in significant service disaggregation, including a splitting of the current adult social care and children's services offers. This level of disaggregation represents a complex process involving a range of core functions and statutory services. Commissioning arrangements would be disaggregated, potentially creating pressures in relation to the cost and availability of internal and market provision. The process would also represent a risk to service continuity, in addition to creating complexity, cost and challenges relating to single discharge pathways, Better Care arrangements and the children's services improvement journey. System partners would be required to hold twice the number of relationships with council partners, in addition to increasing the complexity and cost of establishing and maintaining two sets of joint working

1. Summary of findings - Option B1

Criteria	Summary of analysis
3. Prioritise the delivery of high quality and sustainable public services to citizens (cont.)	arrangements. From a place services perspective, option B1 offers better service continuity, as many of the services delivered across north and south Worcestershire are already shared/jointly delivered by district councils. • **Consideration for the impact on crucial services (in addition to the above)** - In relation to SEND, a two unitary council model has the potential to result in more complex interfaces between each council (children's services, education/schools) and health services, potentially risking responsiveness and quality, in addition to adding cost to the system.
4. 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	The characteristics of option B1 align with the preferences outlined by a significant proportion of respondents to the Shape Worcestershire public engagement process: • 47.8% of respondents (2,026) highlighted their preference for a two unitary model; comments by respondents stated that this was due to a view that the model would maintain local focus, democratic accountability and community connections. • 43.8% of respondents (1,856) stated that the impact on local community and local identity was one of the most important three things that matter to them, in terms of how councils are currently organisation. • 45.7% of respondents (1,924) identified a two unitary model as best supporting local identity (compared to 20.3% (855) for a single unitary model). Additionally, the characteristics of option B1 provide the conditions to address several of the main concerns expressed by respondents in relation to the impact of LGR (given services would be delivered locally and decisions, informed by strengthened local insights, would be made closer to communities): • A loss of localism and representation - Concerns regarding diminished community involvement, loss of local facilities and remote decision-making. • Clear accountability and governance - A desire for clear, transparent governance with councillors who live in the areas they represent. • Allocation of services and resources - Concerns include potential marginalisation of rural areas, unequal resource allocation and fears that rural needs (e.g. isolation, transport) will be overlooked.

1. Summary of findings - Option B1

Criteria	Summary of analysis
5. Ability of new unitary structures to unlock devolution	**Anticipated advantages** • **Creating addition opportunities for regional collaboration** - The creation of two new unitary councils would establish councils with a population of 290,991 (North Worcestershire) and 323,194 (South Worcestershire). Should option B1 be implemented, several approaches to devolution could be considered: - A combined approach to devolution, involving both new unitary councils joining the same strategic authority as constituent members. Other constituent members may include (for example) unitary councils in Herefordshire, Shropshire, Warwickshire, Gloucestershire and Staffordshire. - Separate approaches to devolution, reflecting the different social, economic and environmental profiles of north and south Worcestershire. The two new unitary council option provides the opportunity for North Worcestershire to consider associating itself more closely with the West Midlands Combined Authority, while South Worcestershire may consider a strategic authority that contains (for example) unitary councils from south Warwickshire and Gloucestershire. • **Potential for similarly sized constituent members** - Until the future structure of local government in Warwickshire, Gloucestershire and Staffordshire is understood (i.e. one, two or three etc. new unitary councils being established in each two-tier area), it is not possible to provide a definitive assessment against this criterion. However, assuming each two-tier area opts for a two new unitary council model, the populations of Worcestershire's two new unitary councils would be broadly comparable with other constituent members. **Areas for further consideration** • **Separate approaches to devolution**: Such an approach would risk: - Splitting the combined population and collective capacity that exists across both new unitary councils. - While joining separate strategic authorities may result in more sensible economic and social geographies being established on a regional basis, such an approach would risk creating complications regarding current boundaries of public services (e.g. health, police, fire and rescue etc.).

1. Summary of findings - Option B1

Criteria	Summary of analysis
6. New unitary structures should enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment	The intended structure for community engagement and neighbourhood empowerments involves: • Strengthening links with existing town and parish councils, ensuring they have sufficient capacity and capabilities to effectively deliver their responsibilities, represent the views of residents and influence unitary council decision making. • The creation of neighbourhood area committees (or equivalent) to work alongside local organisations (including the VCSEs) to deliver local priorities and shape services to meet local need. • Alignment with the neighbourhood health service, to create integrated people-centred services. **Anticipated advantages** • Neighbourhood delivery model and governance structures would create the conditions for clearer and more localised lines of accountability, enabling residents to influence decisions and hold decision makers to account. • Given the greater place focus, a culture of ceding control could be embedded within each new unitary council. Local, visible and accountable leaders from the council and communities would be in a position to work together to develop innovative approaches to neighbourhood empowerment, including (for example) devolved decision making and agreeing a social contract between the council and communities. • Given their size and local focus, opportunities exist for the new unitary councils to establish a culture of small wins; where locally designed, achievable solutions can build momentum and encourage greater participation. Such an approach would be supported by smaller geographies, allowing a more tailored approach to increasing community engagement. • The new unitary authorities would have the opportunity to promote innovative community led solutions to other neighbourhood areas, with close strategic and operational working relationships with VCSE organisations helping to support the scaling and spreading of 'what works'. • As outlined within Appendix B, 47.8% of respondents identified a two unitary option as being their preferred structure for local government; comments by respondents stressed the importance of decision makers having direct knowledge of local communities, including living in those communities, which they believe will be stronger in a two unitary model. This in turn could increase community engagement and empowerment, given that 45.7% of respondents felt that a two unitary council model would best preserve and support local identity. **Areas for further consideration** • **Investment in structures that provide local leadership capacity** - Ensuring sufficient internal resources are allocated to work with communities to design, establish and coordinate community engagement and neighbourhood governance arrangements. • **Sustained and equal levels of investment** - Ensuring effective community engagement and neighbourhood governance arrangements are established across each community, including rural areas and those not currently served by a town and parish councils. • **Continued investment in relationships with VCSE organisations** - Including those operating at a local level, ensuring they have sufficient capacity and capability to support the implementation and management of new community engagement and neighbourhood empowerment arrangements.

1. Summary of findings - Option B1

1. The establishment of a single tier of local government		2. The right size to achieve efficiencies, improve capacity and withstand financial shocks		3. Prioritise the delivery of high quality and sustainable public services to citizens		4. Working together in coming to a view that meets local needs and is informed by local views		5. Ability of new unitary structures to unlock devolution		6. Enable stronger community engagement and neighbourhood empowerment	
The establishment of a single tier of local government	🟢	Meet the 500,000 population guiding principle	🟡	Improved service delivery and avoidance of unnecessary fragmentation of services	🟡	Evidence of local engagement and an explanation of the views that have been put forward and how concerns will be addressed	🟢	Proposal should set out how it will help unlock devolution	🟢	Arrangements will enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment	🟢
Represent a sensible economic area	🟢	Efficiencies should be identified to help improve councils' finances *	🔴	Identified opportunities to deliver public service reform	🟢	Consideration of issues of local identity and cultural and historic importance	🟢	Sensible population size ratios between local authorities and any strategic authority	🟢		
Appropriate tax base & not creating undue advantage or disadvantage for one part of the area*	🟢	Identification of transition costs and how these will be managed	🟡	Consideration for the impact on crucial services	🟡						
Increase housing supply and meet local need	🟢	Be the right size to withstand financial shocks – Measure 1*	N 🟢 S 🟢								
		Be the right size to withstand financial shocks – Measure 2*	N 🟡 S 🟢								
Identify intended outcomes, informed by local engagement	🟡	EFS - putting local government in the area as a whole on a firmer footing	⚫								
Demonstrate a positive cost/benefit ratio	🟡										
Ensure effective democratic representation for all parts of the area	🟢										

Key

🟢 **High probability** - analysis provides demonstrable evidence that the option can meet the criterion.

🟡 **Medium probability** - analysis provides partial evidence that the option can meet the criterion.

🔴 **Low probability** - analysis indicates that the option is unlikely to meet the criterion.

⚫ **Unclear** - further information is required to assess the performance of the option against the criterion.

* Assessment against criteria does not take into account the potential impact of the Fair Funding Formula.

N North Worcestershire
S South Worcestershire

1. Summary of findings - Option B2

Option description: Two new unitary councils established across Worcestershire; North Worcestershire and South Worcestershire. A shared service/hybrid model across both new unitary councils, with specific services (i.e. adult social care, children's services, education, adult education and transport) jointly delivered and commissioned. All other services would be delivered and commissioned by each new unitary council, including prevention and early help. The exact arrangement would be determined during the development of the full LGR proposal.

Criteria	Summary of analysis
1. The establishment of a single tier of local government	**Anticipated advantages** • **Sensible geography** - The new unitary councils would create a single tier of local government across Worcestershire. Both new unitary councils fall within the organisational boundaries of system partners. Partners (e.g. health services) would hold relationships with the care partnerships (e.g. adult social care and children's services), while also being aligned to neighbourhood area committees and delivering the neighbourhood health service. • **Sensible economic area** - The creation of two new unitary councils would reflect the varying characteristics of Worcestershire's economic geography (i.e. the 'north / south split'). Each council would coordinate economic development across service directorates (economic development, housing, skills, planning etc.) to address local economic challenges. Each council would possess a strong understanding of their local economies, allowing for the development of tailored and specific economic development strategies. Each unitary council would be well placed to maintain strong connections with local businesses, skills and housing providers given the increased focus on place and reduced number of relationships required with local stakeholders (i.e. from six district councils and a county council to two unitary councils). • **Housing supply** - The likelihood of adoption of inherited plans is considered to be greater for options B1 and B2, given that the South Worcestershire Development Plan has been jointly developed by the district councils that would form the new South Worcestershire unitary council. Across north Worcestershire, Bromsgrove and Redditch currently share strategic functions and collaborate on housing delivery while maintaining their own separate Local Plans. Additionally, the opportunity exists for a place-based approach to balancing local character and infrastructure. • **A balanced approach to taxation and meeting local need** - While North Worcestershire's Council Tax base would be lower than that of South Worcestershire, it is anticipated that demand for public services (adult social care, children's services etc.) would be higher in South Worcestershire. Additionally, the Fair Funding Formula is anticipated to invest additional public funds into areas experiencing proportionally higher levels of inequality and deprivation; areas of North Worcestershire (e.g. Redditch) would therefore expect to benefit from an increase in funding. • **Democratic representation** - Options B1 and B2 provide a greater opportunity to ensure effective democratic representation. Should option A establish the maximum number of councillors permitted for a unitary council (i.e. 100 councillors, as per LGBCE guidance), this would result in 6,142 residents per councillor. For options B1 and B2, a new North Worcestershire unitary council would require 63 councillors (4,619 residents per councillor) and a new South Worcestershire unitary council 70 councillors (4,617 residents per councillor) to broadly align with the national average (4,600 residents per councillor for unitary councils). Opportunities would also exist to establish closer links with existing town and parish councils as part of a more localised approach to community capacity building.

1. Summary of findings - Option B2

Criteria	Summary of analysis
1. The establishment of a single tier of local government (cont.)	**Areas for further consideration** • **Housing supply** - The two new unitary councils would be required to work collaboratively to ensure that their separate housing strategies / Local Plans align with the prioritisation, design and delivery of major infrastructure projects. • **Local democracy and representation** - Consideration of local governance arrangements, given not all of Worcestershire is currently parished (particularly Worcester).
2. The right size to achieve efficiencies, improve capacity and withstand financial shocks	**Anticipated advantages** • **Population size guiding principle** - Option B2 does not meet MHCLG guiding population principle of 500,000 residents per new unitary council. North Worcestershire would possess a population of 290,991, while South Worcestershire's population would be 323,194. - **NB.** Recent updates relating to the MHCLG guidance state that the population guiding principle is not a hard target, with the commissioning councils having the opportunity to demonstrate a compelling case for exemption within their full LGR proposal. • **Financial efficiencies and achieving value for money** - Option B2 is forecast to achieve £16.786m of financial savings over 10 years, less then the financial savings forecast to be realised by option A (£89.269m) but more than option B1 (£1.685m). - **NB**. In relation to ongoing efficiencies, recently published evidence indicates that (i) there are no economies of scale in delivering social care, and in some cases, there is evidence that larger systems introduce diseconomies, and (ii) in all areas except Section 251 residential unit costs, unitaries and those with a population size of 250,000-350,000 are achieving the lowest unit costs (DCN/PeopleToo 'Adults Social Care and Children's Service's Lens'). • **Transition cost payback period** - Option B2 is forecast to achieve a payback period of 7 years, representing a longer period than the 3 years anticipated for option A, but shorter than the 10 year payback period for option B1. - **NB**. The LGR criterion does not provide a specific target in terms of the required/maximum duration of the payback period. • **Financial sustainability** - The new South Worcestershire unitary council demonstrates the anticipated ability to withstand financial shocks (high probability of meeting both liquidity measures), while the new North Worcestershire unitary council demonstrates a medium to high probability. - **NB**. Calculations do not take into account the impact of the Fair Funding Formula (which, for example, indicates increased future funding levels for Redditch), the allocation of EFS liabilities, the sale of land or properties and any future additional borrowing. **Areas for further consideration** • **Exceptional Financial Support** - Further clarity is required regarding the impact of current and future EFS on the financial sustainability of the new unitary councils.

1. Summary of findings - Option B2

Criteria	Summary of analysis
3. Prioritise the delivery of high quality and sustainable public services to citizens	**Anticipated advantages** • **Reduced service fragmentation** - Option B2 would avoid the fragmentation of key services (adult social care, children's services, education, public health, adult learning and transport), given that shared services arrangements would account for c80% of the county council's current annual expenditure. Shared services currently delivered on a north or south basis would be transferred to their respective new unitary council (e.g. south Worcestershire: procurement, ICT, building control, land drainage; north Worcestershire: emergency planning, water management, land drainage and building control). Additionally, place services currently delivered by each district council would be aggregated. • **Improved service delivery** - The establishment of option B2 would create numerous helpful conditions and likely advantages, centred on a model that combines the benefits of a place based approach to the delivery of services with the structural efficiencies of shared service models, and levels of integration associated with public services operating across geographies. • **Shared services arrangements for adult social care and children's services** would create the conditions for further strengthening of integration between social care and health, in addition to the continuation of existing single discharge pathways (social care/health), Better Care Fund and SEND arrangements. Benefits would be realised by system partners in terms of the number of partners, relationships and joint working arrangements required. The option provides the basis for effective strategic authority oversight of public service reform, transformation and collaboration. Option B2 would also support the continuation of the children's services improvement journey. • **The benefits of a more localised approach.** Each council would operate across a reduced geography, with council decision making focussed on meeting the needs of a smaller population. This would provide the basis for deeper insights and understanding of the needs of specific communities and businesses, informing a more localised approach to decision making and strategy / policy development. • **A neighbourhood approach to prevention and early help**. Both new unitary councils being responsible for the delivery of prevention and early help services provides opportunities to align preventative services to neighbourhood area committees, the neighbourhood health service and community led initiatives. These arrangements provide the basis for targeted and timely support to communities, through a strengthened understanding of local needs and effective investment of additional funds via the Fair Funding Formula. • **Creating the conditions for public service reform**. Given the structural characteristics of option B2, the new unitary councils would possess the agility to deliver change at pace. Place based services, closer connections to communities and deep local insights provide the conditions to achieve significant and meaningful public service reform, particularly at a neighbourhood level. Opportunities also exist in relation to each unitary council's role as a place leader; by establishing strong working relationships with neighbourhood area committees, town and parish councils and VCSE organisations, the conditions required for long term planning and investment, tailored to the needs of local communities, would be established. • **The opportunity to develop a culture of ceding control to neighbourhoods and communities.** Given the increased place focus of option B2, a culture of ceding control could be embedded within each new unitary council. Local, visible and accountable council representatives would work with communities to develop innovative approaches to neighbourhood empowerment, potentially including (for example) the devolution of power, decision making, assets and budgets. Other opportunities include agreeing a social contract between the council and communities (e.g. the Wigan Deal).

1. Summary of findings - Option B2

Criteria	Summary of analysis
3. Prioritise the delivery of high quality and sustainable public services to citizens (cont.)	• **The ability to develop and maintain strong relationships with local VCSE organisations**. These relationships would support the design and delivery of bespoke services tailored to the needs of each neighbourhood, given that many of VCSE organisations operate on a local (or hyperlocal) basis. • **The continuation of the North Worcestershire and South Worcestershire Safer Community Partnerships**, supported by an enhanced level of neighbourhood working. • **Opportunities for shared approaches** to workforce planning, commissioning and market shaping, the development of specialist provision and supporting current community based provision (i.e. family hubs, community centres and youth centres). **Examples of services improvement** Evidence demonstrates that new unitary councils created through LGR are able to realise service delivery improvements via a shared services model. For example, following LGR in Cumbria in 2023, Westmorland and Furness Council's Adult Learning Service, which also provides learning programmes on behalf of Cumberland Council, was rated as 'good' by Ofsted in July 2025, with two service areas rated as 'outstanding'. This represents an improvement from 'good' in all areas at the last inspection (2018). Ofsted found that courses '*are aligned to meet the needs of these communities to help learners develop skills, pick up a new hobby, enhance their CV, or improve their health and wellbeing*'. **Areas for further consideration** • **Defining the delivery model arrangements for each shared service** - Further consideration of the type of shared service arrangement that would be suitable for each service area (e.g. a joint committee model or lead authority model etc.). • **Strategic considerations** - Agree a shared vision for each shared service, in addition to priorities and objectives etc. • **Governance, scrutiny and oversight arrangements** - Once the nature of shared arrangements have been defined, further consideration is required to ensure proposed governance arrangements align with statutory responsibilities, while compliant procurement arrangements (if applicable) would need to be identified. Arrangements should reflect the desire amongst residents and other local stakeholders for clear and needs led decision making, local accountability and the ability to influence decisions. • **Model for sharing resources and leadership arrangements** - Leadership, delivery, commissioning and staffing models would require consideration, in addition to wider operating model requirements (e.g. support services and systems). • **Defining funding models** - Stating how costs, savings and risks would be shared. • **Outcomes framework and key performance indicators** - Agreeing a suite of shared outcomes and key performance indicators. • **Further development of intended areas of collaboration** - Consider how approaches to shared workforce planning, collaborative commissioning and development of specialist services would be structured.

1. Summary of findings - Option B2

Criteria	Summary of analysis
4. 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	The characteristics of option B2 align with the preferences outlined by a significant proportion of respondents to the Shape Worcestershire public engagement process; services would be delivered locally and decisions, informed by strengthened local insights, would be made closer to communities: • 47.8% of respondents (2,026) highlighted their preference for a two unitary model; some respondents stated that this was due to a view that the model would maintain local focus, democratic accountability and community connections. • 43.8% of respondents (1,856) stated that the impact on local community and local identity was one of the most important three things that matter to them, in terms of how councils are currently organisation. • 45.7% of respondents (1,924) identified a two unitary model as best supporting local identity (compared to 20.3% (855) for a single unitary model). Additionally, the characteristics of option B1 provide the conditions to address several of the main concerns expressed by respondents (given services would be delivered locally and decisions, informed by strengthened local insights, would be made closer to communities): • A loss of localism and representation - Concerns regarding diminished community involvement, loss of local facilities and remote decision-making. • Clear accountability and governance - A desire for clear, transparent governance with councillors who live in the areas they represent. • Allocation of services and resources - Concerns include potential marginalisation of rural areas, unequal resource allocation and fears that rural needs (e.g. isolation, transport) will be overlooked. Option B2 is considered to outperform options A and B1, given that the model would blend local service delivery with the realisation of financial efficiencies through a shared services model (providing improved value for money). Residents would also benefit from system and service level integration associated with public services operating across geographies, resulting in single front doors into public services.
5. Ability of new unitary structures to unlock devolution	Please refer to the summary of findings for option B1.
6. New unitary structures should enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment	Please refer to the summary of findings for option B1.

1. Summary of findings - Option B2

1. The establishment of a single tier of local government		2. The right size to achieve efficiencies, improve capacity and withstand financial shocks		3. Prioritise the delivery of high quality and sustainable public services to citizens		4. Working together in coming to a view that meets local needs and is informed by local views		5. Ability of new unitary structures to unlock devolution		6. Enable stronger community engagement and neighbourhood empowerment	
The establishment of a single tier of local government	🟢	Meet the 500,000 population guiding principle	🟡	Improved service delivery and avoidance of unnecessary fragmentation of services	🟢	Evidence of local engagement and an explanation of the views that have been put forward and how concerns will be addressed	🟢	Proposal should set out how it will help unlock devolution	🟢	Arrangements will enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment	🟢
Represent a sensible economic area	🟢	Efficiencies should be identified to help improve councils' finances *	🟡	Identified opportunities to deliver public service reform	🟢	Consideration of issues of local identity and cultural and historic importance	🟢	Sensible population size ratios between local authorities and any strategic authority	🟢		
Appropriate tax base & not creating undue advantage or disadvantage for one part of the area*	🟢	Identification of transition costs and how these will be managed	🟡	Consideration for the impact on crucial services	🟢						
Increase housing supply and meet local need	🟢	Be the right size to withstand financial shocks – Measure 1 *	N 🟢 S 🟢								
		Be the right size to withstand financial shocks – Measure 2 *	N 🟡 S 🟢								
Identify intended outcomes, informed by local engagement	🟡	EFS - putting local government in the area as a whole on a firmer footing	⚫								
Demonstrate a positive cost/benefit ratio	🟡										
Ensure effective democratic representation for all parts of the area	🟢										

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* Assessment against criteria does not take into account the potential impact of the Fair Funding Formula.

N North Worcestershire
S South Worcestershire

Summary - option performance against LGR criteria

	1. The establishment of a single tier of local government							2. The right size to achieve efficiencies, improve capacity and withstand financial shocks						3. Prioritise the delivery of high quality and sustainable public services to citizens			4. A view that meets local needs and is informed by local views		5. Ability to unlock devolution		6. Engage & empower
	Single tier of local government	Sensible economic area	Appropriate tax base	Increase housing supply	Identify intended outcomes, informed by local engagement	Positive cost / benefit ratio	Effective democratic representation	Meet 500k population guiding principle	Efficiencies should be identified to help improve councils' finances *	Identification of transition costs and how these will be managed	Right size to withstand financial shocks - measure 1	Right size to withstand financial shocks - measure 2	EFS - local government on a firmer footing	Improved service delivery & avoidance of service fragmentation	Deliver public service reform & VfM	Consideration for the impact on crucial services	An explanation of how local concerns will be addressed	Local identity and cultural and historic importance	How proposals will help unlock devolution	Sensible population size ratios	Enable stronger community engagement and neighbourhood empowerment
Option A	Green	Green	Green	Green	Yellow	Yellow	Yellow	Green	Green	Green	Green	Green	Grey	Green	Green	Green	Yellow	Yellow	Green	Green	Yellow
Option B1	Green	Green	Green	Green	Yellow	Yellow	Green	Yellow	Red	Yellow	N S	N S	Grey	Yellow	Green	Yellow	Green	Green	Green	Green	Green
Option B2	Green	Green	Green	Green	Yellow	Yellow	Green	Yellow	Yellow	Yellow	N S	N S	Grey	Green	Green	Green	Green	Green	Green	Green	Green

MUTUAL VENTURES

Section 2

Local Government Reorganisation and Devolution in a Worcestershire context

Bromsgrove District Council
www.bromsgrove.gov.uk

Malvern Hills District Council

Redditch Borough Council
Working together for our communities

Worcester City Council

WYCHAVON

2. LGR and devolution in a Worcestershire context

Local Government Reorganisation in a Worcestershire context

The English Devolution White Paper (published on 16th December 2024) sets out the government's vision for simpler local government structures. Alongside the publication of the White Paper, the Minister of State for Local Government and English Devolution wrote to all councils in remaining two-tier areas and neighbouring small unitaries to set out plans for a joint programme of devolution and LGR. This joint programme of reform is designed to:

- Decentralise power from Westminster to local and regional authorities.
- Simplify local government structures by replacing two-tier systems with unitary authorities;.
- Establish new combined authorities with devolved powers in areas like transport, housing, and skills.

The reforms outlined within the English Devolution White Paper will fundamentally change how public services are delivered in Worcestershire. Worcestershire County Council and the six district councils will cease to exist once the LGR programme has been completed. They will be replaced by one or two new unitary councils that are responsible for the delivery of services and functions previously delivered by the county and district councils across the current county footprint.

National reforms - Several other areas of national policy and reform will have a direct impact on local government and communities in Worcestershire in the future, including:

- **Fit for the Future 10 year Health Plan for England** - The 10-Year Health Plan (2025-2035) introduces a transformative model for the NHS in England, centred around the creation of a neighbourhood health service. This initiative is designed to shift care from hospitals to communities, making care more preventative, personalised, and localised.

  The neighbourhood health service is a new model of care that will:
  - Bring NHS services closer to home, especially for people with complex or long-term conditions.
  - Focus on preventative care, aiming to keep people well and reduce hospital admissions.
  - Integrate GPs, nurses, social workers, home carers, pharmacists, and voluntary sector partners into multi-professional neighbourhood teams.
- **Planning reform** - The Planning and Infrastructure Bill (2025) will result in a significant increase in the target for new homes across Worcestershire. The future role of the strategic authority, which would lead on housing delivery and take on planning powers, will shape the future planning and housing supply functions of the new unitary council.
- **Fair Funding Formula** - The Fair Funding Review 2.0 consultation, launched in 2025, outlines a major overhaul of how central government allocates funding to local authorities in England and

2. LGR and devolution in a Worcestershire context

is anticipated to shape the Local Government Finance Settlement from 2026-27 onwards. The proposed new funding allocation formulae would introduce new Relative Needs Formulas for adult social care, children's services, fire and rescue, highways maintenance and be adjusted for areas cost differences (rurality etc.).

Areas such as Worcestershire that are undergoing LGR and/or forming strategic authorities are expected to benefit from tailored funding models, while it is also anticipated that funding allocations will include a shift from crisis response to prevention (specifically in relation to adult social care and children's services).

- **Neighbourhood governance** - The English Devolution & Community Empowerment Bill will place a new duty for all local authorities to establish effective neighbourhood governance structures. These reforms are designed to:
  - Empower councillors to take a more active role in addressing local issues.
  - Move decision-making closer to residents, ensuring that local voices are heard and acted upon.
  - Create formal mechanisms for neighbourhoods to influence local priorities, budgets, and service delivery.

  The structures that deliver the above requirements will vary from place to place, however potential structures are anticipated to include neighbourhood area committees, community assemblies, participatory budgeting panels and / or Local Partnership Boards.

- **Local Government Outcomes Framework ('LGOF')** - Launched by MHCLG for consultation in July 2025, the LGOF is a major reform initiative designed to shift local government accountability from input-based models to a more outcomes-focussed approach. Once implemented, the LGOF is designed to:
  - Clarify national priorities for local government.
  - Empower councils with greater autonomy and flexibility.
  - Reduce burdensome reporting and ringfenced funding.
  - Support strategic, long-term planning and innovation at the local level.

  The framework identifies 15 priority outcomes areas, including:
  - Housing.
  - Homelessness and rough sleeping.
  - Multiple disadvantage (adults).
  - Best start in life.
  - Every child achieving and thriving.
  - Keeping children safe and family security (children's social care).
  - Health and wellbeing.
  - Adult social care - Quality.
  - Adult social care - Independence.
  - Adult social care - Neighbourhood health / integration.
  - Neighbourhoods.
  - Environment, circular economy and climate change.

2. LGR and devolution in a Worcestershire context

- Transport and infrastructure.
- Economic prosperity and regeneration.

Following consultation, it is anticipated that the final framework will be subject to phased implementation and refinements from 2026 onwards. As such, any new unitary council(s) established within Worcestershire would be required to deliver against these priorities.

System-wide reform across Worcestershire - Other key areas of reform are ongoing across Worcestershire's wider public sector system, with the following closely linked to LGR and devolution:

- **Integrated Care Board ('ICB')** - The Herefordshire and Worcestershire ICB is being reshaped in response to NHS England's directive to reduce management costs and capacity by 50%. A recent announcement has confirmed the cluster and shared management arrangements between Herefordshire and Worcestershire ICB and Coventry and Warwickshire ICB . The ICB will have increased focus on the role of strategic commissioner, including overseeing the design and implementation of a neighbourhood health service designed to bring care and prevention into local communities.
- **Police and Crime Commissioner ('PCC') and West Mercia Police** (which also serve Herefordshire, Shropshire and Telford & Wrekin) - The PCC's budget strategy reflects a shift toward regional coordination and strategic planning, aligned to the ambitions of the Devolution White Paper. West Mercia Police is currently considering how policing functions may be integrated into wider regional governance structures, including various options for strategic authorities.

The future role of the strategic authority/authorities

In addition to implementing LGR for all remaining two-tier areas, the White Paper commits to ensuring that all regions of England are covered by a strategic authority. These strategic authorities will be responsible for coordinating and delivering a wide range of public services and development initiatives across its area in partnership with councils, including (not an exhaustive list):

- Transport and infrastructure
  - Developing and managing regional transport strategies.
  - Overseeing public transport networks, road improvements, and active travel (cycling/walking).
  - Coordinating infrastructure investment and planning.
- Housing and strategic planning
  - Leading on housing delivery, including affordable housing targets.
  - Managing spatial planning and land use across the region.
  - Aligning housing with transport and economic growth priorities.
- Skills and employment
  - Shaping local skills strategies in partnership with employers and education providers.
  - Overseeing adult education and vocational training.
  - Supporting job creation and workforce development.
- Economic development
  - Driving inward investment and business support.
  - Coordinating innovation, enterprise zones, and regeneration projects.
  - Promoting regional economic strategies aligned with national goals.

2. LGR and devolution in a Worcestershire context

- Environment and climate change
  - Leading on regional net-zero strategies and climate resilience.
  - Coordinating energy planning, including renewables and grid upgrades.
  - Leading on green infrastructure and biodiversity initiatives.
- Health, wellbeing and public service reform
  - Integrating health and social care services with local government.
  - Tackling health inequalities and improving population health.
  - Reforming public services to be more efficient and community focussed.
- Public safety and resilience
  - Coordinating emergency planning and civil resilience.
  - Working with police and fire services on regional safety strategies.
- Convening and collaboration
  - Bringing together councils, businesses, universities, and the voluntary sector.
  - Representing the region in national and international forums.

MUTUAL VENTURES

Section 3

Design principles for local government in Worcestershire

Bromsgrove District Council
www.bromsgrove.gov.uk

Malvern Hills District Council

Redditch Borough Council
Working together for our communities

Worcester City Council

WYCHAVON

3. Design principles for local government in Worcestershire

Local stakeholder engagement

Local stakeholder engagement sessions - Over the period June-July 2025, 32 engagement meetings/sessions were undertaken, designed to inform this options appraisal. Stakeholders engaged with during this process included:

- MPs for each of the Worcestershire constituencies (x6).
- Leaders, Deputy Leaders and Chief Executive Officers from each district council, in addition to Worcestershire County Council.
- Group Leader meetings with each of the commissioning councils.
- Full member briefings with each of the commissioning councils.
- Senior Management Teams from each of the commissioning councils.
- Three thematic engagement sessions:
  - Health, wellbeing and system wide considerations (attended by representatives from the IBC, West Mercia Police, PCC, Worcestershire Healthwatch, Worcestershire County Council Public Health (Director) and Adult Social Care (Director of Adult Social Services).
  - Economy, business, skills, leisure and environment (attended by representatives from the University of Worcester, leisure providers, Worcester Regional Chamber of Commerce, local colleges and economic development leads from the district councils).
  - Community engagement and neighbourhood empowerment (attended by representatives from Worcestershire County Association of Local Councils, Bromsgrove and Redditch Network, Citizens Advice Bureau, Young Solutions, Bromsgrove District Housing Trust, Act on Energy, Worcestershire VCS Alliance, Age UK and housing providers).

During each of these engagement sessions, key lines of enquiry were discussed, designed to identify a range of core ambitions and design principles to shape the future structure and functions of local government in Worcestershire:

- What does 'good look like in 10 years time', from perspectives of residents, businesses, public services and third sector organisations?
- What specifically needs to be kept / improved / created to achieve the above?
- What local characteristics (identity, culture, heritage) need to be considered?
- What mechanisms (existing or new) would contribute to ensuring effective community engagement and neighbourhood empowerment?

Public engagement exercise - The commissioning councils undertook a public engagement exercise over the period 1st June - 29th June 2025. A total of 4,249 responses were received from across the county, with the majority (94%) being from residents (see Appendix B).

Other engagement activity - The commissioning councils have undertaken staff surveys and facilitated 14 focus groups involving residents, housing tenants, town and parish councils and VCSE representatives.

Use of outputs to inform the options appraisal process - The outputs from these engagement processes have been compiled and used to develop a series of design principles. These principles demonstrate where broad consensus was achieved in terms of the key ambitions and characteristics that should inform and underpin local government structures, services, culture and priorities post-LGR (see next page).

3. Design principles for local government in Worcestershire

For LGR to be considered a success in 10 years' time, services delivered by local government should:

1 Relationship with the council(s)

- **Be consistently high quality** - whether I live in an urban or rural area
- **Represent good value for money** - so I can be confident in my council
- **Be accessible, reliable and responsive** - through a single front door to public services
- **Be accountable** - so I know who to talk to and how I can influence decisions that affect me and my community / business

2 Social

- **Raise aspirations and improve life chances** - irrespective of where I live and my background
- **Catalyse pride in place** - by investing in, protecting and celebrating our area, heritage and culture
- **Reflect the needs of residents and communities** - by providing person centred support, rather than standardised services
- **Empower communities to support themselves** - we know what the problems are and how to solve them

3 Economic

- **Create the conditions for economic growth and shared prosperity** - aligning ambitious growth plans with the needs of residents, communities and businesses
- **Provide connected infrastructure** - that links communities, public services, businesses, community infrastructure and education/skills provision

4 Environmental

- **Protect our environment** - prioritising net zero, climate and flood resilience, air quality, nature recovery and protecting biodiversity
- **Align increased housing supply with investment in public service provision** - to manage the pressures on schools, GPs, roads and community services

MUTUAL VENTURES

Section 4

Overview of options

Bromsgrove District Council
www.bromsgrove.gov.uk

Malvern Hills District Council

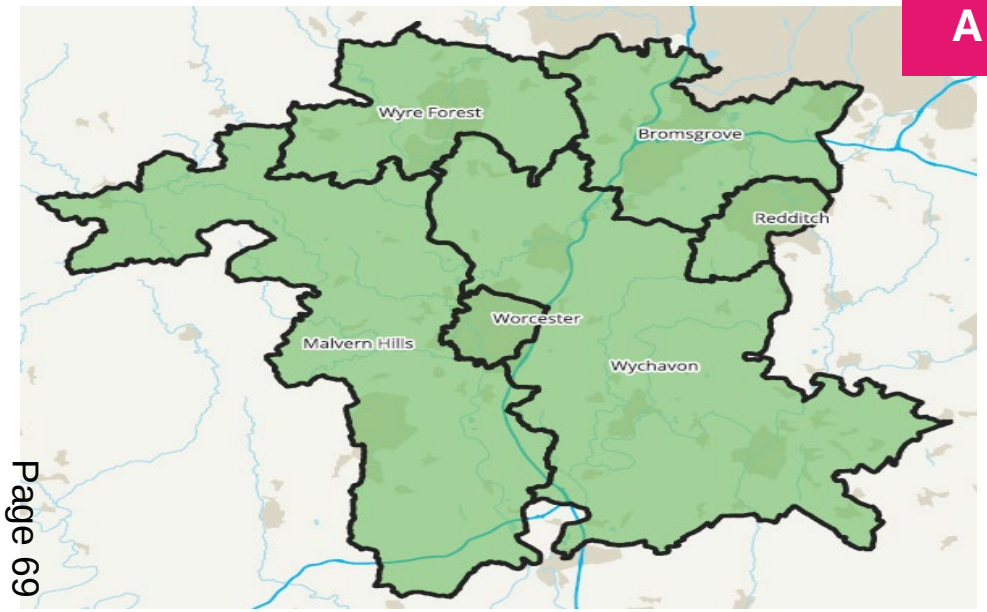
Redditch Borough Council
Working together for our communities

Worcester CITY COUNCIL

WYCHAVON

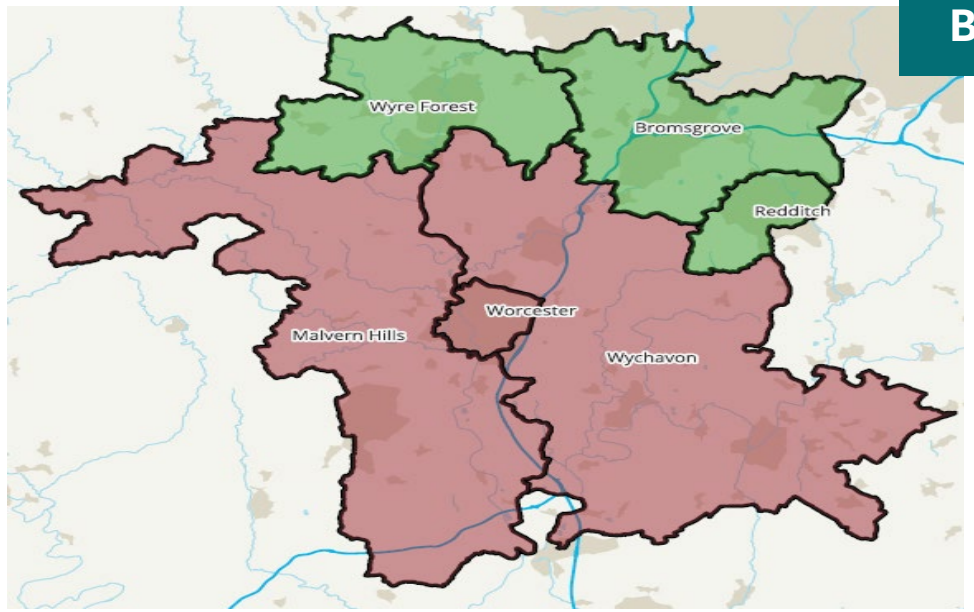
4. Overview of options

A



Single new unitary council
Bromsgrove District Council
Malvern Hills District Council
Redditch Borough Council
Worcester City Council
Worcestershire County Council
Wychavon District Council
Wyre Forest District Council

B



Two new unitary councils
North Worcestershire
Bromsgrove District Council
Redditch Borough Council
Worcestershire County Council (part)
Wyre Forest District Council

South Worcestershire
Malvern Hills District Council
Worcester City Council
Worcestershire County Council (part)
Wychavon District Council

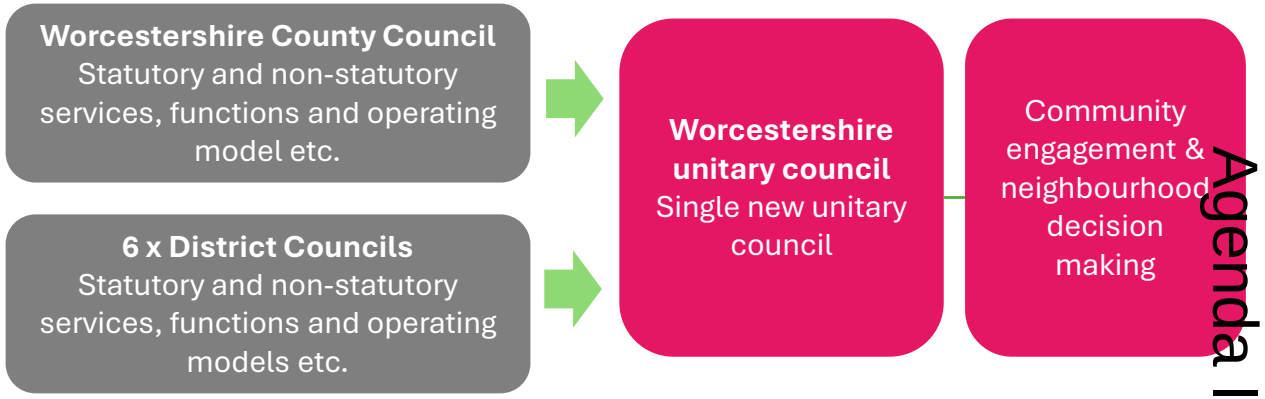
4. Option A - description

Option A would result in the establishment of a single new unitary council for the whole county of Worcestershire. The process would involve:

- The transferring of statutory and non-statutory services, functions and operating model etc. from Worcestershire County Council to the new unitary council.
- The transferring of the county council's operating model (staff, assets, data, finances, contracts, frameworks, support services etc.) to the new unitary council.
- The aggregation and transferring of statutory and non-statutory services, functions and operating models etc. from the six district councils to the new unitary council.
- The aggregation of operating models from across the six current district councils, transferring these to the new unitary council.
- A new single tier of unitary councillors would be established.

Prior to the creation of the new unitary council in April 2028, the new unitary council's leadership and governance arrangements, corporate core, service directorates and neighbourhood governance arrangements would be designed and confirmed. It is anticipated that this process would:

- Establish a single leadership team, replacing the five leadership teams that currently exist.
- Identify a blueprint for integrated services across the new unitary council's service directorates, ensuring that services are aligned to local need and system wide requirements.
- Establish system wide accountabilities, governance and joint working arrangements between the new unitary council are aligned to those of local system partners (e.g. health, police etc.), while also establishing neighbourhood governance arrangements that link communities, existing town and parish councils, neighbourhood area committees, existing VCSE structures and the neighbourhood health service with the new unitary council.
- Define and design the new unitary council's corporate core functions, including financial and commercial, legal and governance, HR and organisational development and digital and data services. This may involve either the maintaining or removal of existing shared service and joint working arrangements (either initially or over time).



- Design the new unitary council's staffing structure.
- Assumed continuation of existing county wide shared services and partnerships (e.g. Worcestershire Regulatory Services (i.e. 'WRS').

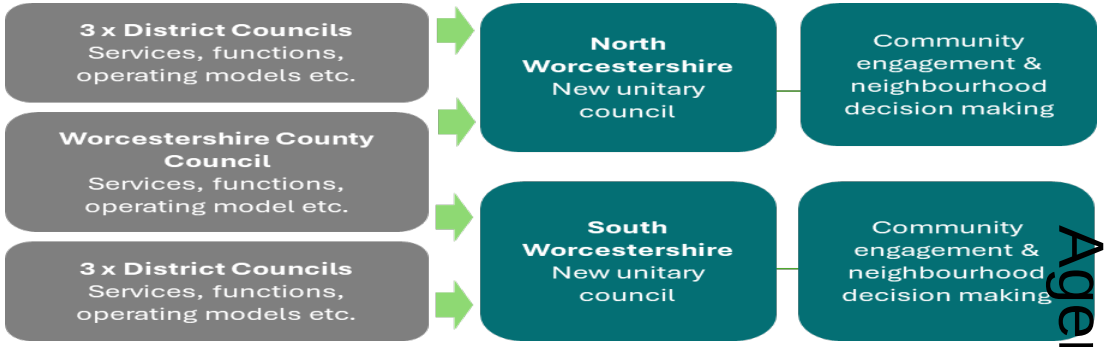
4. Option B1 - description

Option B1 would result in two new unitary councils being established across Worcestershire; North Worcestershire and South Worcestershire. The process would involve:

- The disaggregation and transferring of all statutory and non-statutory services and functions from Worcestershire County Council to the new unitary councils.
- The disaggregation and transferring of the county council's operating model (staff, assets, data, finances, contracts, frameworks, support services etc.) to the new unitary councils.
- The aggregation (if not already shared) and transferring of all statutory and non-statutory services, functions and operating models from district councils operating across the north and south of the county, to their respective new (North or South) unitary council.
- A new single tier of unitary councillors would be established.

Prior to the creation of the new unitary councils in April 2028, each council's respective leadership and governance arrangements, corporate core, service directorates and neighbourhood governance arrangements would be designed and confirmed. It is anticipated that the following would be in place:

- Each new unitary council possessing their own separate corporate leadership team (i.e. from five leadership teams to two).
- Each new unitary council appointing a Director of Children's Services ('DCS'), Director of Adult Social Services ('DASS') and Director of Public Health. Each new unitary council would require its own senior leadership team for children's services and adult social care, as well as each operating their own school improvement and admissions services.
- Integrated services within each of the new unitary councils' service directorates, ensuring that services are aligned to local need and system wide requirements.
- System wide accountabilities, governance and joint working arrangements between the new unitary councils and system partners (e.g. health, police etc.), while also establishing neighbourhood governance arrangements that link communities, existing town and parish councils, neighbourhood area committees and the neighbourhood health service with the new unitary councils.
- Each new unitary councils' corporate core functions, including financial and commercial, legal and governance, HR and organisational development, and digital and data services.



- The continuation of existing shared services and partnerships (e.g. waste disposal, WRS etc.) where these are currently delivered across the county and represent value for money.
- Staffing structures for each new unitary council.
- Strengthened existing arrangements and the creation of new structures that enable effective community engagement and catalyse neighbourhood empowerment.

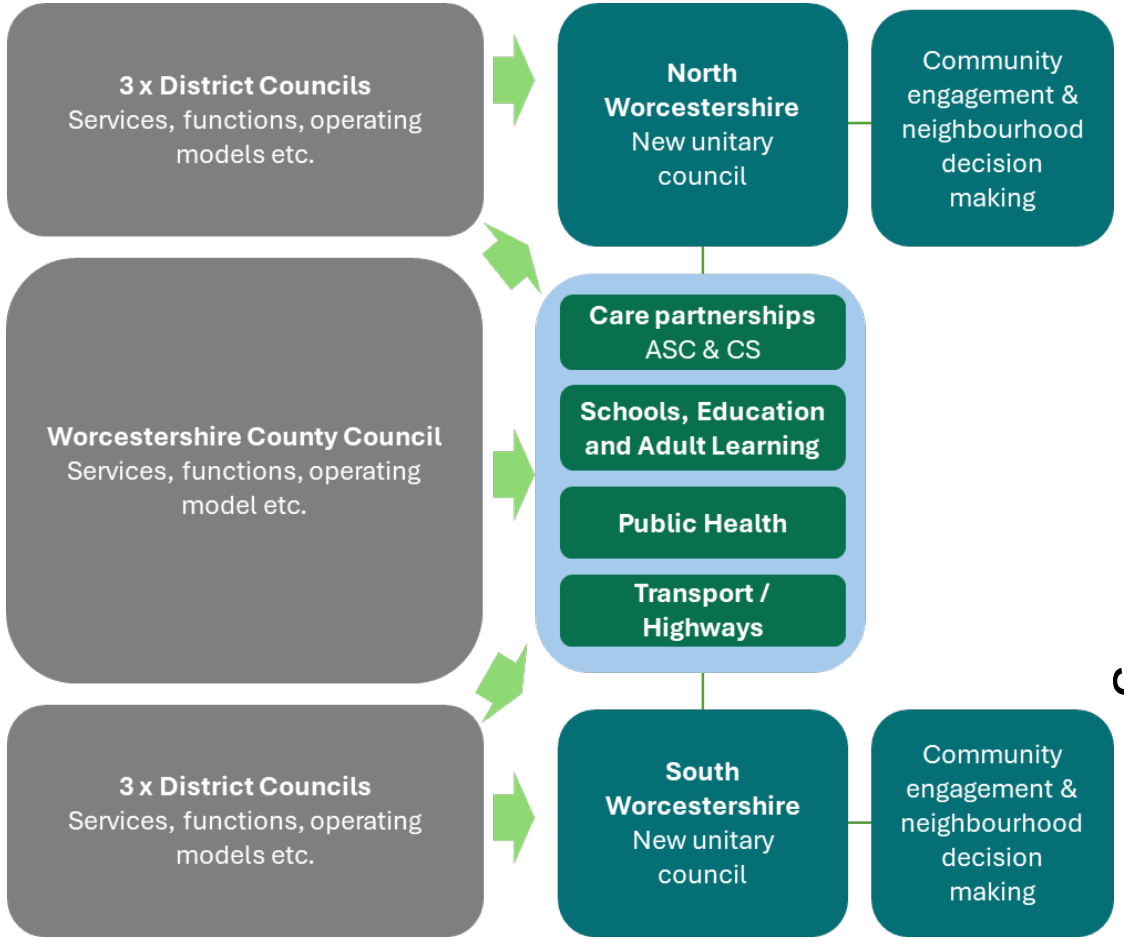
4. Option B2 - description

Option B2 is a variation of option B1, involving a shared service/hybrid model across both new unitary councils, with specific services (i.e. adult social care, children's services, education, adult education and transport) jointly delivered and commissioned. All other services would be delivered and commissioned by each new unitary council, including prevention and early help.

All characteristics of option B2 are similar to option B1 with the following key exceptions:

- A care partnership for children's services would be established between the two new unitary councils. Services would be jointly commissioned and delivered across both new unitary councils, potentially with pooled staff and budgets.
- Similarly, a care partnership for adult social care would be established. Adult social care would therefore represent a single function operating across both new unitary councils.
- Public Health functions would be delivered through a shared service.
- Education, schools and adult learning would be delivered via a shared service between the two new unitary councils.
- Strategic Transport would be delivered across both new unitary authorities, via a strategic partnership, shared service or hosted model.

The exact nature of the shared service arrangement has yet to be defined by the commissioning councils. Delivery arrangements could involve a joint committee model, where services are jointly delivered and commissioned across both new unitary councils. Alternatively, a lead authority model could be considered, where one council hosts a service on behalf of the other 'receiving' new unitary council (with pooled staff and budgets etc.).



MUTUAL VENTURES

Section 5

Appraisal criteria and assessment mechanism

Bromsgrove District Council
www.bromsgrove.gov.uk

Malvern Hills District Council

Redditch Borough Council
Working together for our communities

Worcester City Council

WYCHAVON

5. Appraisal criteria and assessment mechanism

Appraisal criteria - MHCLG guidance

This options appraisal provides an assessment of the perceived and potential ability of shortlisted options to meet the LGR criteria outlined by the Minister. The criteria used to inform this appraisal are as follows:

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

- Proposal should seek to achieve for the whole of the area concerned the establishment of a single tier of local government.
- Proposals should be for sensible economic areas.
- Proposals should be for areas with an appropriate tax base which does not create an undue advantage or disadvantage for one part of the area.
- Proposals should be for a sensible geography which will help to increase housing supply and meet local need.
- Proposals should identify intended outcomes to be achieved through the new model for local government, informed by local engagement.
- Proposals should demonstrate a positive cost/benefit ratio.
- Proposals should ensure effective democratic representation for all parts of the area.

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

- Proposed unitary councils should meet the 500,000 population guiding principle or provide a compelling case for an exemption.
- Efficiencies should be identified to help improve councils' finances and make sure that council taxpayers are getting the best possible value for their money.
- Identification of transition costs and how these will be managed.
- Unitary local government must be the right size to withstand financial shocks.
- For areas covering councils that are in receipt of Exceptional Financial Support, proposals should demonstrate how reorganisation will contribute to putting local government in the area as a whole on a firmer footing.

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

- Improved service delivery and avoidance of unnecessary fragmentation of services.
- Identified opportunities to deliver public service reform, including where they will lead to better value for money.
- Demonstrate consideration for the impact on crucial services such as adult social care, children's services, SEND and homelessness and wider public services including public safety.

4. 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

- Evidence of local engagement and an explanation of the views that have been put forward, and how concerns will be addressed.
- Consideration of issues of local identity and cultural and historic importance.

5. Appraisal criteria and assessment mechanism

5. Ability of new unitary structures to unlock devolution

- Where no CA or CCA is already established or agreed then the proposal should set out how it will help unlock devolution.
- Proposals should ensure there are sensible population size ratios between local authorities and any strategic authority, with timelines that work for both priorities.

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

- Proposals should demonstrate how arrangements will enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment.

Assessing performance against appraisal criteria

A consistent rating mechanisms has been used to appraise the performance of each option against the main and sub-criteria*:

- **High probability** - analysis provides demonstrable evidence that the option can meet the criterion.
- **Medium probability** - analysis provides partial evidence that the option can meet the criterion.
- **Low probability** - analysis indicates that the option is unlikely to meet the criterion.
- **Unclear** - further information is required to assess the performance of the option against the criterion.

* Exceptions to the rating mechanism exist. Bespoke rating mechanisms have been applied to the following criterion:

- Efficiencies should be identified to help improve councils' finances and make sure that council taxpayers are getting the best possible value for their money.
- Identification of transition costs and how these will be managed.
- Unitary local government must be the right size to withstand financial shocks.

Where bespoke rating mechanisms are used, these are explained within the option analysis for option A and applied consistently throughout the appraisal of each option.

NB. Since the LGR criteria were published, further updates have been provided by the Minister; for example, the criteria relating to a required population size of 500,000 is now a 'guiding principle', rather than a specific target. These updates are reflected within the options appraisal.

Weighting of appraisal criteria

The appraisal has not applied any weighting to the appraisal criteria. The commissioning councils have requested that the options appraisal avoid scoring or making recommendations regarding the most desirable, viable and feasible option for new local government in Worcestershire; instead red / amber / green rating has been used to demonstrate how each option performs against each criterion.

The absence of weightings enables each commissioning council to consider the findings and arrive at their own respective decision, given that each council may allocated differing levels of importance to each criterion.

MUTUAL VENTURES

Section 6

Option A
Option analysis

Bromsgrove District Council
www.bromsgrove.gov.uk

Malvern Hills District Council

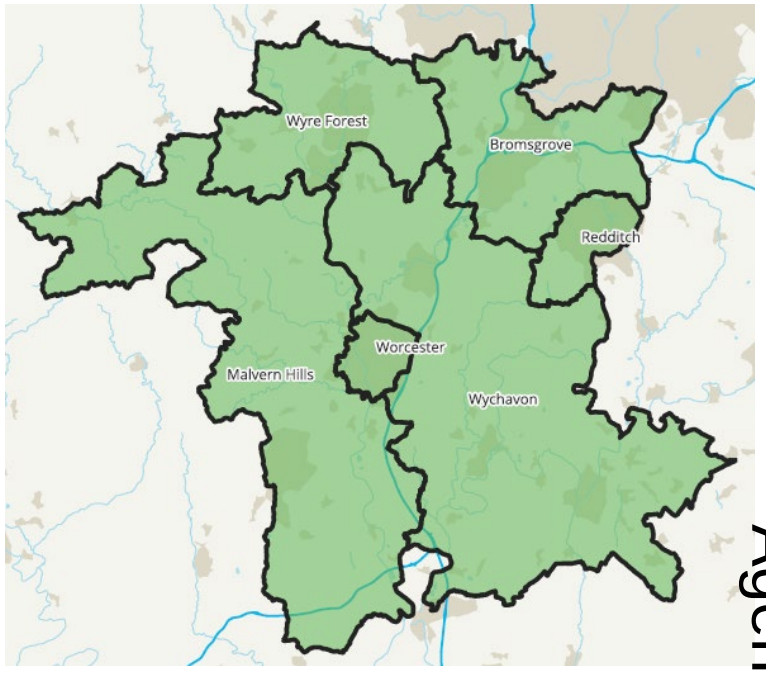
Redditch Borough Council
Working together for our communities

Worcester City Council

WYCHAVON

6. Option A - Place profile and option analysis

Key	Proposed new unitary council	Area (km2)	Current population (2023)	Population forecast (2032)
	Worcestershire Bromsgrove District Council Malvern Hills District Council Redditch Borough Council Worcester City Council Worcestershire County Council Wychavon District Council Wyre Forest District Council	1,741	614,185	646,150



6. Option A - Demographic and economic profile

DEMOGRAPHIC

	Option A Worcestershire unitary council
Demographics	
Area (km2)	1,741
Population (2023)	614,185
Population forecast (2032)	646,150
Age 0-15	17.2%
Age 16-64	59.5%
Age 65+	23.3%
Population density (km2) (2021)	346.8
Population in rural Output Areas	23.9%
Index of Multiple Deprivation (2019) (1 is the most deprived, 10 is the least deprived)	
Income	6
Employment	6
Skills	6
Health	6
Crime	6
Housing	5
Living env.	6

ECONOMIC

	Option A Worcestershire unitary council
Economy	
Claimants as a proportion of residents aged 16-64 (2025)	3.1%
Council tax base	225,128
Total rateable value of all businesses	£537,957,925
GVA per hour	£34.30
Gross median pay	£588.60
Employmt. rate (16-64)	79.4%
Economically active (16-64)	81.2%
% pop - Level 3 skills	17.0%
% pop - Level 4 skills	32.3%
Estimated % of jobs earning below Living Wage Foundation rates	17.9%
% of residents who travel less than 10km to work	33.8%
% of residents who travel more than 10km to work	23.0%
Housing target	3,975
5 year housing land supply (years)	3.3
Employment land (ha)*	425.8

**Required employment land as set out in each area's Local Plan or Demand Study*

6. Option A

Establishment of a single tier of local government for the whole area

Proposals should seek to achieve for the whole of the area concerned the establishment of a single tier of local government

The new unitary council would provide a single tier of local government across Worcestershire.

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.

Criterion: Proposal should seek to achieve for the whole of the area concerned the establishment of a single tier of local government

- **High probability** - analysis provides demonstrable evidence that the option can meet the criterion.

Proposals should be for a sensible economic area

Worcestershire boasts a diverse and resilient economy. The Worcestershire LEP Economy Report 2024 identifies five geographical areas across the county, each with its own distinctive economic base and sector strengths:

- The north of the county (Redditch, Bromsgrove and Wyre Forest) is a hub for advanced manufacturing and business services, in addition to a significant and growing proportion of SMEs and business start up growth (particularly in Bromsgrove).
- The rural heartlands (Wychavon) is home to a large number of small and micro businesses, while the Vale of Evesham (Wychavon) possesses a thriving horticultural sector.
- Worcester City is the primary city economy in Worcestershire, possessing a strong manufacturing base with opportunities in the health and care, business and professional services sectors.
- Malvern Hills is home to the Malvern Hills Science Park and a cluster of cyber and technology led businesses.

This diversity translates into varying levels of economic activity across the county:

- Gross value added ('GVA') per hour ranges from £25.20 (Wyre Forest) to £42.30 (Bromsgrove).
- The proportion of working age adult (aged 16-65) as a percentage of the population ranges from 56.2% (Malvern Hills) to 64.6% (Worcester City).
- The percentage of the population with Level 4 skills ranges from 25.9% (Redditch) to 38.8% (Malvern Hills).
- Employment rates amongst working age adults range from 73.7% (Wychavon) to 87.6% (Wyre Forest).
- Levels of economic activity amongst working age adults range from 74.5% (Malvern Hills) to 87.6% (Wyre Forest)
- Council Tax bases range from 27,004 (Redditch) to 53,767 (Wychavon).

The variance in performance against economic measures illustrates the broad 'north / south split' across the county's economy. While the north's

economy leans towards manufacturing, engineering and professional services, the south's specialisms include tech and cyber, education, agriculture and tourism, with Worcester being a hub for public administration and higher education.

The north of the county holds strong economic ties with Birmingham and the Black Country, while the south has strong links to the south west of England and Warwickshire.

Despite this variance, Worcestershire's economy possesses numerous cornerstone industries (professional services, construction, and health care) and faces shared challenges; skills and housing shortages, transport and connectivity issues and comparatively low levels of productivity.

A single new unitary council would provide a strong foundation for the strategic alignment of economic development, skills, transport, housing and health services across the county to establish the conditions for growth, including:

- A specific focus on investing in and supporting key growth sectors including manufacturing, cyber security, IT and defence, and horti / agricultural technology, in addition to tourism.
- Addressing specific challenges to the county's economy, including the skills gap and workforce participation, by strengthening links between education (including colleges and the university), training providers and employers.
- A coordinated approach to increasing the supply of employment sites, in partnership with businesses / employers. Additionally, the new unitary council would look to address infrastructure constraints (e.g. digital and utilities) at scale, with these functions currently being delivered by individual councils.
- The development and delivery of a Worcestershire-wide transport strategy that addresses key issues including employment access, business growth, access to education and skills provision, and regional connectivity.
- A housing strategy that leads to improved housing affordability, availability and workforce mobility in both rural and urban areas.
- Strengthening joint working arrangements between the new unitary council, NHS, the Department for Work and Pensions, skills providers and businesses to address barriers to employment (e.g. transport, housing, skills), including those experienced by people with disabilities, health conditions, or those returning to work after long absences.

A single new unitary council would be well placed to coordinate the above, providing a connection for businesses, local anchor institutions (education and skills providers, local employers etc.), government departments and health services etc.

With a population of c614,000, the new unitary would possess the scale and capacities to deliver regional priorities and support the strategic authority to attract investment.

Required conditions and arrangements - To create the conditions for economic growth and shared prosperity across Worcestershire, the new unitary council would be required to align ambitious growth plans with the needs of residents, communities and businesses. Given the size and scale of the new unitary council, specific challenges may be experienced:

6. Option A

Establishment of a single tier of local government for the whole area

- Establishing strong strategic and operational links with existing town and parish councils and other local decision making bodies, ensuring they have sufficient capacity and capabilities to represent the views of residents and businesses and influence decisions (including planning and local regeneration).
- Ensuring the discretionary spend currently invested by district councils in relation to economic development and local regeneration is protected within the new model for local government and invested equitably across the county.
- Ensuring consistent and needs led decision making, with investment decisions balancing regional, county wide and local priorities.
- Mitigating against the risk of investments being concentrated in a particular area or sector, through a strong understanding of local priorities, ensuring a needs led approach to prioritisation and decision making.
- Possessing the flexibility to recognise and invest in areas of growth that fall outside of regional and county wide priorities (e.g. the evening economy).

Although option A is considered to represent a sensible economic area, options B1 and B2 (i.e. the two new unitary council options) may enable greater alignment of economic priorities to the needs of local economies, given the differing characteristics of the north and south Worcestershire economies.

Criterion: Proposals should be for a sensible economic area

- **High probability** - analysis provides demonstrable evidence that the option can meet the criterion.

Proposals should be for areas with an appropriate tax base which does not create an undue advantage or disadvantage for one part of the area

The establishment of a single new unitary council would result in a unified tax base across Worcestershire. This would require Council Tax harmonisation; the government typically allows a transition period (e.g. 5–10 years) to phase in changes gradually.

A Council Tax base differential exists across the councils currently; councils in the south represent c55% of the county's Council Tax base. The range of Council Tax Band D is smaller across the north Worcestershire councils (£38.49) compared to the south Worcestershire councils (£80).

Given the variances in Council Tax bases across the district councils, further work is required to calculate the impact of council tax harmonisation and whether the new unitary would create areas of advantage / disadvantage. The following factors would be taken into account:

- The Indices of Multiple Deprivation (2019) identifies North Worcestershire's communities as experiencing proportionally higher

Establishment of a single tier of local government for the whole area

levels of deprivation and inequality compared to those in south Worcestershire (skills, health, crime and the living environment). Both areas have similar levels of housing deprivation, with these levels in line with the national average.

- North Worcestershire having a marginally higher average claimant count (3.33%) compared to South Worcestershire (3.10%).
- 45% of the Children Looked After (up to 31/12/24) are from south Worcestershire (home address), compared to 41% in north Worcestershire.
- South Worcestershire is responsible for 49% of all adult social care service users, compared to 46% in North Worcestershire.
- A higher proportion of residents aged 65+ in South Worcestershire (24% of the population), compared to North Worcestershire (22.5%).
- Identical levels of numbers of pupils with the Pupil Premium (23%).
- Similar numbers of pupils with Education, Health and Care Plans ('EHCPs') - (North Worcestershire 5%, South Worcestershire 5%) and those receiving SEN support (North Worcestershire 15%, South Worcestershire 14%).

South Worcestershire is forecast to experience higher levels of demand for children's services. Additionally, South Worcestershire's larger population has a higher proportion of residents aged 65+, indicating a higher level of demand for adult social care services in the future.

Given that the Fair Funding Formula is anticipated to invest additional public funds into areas experiencing deprivation, North Worcestershire would expect to experience an increase in funding per capita, in line with current levels of deprivation and inequality across the county.

Additionally, new unitary council spending intentions would need to be understood, including the level of discretionary preventative spend that would be invested in specific areas.

However, to ensure consistency for how each option is assessed against this criterion, options A, B1 and B2 have been allocated the same rating. The issues and uncertainty identified above would need to be considered by the commissioning councils during the development of a full LGR proposal.

Criterion: Proposals should be for areas with an appropriate tax base which does not create an undue advantage or disadvantage for one part of the area

- **High probability** - analysis provides demonstrable evidence that the option can meet the criterion.

Proposals should be for a sensible geography which will help to increase housing supply and meet local need

Worcestershire County Council does not produce a Local Plan. Housing planning and delivery responsibilities lie with the district. With the exception of Wyre Forest, each council currently holds a land supply below the 5-year target. Based on recent increases to housing supply targets (National Planning Policy Framework 2024) and the past performance of individual councils, most are unlikely (with the exception of Wyre Forest) to achieve their individual targets.

6. Option A

Establishment of a single tier of local government for the whole area

The new unitary council(s) would be required to (i) adopt inherited Local Plans or (ii) review and update the inherited Local Plans. Where emerging Local Plans have not yet been adopted, the option of (iii) withdrawing the Local Plan could be considered. There is currently no statutory mechanism for the withdrawal of an adopted plan.

The reviewing / updating of adopted plans or withdrawal of unadopted plans would have significant implications. In addition to resource and cost considerations, the process would result in a lack of clarity in planning policy, potentially causing delays and uncertainty in development decisions. This may impact levels of economic growth and create challenges associated with the alignment between new unitary council plans and regional plans developed by the strategic authority.

The likelihood of adoption of inherited plans is considered to be greater for options B1 and B2, given that the South Worcestershire Development Plan has been jointly developed by the district councils that would form the new South Worcestershire unitary council. Across north Worcestershire, Bromsgrove and Redditch currently share strategic functions and collaborate on housing delivery while maintaining their own separate Local Plans.

An overview of the status of Local Plans across Worcestershire is provided below:

- The South Worcestershire Development Plan (Malvern Hills, Worcester and Wychavon) was adopted in February 2016. Review of plan for examination submitted September 2023. Hearings commenced in March 2025, with the Inspectors' report expected in late 2025. Interim findings issued by the Inspectors state that the plan is likely capable of being found sound and legally compliant, with the principles of Worcestershire Parkway as a new settlement and a number of new urban settlements supported. The three councils will start work on a new review immediately after it is adopted.
- Bromsgrove - The Local Plan was adopted in 2017. Issues and options consultations were conducted in autumn 2018. Consultation on the Draft Development Strategy commenced in June and runs until September 2025. The local development scheme (February 2025) envisages public consultation would take place in June / July 2025 and April / May 2027, with examination in the first 6 months of 2028 and a view to adoption in July 2028. Adoption would fall to the new unitary council(s). This timetable is subject to the government implementing the new plan making system in autumn/winter 2025.
- Redditch - Local Plan No.4 was adopted in 2017. The council has commenced reviewing its Local Plan; consultation on Issues and Options was undertaken in May and June 2025. Further public consultation on the next iterations of the plan will be undertaken in May / June 2026 and March / April 2027 with an examination in late 2027 / early 2028, with a view to adopted in June 2028. Adoption would fall to the new unitary council(s). This timetable is subject to the government implementing the new plan making system in late 2025.
- Wyre Forest - The council's Local Plan was adopted in April 2022. A review of the Local development scheme (March 2025) will be undertaken in late 2025. Evidence gathering / Sustainability Appraisal work commenced in June 2025, while Issues and Options Consultation (Regulation 18) is scheduled for 2026. Plan writing is scheduled for July 2027 - August 2028. The final stages and the adoption would fall to the new unitary council(s).

6. Option A

Establishment of a single tier of local government for the whole area

Potential advantages may be realised through the single new unitary option:

- A single new unitary council would provide a strong foundation for the strategic alignment of housing with economic development, skills, transport and health services across the county. Through system wide planning and delivery, the unitary council would be well placed to ensure alignment between new housing and the provision of public services.
- A unified approach to planning, investment and partnership working involving private developers, registered providers, major infrastructure projects (Worcestershire Bus Service Improvement Plan, the Rail Investment Strategy, connectivity between Malvern Hills and the M5 corridor, and links to the east of the county) and town and parish councils would result in a coordinated approach to meeting housing and infrastructure requirements. Additionally, a county wide approach provides the basis for balancing constraints associated with Green Belt land and the availability / suitability of brownfield sites with local and regional housing pressures.

Required conditions and arrangements - Given the size and scale of the new unitary council, specific challenges may be experienced in relation to:

- How planning services would be structured; currently positioned within their respective councils, they possess significant expertise and understanding of local circumstances. Each planning service operates via a different planning system, potentially requiring an integration of systems should they be merged into a county wide function.
- The Devolution White Paper and English Devolution and Community Empowerment Bill (2025) outline the requirement for every town and city to have a Local Plan, integrated within a wider spatial development strategy across the unitary council. This approach ensures that town-level planning supports county and regional economic and infrastructure strategies. Each town would therefore develop their own respective Local Plan, while specific design codes would be included within each plan, preserving the distinct character of Worcestershire's towns, villages, and landscapes. A two new unitary council option would provide a clear mechanism for ensuring local influence over decisions (i.e. committee membership and the role of town and parish councils); the single unitary option would be required to demonstrate how it would ensure similar levels of local influence and decision making are in place.
- Ensuring the ongoing capacity and capability of existing town and parish councils to maintain / increase their involvement within the planning process.
- Establishing structures that ensure a strong understanding of local need. The diversity of communities and economies result in varying needs across the county. For example, a significant level of housing demand in Malvern Hills relates to bungalows, independent living for older residents and privately rented homes, in comparison to the need for social housing, privately rented homes and affordable family homes in Redditch and Bromsgrove. In areas such as Wychavon, the requirement is to balance rural character with the need for affordable and family housing.

6. Option A

Establishment of a single tier of local government for the whole area

- Addressing the systemic challenges associated with building affordable housing in rural areas. Current challenges include a lack of appetite from Registered Providers to assume responsibility for Section 106 provision, primarily driven by financial pressures and the challenges associated with delivering tenancy management across dispersed rural areas. Solutions are required to identify financially sustainable opportunities for Registered Providers to meet rural need.

Criterion - Proposals should help to increase housing supply and meet local need

- **High probability** - analysis provides demonstrable evidence that the option can meet the criterion.

Proposals should identify intended outcomes to be achieved through the new model for local government, informed by local engagement

The commissioning councils have undertaken significant local engagement to inform this options appraisal:

- **Local stakeholder engagement sessions** - Over the period June - July 2025, 32 engagement meetings / sessions were undertaken with local stakeholders.
- **Public engagement exercise** - Over the period 1st June - 29th June 2025; a total of 4,249 responses were received from across the county, with the majority (94%) being from residents.
- **Staff surveys and focus groups** with residents, housing tenants, town and parish councils and representatives from VCSE organisations.

The outputs from these engagements have been compiled and used to develop a series of design principles (see section 3). These principles demonstrate where broad consensus was achieved on the key ambitions and characteristics that should inform and underpin local government structures, services, culture and priorities post-LGR.

Further work is required to develop the design principles into a comprehensive list of outcomes, aligned to the government's Local Government Outcomes Framework.

Criterion - Proposals should identify intended outcomes to be achieved through the new model for local government, informed by local engagement

- **Medium probability** - analysis provides partial evidence that the option can meet the criterion.

6. Option A

Establishment of a single tier of local government for the whole area

Proposals should demonstrate a positive cost/benefit ratio

An exercise has been undertaken to identify improvements in outcomes that are anticipated to be realised by each option. These outcomes and the rationale for the anticipated/assumed variance in performance by each of the options are outlined within the table opposite.

Initial analysis suggests that Option B1 has the potential to realise the greatest level of wider economic benefits. Further development of these outcomes and the anticipated economic benefits is required during the development of the full LGR proposal.

Criterion - Proposals should demonstrate a positive benefit/cost ratio

- **Medium probability** - analysis provides partial evidence that the option can meet the criterion.

Cost benefit ratio - Improvements in outcomes that are anticipated to be realised by each option

Outcome	Reason for differences between options
Job creation	• Potential for extra focus on predominant (cornerstone / emerging) industries, involving county wide sectors and those specific to either north or south Worcestershire. • Greater levels of direct employment within public sector with 2 authorities compared to 1.
Cultural engagement	• Linked to sense of place, with smaller councils more likely to effectively preserve/enhance local identity, localism and civic engagement.
Physical activity levels	• Physical activity participation is usually at a local level and relies on both formal provision (e.g. gyms, sports clubs) and informal (e.g. access to green space).
Crime & disorder	• Existing community safety partnerships work on north / south basis, with prevalence of crime also varying across both areas.
Visitor economy	• Visit Worcestershire operates at a county level and is likely to be retained; however direct promotion and investment at a more local level is considered to be more effectively delivered by smaller councils.
Homelessness prevention	• Solutions to homelessness (or the factors that help prevent it) are often household-specific and reliant on a high degree of flexibility, creativity, local connections and partner organisations, which are easier to build and sustain on a smaller footprint.
Children social care prevention	• Solutions that are most effective can be best achieved through creativity, flexibility and strong local relationships and partnerships

6. Option A

Establishment of a single tier of local government for the whole area

Proposals should ensure effective democratic representation for all parts of the area

A crucial element in any LGR submission is consideration of effective arrangements for democratic representation across the new unitary council(s). The Electoral Commission has published guidance on planning for devolution and LGR which confirms that it is expected that appropriate warding arrangements will be set out in the structural changes order for the new unitary councils.

However, the Local Government Boundary Commission for England ('LGBCE'), which is responsible for undertaking reviews of local authority boundaries, has confirmed that it will not be able to do so on any authority before it has vested. As such, any electoral arrangements will be required to be based on existing ward boundaries. The LGBCE has also indicated in further guidance that they would expect no LGR proposals to contain fewer than 30, nor more than 100 councillors.

Analysis - Worcestershire's most recent electoral boundary review was completed by the LGBCE in July 2024. The review resulted in:

- The number of county councillors remaining at 57.
- An increase in electoral divisions, from 52 to 53, resulting in five two-councillor divisions and 47 single councillor divisions.
- A redrawing of the majority of electoral divisions, with only 13 remaining unchanged.

NB. The average population per councillor in existing unitary authorities is c4,600.

The commissioning councils propose to initially double the number of unitary councillors as an interim measure post-LGR (prior to a Boundary Commission Review being undertaken), which would result in:

- Option A = 114 councillors (5,388 residents per councillor).
- Option B = 114 councillors, split as follows:
  - North Worcestershire = 54 councillors (5,389 residents per councillor).
  - South Worcestershire = 60 councillors (5,387 residents per councillor).

In terms of a potential long term solution, options B1 and B2 provide the opportunity for each new unitary council to further increase the number of councillors to bring each council broadly in line with the national average (subject to the outcome of a Boundary Commission Review):

- North Worcestershire = 63 councillors (4,619 residents per councillor).
- South Worcestershire = 70 councillors (4,617 residents per councillor).

This proposal aligns with LGBCE guidance that identifies 100 councillors as the maximum number per unitary council*.

In comparison, should option A increase the number of councillors to the maximum of 100, this would result in 6,142 residents per councillor.

This demonstrates that options B1 and B2 provide greater opportunities to ensure effective democratic representation.

* = Prior to any increases in the number of councillors per new unitary council, the commissioning councils would consider all cost and value for money implications.

6. Option A

Establishment of a single tier of local government for the whole area

Required conditions and arrangements - The deletion of district and county councillor roles would result in a reduction in local democratic representation; this is an issue specific to both options and is inherent within all LGR proposals across current two-tier areas. Option A would be required to demonstrate how it would offset this loss of local democratic structures. Key considerations include:

- The future capacity and capabilities of town and parish councils. Feedback received during the engagement process indicates that many parish councils will require additional investment to increase capacity and capabilities. The majority of parish councils rely on volunteers to operate, with the ability to achieve quoracy an ongoing issue for some.
- Not all of Worcestershire is parished, while certain towns do not have a Town Council (e.g. Redditch and Bromsgrove). Other areas (e.g. Wychavon) are fully parished or have Town Councils (i.e. Great Malvern, Droitwich Spa, Kidderminster etc.). Given that Worcester City Council would not exist post-LGR, specific consideration would be required to ensure that residents are represented at a local level; the area currently consists of only two parish councils located in the east of the city. Consideration would therefore be required to ensure equitable coverage of democratic structures post-LGR.
- The requirement to define and agree neighbourhood governance arrangements and how these arrangements influence and inform council decision making. While community governance arrangements may vary from community to community, it is assumed that each arrangement would involve a role for each of the following:
  - The new unitary council.
  - The unitary councillor(s).
  - The neighbourhood area committee and neighbourhood health service.
  - The town or parish council (if established).
  - Local VCSE organisations.

Ensuring clear lines of accountability between neighbourhood governance structures and councillors would be crucial in offsetting the loss of local representation resulting from the deletion of district and county councillor posts. Local accountability, the ability of residents to influence and understand decisions, and the transparency of decision making were identified as critical characteristics of any new council by local stakeholders during the engagement process.

Criterion - Proposals should ensure effective democratic representation for all parts of the area

- **Medium probability** - analysis provides partial evidence that the option can meet the criterion.

6. Option A

Financial sustainability & efficiencies

Proposed unitary councils should meet the 500,000 population guiding principle or provide a compelling case for an exemption

Option A meets the LGR criteria's guiding principle for population size, with a population of 614,185 (2023). The area's population is forecast to increase to 646,150 by 2032.

Criterion - Proposed unitary councils should meet the 500,000 population guiding principle

- **High probability** - analysis provides demonstrable evidence that the option can meet the criterion.

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

A bespoke rating mechanism has been used to assess each option's performance against this criterion:

Level of forecast financial efficiencies:

- **High probability** - Projected total 10-year savings are over £50m.
- **Medium probability** - Projected total 10-year savings are between £10m and £49.9m.
- **Low probability** - Projected total 10-year savings are below £9.9m.

A systematic approach was taken to project efficiencies and costs associated with the establishment of options A, B1 and B2, using the following steps for each option modelled:

- Information was collected and aggregated from the Revenue Outturn 2023/24 returns.
- Council Tax requirements for 2025/26 were collected and aggregated for each council from budgets approved at their respective Full Councils.
- Each line of the Revenue Outturn was inflated by the percentage difference in aggregate Council Tax between 2023/24 and 2025/26.
- Expected general efficiencies were projected for categories of spend on areas of Revenue Outturn where spending is shared between county and district council; with higher efficiencies projected when there were lower numbers of future unitary authorities.
- Ongoing costs and savings were factored in based upon known local factors, such as existing shared services already delivering efficiencies that would otherwise be expected to be achieved within the general efficiencies.
- Based upon experience elsewhere and from other LGR proposals, assumptions were made to realise the full savings over several years - with a longer timeline the more complex the reorganisation.
- One-off costs built in (see next criterion for more detail).

Aggregation - In each option the required uplift in Council Tax was between the 2023/24 Revenue Outturn and 2025/26 Council Tax requirement was 11.7%. For the purposes of this analysis, costs and savings have not been apportioned to specific options.

General efficiency factors - The following efficiency factors were used:

	A	B1	B2
Staff saving	**3.25%**	3.05%	3.05%
Non-staff saving	**3.25%**	3.05%	3.05%
Fees & Charges Income	**1.00%**	1.00%	1.00%

6. Option A

Financial sustainability & efficiencies

In total these factors forecast an efficiency saving of £14.6m. Efficiency estimates were made based upon experience in other authorities previously undergoing reorganisation, local knowledge of the extent of efficiencies and comparison with other recently submitted and ongoing LGR proposals. Fees & charges income savings of just less than £1m is consistent with levels of savings found through fees and charges reviews of similarly sized councils (outside of the reorganisation process).

Specific adjustments for local factors - The following local factors were adjusted for in the case of Option A, the single authority solution.

Adjustment	Justification	Value pa (£m)
Existing shared services	Efficiency savings already made (avoids double counting) - replicated across all options.	3.000
Duplicated management teams	Savings over and above the general staffing efficiency level *	(1.000)
Reduction in number of councillors (two-tier to one-tier)	Savings based upon reduction in number of councillors and associated elections - replicated across all options*.	(0.633)
Enhancing local democracy	An allowance for a more localised element of engagement based upon local aims (replicated across all options).	0.500
Total adjustment pa	An overall amount in this case offsetting an element of the assumed efficiency savings - primarily due to the savings already achieved through existing joint-working and partnerships.	**1.867**

* After validation, these assumptions have been informed by the February 2025 Future Worcestershire Interim LGR Plan considered by Worcestershire County Council Cabinet on 20th March 2025, with the aim to use consistent assumptions and baselines where possible.

Long-term impact of these savings - Combining the impact of these two sets of savings shows the potential long-term savings from each of these models, basing these over the various categories of income and expenditure.

Option A: single new unitary council, strategic services split:

Category	2023/4 Outturn inflated (£m)	General Efficiency (£m)	Further specific costs / (savings) (£m)	Projected Expenditure / (Income) (£m)	Ongoing Saving (£m)
Employee costs	403.581	(4.734)	(0.633)	398.214	5.367
Running expenses	1,017.006	(8.889)	2.500	1,010.617	6.389
Fees & Charges	(174.497)	(0.953)	0.000	(175.449)	0.953
Other income	(177.308)	0.000	0.000	(177.308)	0.000
Non-Dept (Inc) / Exp *	(655.136)	0.000	0.000	(655.136)	0.000
Council Tax req	413.649	(14.575)	1.867	400.939	**12.710**

6. Option A

Financial sustainability & efficiencies

Consideration was also given to how quickly expected savings would be realised. Greater disaggregation of existing county-level services results in a longer projected time to fully realise savings, with the assumptions and impact on early-year savings projected below:

	A	B1	B2
%age saved - Year 1	40%	30%	40%
%age saved - Year 2	20%	30%	20%
%age saved - Year 3	20%	20%	20%
%age saved - Year 4	20%	10%	20%
%age saved - Year 5		10%	
Saving before one-off costs	£m	£m	£m
Ongoing saving - Year 1	5.084	1.051	1.801
Ongoing saving - Year 2	7.626	2.101	2.701
Ongoing saving - Year 3	10.168	2.802	3.601
Ongoing saving - Year 4	12.710	3.152	4.501
Ongoing saving - Year 5 (and ongoing)	12.710	3.501	4.501

Combined with one-off savings (see next section), this gives an overall position per option and ability to compare direct savings.

Summary of financial modelling - The following table sets out the key metrics from each of the options:

	A	B1	B2
One-off costs (£m)	22.581	28.431	22.831
Ongoing annual savings (£m)	12.710	3.501	4.501
10 year savings (£m)	89.269	1.685	16.786
Payback period (years)	3	10	7

Further details on the approach to financial modelling for each option are provided within Appendix A.

Conclusions - With consistent and evidence-based cost saving assumptions applied to each option, between c£9.2m and £8.2m of additional annual savings can be realised by establishing option A (compared to options B1 and B2 respectively) once full savings are realised. These savings should however be considered alongside wider economic benefits and disbenefits to the region (such as changes to health, investment, job creation / retention, culture and tourism) to establish a fairer overall reflection of the impact of each LGR option.

Throughout this options appraisal, all savings are considered against a 'stand-still' position. Savings are projected against current needs, current costs and current allocations of grants. None of the options considered include assumptions relating to changes in levels of future needs or changes to resource allocation; these factors are assumed to have the same impact on each option. This approach is required to demonstrate the varying performance of each option to generate efficiencies and realise savings. Similarly, this options appraisal is focussed on appraising structural proposition, rather than appraising detailed system wide, organisational and service level designs (as these are still to be developed). As such, broad but evidence-based assumptions have been used to inform the financial models for each option, including findings from previous LGR programmes, projections from successful recent LGR proposals and Interim LGR Plan proposals for other two-tier areas.

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

- **High probability** - Projected total 10-year savings are over £50m.

Identification of transition costs and how these will be managed

A bespoke mechanism has been used to assess each option's performance against this criterion:

Payback period for transition costs:

- **High probability** - Projected payback period is below 5 years.
- **Medium probability** - Projected payback period is between 5 years and 10 years.
- **Low probability** - Projected payback period is over 11 years.

An indicative breakdown of transition costs is provided, however it is considered that the overall quantum is more important that the specific categories. Local decisions would determine how much transformation delivery is carried out in-house compared to accessing external support, which in turn may adjust the allocation of these budgets. All factors have been set in line with observations from other reorganised areas.

These costs are far from certain and strong project management will need to be undertaken to ensure they are kept under control. Reference is given to this particular risk below:

Transformation needs to be fully costed and those costs kept under control. For example, in one council the estimated transformation costs increased significantly from £29.5 million in November 2019 to £52.12 million by February 2024. Transformation programmes need effective programme management and regular progress reporting in public to elected members is essential. Elected members need enough evidence to challenge delivery and ensure officers are taking corrective action if needed. Source: Learning from the new unitary councils.

Redundancy costs are set at a one-off rate of 120% of ongoing staff savings to reflect redundancy costs and pension strain, based upon experience from authorities that have previously been through LGR. These costs are broken down as follows:

Category	A (£m)	B1 (£m)	B2 (£m)
Redundancy costs	5.681	5.331	5.331
Rebranding / comms	0.500	0.750	0.500
Public consultation	0.400	0.600	0.400
Transition support / remodelling costs	4.000	6.000	4.500
Programme management	2.000	3.000	2.000
Legal costs (contract novation, new constitutions)	0.500	0.750	0.600
ICT costs	3.000	4.000	3.000
Contingency	4.000	5.000	4.000
Shadow operations	1.000	1.500	1.000
Additional agency year 1	0.750	0.750	0.750
HR Support for transition / TUPE etc	0.750	0.750	0.750
Closedown			
Sub-total non-redundancy costs	16.900	23.100	17.500
Total one-off costs	22.581	28.431	22.831

There are several ways this cost can be met in whole or part:

- Existing reserves - especially if some existing earmarked reserves are longer needed for their original purpose post-reorganisation.
- Sale of surplus land / properties - due to existing overlap in provision between councils, there may be land and properties that become surplus to requirements post-reorganisation. These assets could be sold and receipts used to offset the transition costs (noting there are likely timing

gaps, so alternative interim solutions may be required).

- Additional borrowing - following a capitalisation direction to meet any short-term costs that cannot be met by the above.

The need for borrowing and ability to payback will be influenced by ability to generate efficiencies, so a shorter payback period would mitigate some of the risks of reliance on borrowing.

A summary of the anticipated transition costs and payback periods is provided below:

	A	B1	B2
One-off costs (£m)	22.581	28.431	22.831
Ongoing annual savings (£m)	12.710	3.501	4.501
10 year Savings (£m)	89.269	1.685	16.786
Payback period (years)	3	10	7

Criterion - Identification of transition costs and how these will be managed

- **High probability** - Projected payback period is below 5 years.

NB. A review of reserves and surplus land / properties has not been undertaken. However, modelling indicates that the payback period for these transitional costs is likely to be shorter, reducing the risk associated for this criterion compared to alternative options.

NB. The LGR criterion does not provide a specific target in terms of the required/maximum duration of the payback period.

Unitary local government must be the right size to withstand financial shocks

Two liquidity measures have been used to appraise the financial viability and sustainability of options A and B.

- Total borrowing as a proportion of total general reserves.
- Total general reserves as a proportion of service expenditure.

The calculations informing the above measures are informed by individual council RO returns (for 2023/24, or latest outturn reports (2024/25) where applicable.

The levels of total general reserves, total borrowing and service expenditure for each respective council were identified. These values were then allocated to the various options (i.e. all councils for option A, while options B1 and B2 involved separately allocating values for each council to their respective new unitary council (North Worcestershire or South Worcestershire)).

The general reserves, total borrowing and service expenditure for Worcestershire County Council were allocated on a proportionate basis to the North and South Worcestershire options, informed by the population of each proposed new unitary council.

The assessment of performance against this appraisal criteria has been structured as follows:

6. Option A

Financial sustainability & efficiencies

Total borrowing as a proportion of total general reserves:

- According to the Local Government Financial Statistics England No. 35 2025, the average total borrowing as a proportion of reserves across all local authorities was 325% in 2023-24. The following appraisal mechanism has therefore been used:
  - **High probability** - Borrowing as a proportion of reserves is below 300%.
  - **Medium probability** - Borrowing as a proportion of reserves is within the range of 301% and 400%.
  - **Low probability** - Borrowing as a proportion of service expenditure is above 400%.

Total general reserves as a proportion of service expenditure:

- According to the Local Government Financial Statistics England No. 35 2025, the average total reserves as a % of expenditure across all local authorities was 26.2% in 2023-24. The following appraisal mechanism has therefore been used:
  - **High probability** - Reserves as a proportion of service expenditure is above 30%.
  - **Medium probability** - Reserves as a proportion of service expenditure is within the range of 20% and 29.9%.
  - **Low probability** - Total general reserves as a proportion of service expenditure is below 19.9%.

Total borrowing as a proportion of total general reserves - The single new unitary council is forecast to have a borrowing as a proportion of reserves level of 192.20%.

In comparison to option B, the North Worcestershire new unitary council is forecast to achieve a value of 251.89%, The South Worcestershire new unitary is forecasted to achieve a value of 156.44%.

Criterion - Unitary local government must be the right size to withstand financial shocks (1)

- **High probability** - Borrowing as a proportion of reserves is below 300%.

Total general reserves as a proportion of service expenditure - The single new unitary council is forecast to have a total general reserves as a proportion of service expenditure value of 32.93%.

In comparison to option B, the North Worcestershire new unitary council is forecast to achieve a value of 25.93%. The South Worcestershire new unitary is forecasted to achieve a value of 39.28%.

Criterion - Unitary local government must be the right size to withstand financial shocks (2)

- **High probability** - Reserves as a proportion of service expenditure is above 30%.

6. Option A

Financial sustainability & efficiencies

Metric	Bromsgrove DC	Malvern Hills DC	Redditch BC	Worcester CC	Wychavon DC	Wyre Forest DC	Worcestershire CC
Total general reserves *including: school reserves, DSG, Public Health, other earmarked reserves (including exceptional elements) and unallocated reserves)*	£24.32m*	£28.91m	£23.87m*	£12.79m	£102.92m	£22.66m	£99.60m
Total borrowing *Total long and short-term borrowing*	£0	£0	£0	£16.06m	£0	£34.25m	£555.27m
Service expenditure *Includes (where applicable):* • *Education services* • *Highways and transport services* • *Children's social care* • *Adult social care* • *Public Health* • *Housing services (GFRA only)* • *Cultural and related services* • *Environmental and regulatory services* • *Planning and development services* • *Police services* • *Fire and rescue services* • *Central services* • *Other services*	£15.81m	£8.96m	£13.70m	£15.61m	£18.12m	£12.61m	£872.1m

Source: Total general reserves and service expenditure: Council RO returns for 2023/24, or latest outturn reports (2024/25) where applicable (*)
Source: Total borrowing: Quarterly Borrowing & Investment 4 (QB4), Q4 2023/24

6. Option A

Financial sustainability & efficiencies

Metric	Option A	Options B1 & B2
Total general reserves *including: school reserves, DSG, Public Health, other earmarked reserves (including exceptional elements) and unallocated reserves*	Worcestershire = £315.07m	North Worcestershire = £118.04m * South Worcestershire = £197.03m *
Total borrowing *Total long and short-term borrowing*	Worcestershire = £605.58m	North Worcestershire = £297.33m * South Worcestershire = £308.25m *
Service expenditure *Includes (where applicable):* • *Education services* • *Highways and transport services* • *Children's social care* • *Adult social care* • *Public Health* • *Housing services (GFRA only)* • *Cultural and related services* • *Environmental and regulatory services* • *Planning and development services* • *Police services* • *Fire and rescue services* • *Central services* • *Other services*	Worcestershire = £956.90m	North Worcestershire =£455.30m * South Worcestershire = £501.60m *

* Worcestershire County Council reserves, borrowing and service expenditure apportioned/allocated based on population of each new unitary council

6. Option A

Financial sustainability & efficiencies

Metric	Option A	Options B1 & B2*
Liquidity measure 1 **Total borrowing as a proportion of total general reserves** *Guide: Lower ratio value is preferred* ***NB**. Liquidity measure does not take into account the impact of the Fair Funding Formula, the allocation of EFS costs/liabilities, the sale of land or properties, and any future additional borrowing.*	Worcestershire = 192.20%	North Worcestershire = 251.89% * South Worcestershire = 156.44% *
Liquidity measure 2 **Total general reserves as a proportion of service expenditure** *Guide: Higher ratio value is preferred* ***NB**. Liquidity measure does not take into account the impact of the Fair Funding Formula, the allocation of EFS costs/liabilities, the sale of land or properties, and any future additional borrowing.*	Worcestershire = 32.93%	North Worcestershire = 25.93% * South Worcestershire = 39.28% *

* Worcestershire County Council reserves, borrowing and service expenditure apportioned/allocated based on population of each new unitary council

Financial sustainability & efficiencies

For areas covering councils that are in receipt of EFS, proposals should demonstrate how reorganisation will contribute to putting local government in the area as a whole on a firmer footing

Worcestershire County Council received £33.6m of Exceptional Financial Support ('EFS') for financial year 2025-26. Within the county's request to government, a further £43.6m was also identified as potentially being required in 2026-27.

The support is designed to provide the council with flexibilities to address financial challenges, particularly in relation to rising demand and costs associated with adult social care and children's services.

Further information is required in relation to the liabilities (e.g. interest payments on any borrowings resulting from the EFS) and levels of efficiencies/savings and sales of assets that may be realised through EFS flexibilities. Further work is also required to understand the longer-term financial implications of the EFS, given that the maximum duration of support is 20 years; EFS may therefore impact on the financial positions of new unitary council(s). As such, it is not currently possible to appraise Option A against this criterion.

Criterion - For areas covering councils that are in receipt of EFS, proposals should demonstrate how reorganisation will contribute to putting local government in the area as a whole on a firmer footing

- **Unclear** - further information is required to assess the performance of the option against the criterion.

6. Option A High quality and sustainable public services

Improved service delivery and avoidance of unnecessary fragmentation of services

Option A would avoid unnecessary service fragmentation, given that establishing a new single unitary council would involve:

- Transferring all statutory and non-statutory services, functions and operating model from Worcestershire County Council to the new unitary council.
- Aggregating all statutory and non-statutory services, functions and operating models currently held by the six current district councils, with these being transferred to the new unitary council.
- The continuation of existing county wide partnerships and shared services (e.g. WRS).

The process of establishing a single unitary council to deliver the above would support service continuity of social care and education functions and the integration of services delivered by councils across Worcestershire. Additionally, Option A would establish single governance and scrutiny arrangements and lines of accountability. However, the aggregation of district council services and operating models comes with significant complexity.

LGR of any two-tier area would result in housing and homelessness functions delivered by district councils being transferred to the new unitary council. This provides opportunities for improving integration between housing, homelessness, adult social care and children's cervices, as well as strengthening the interface between housing and health services, all of which are required conditions to improve service delivery and outcomes.

Potential exists to aggregate services that are shared by some, but not all, district councils (e.g. south Worcestershire: procurement, ICT, building control, land drainage; north Worcestershire: emergency planning, water management, land drainage and building control), subject to a compelling cost/benefit case. Such a case would be required to consider factors including cost, quality and the ability to meet a diverse range of social, economic and environmental needs across Worcestershire.

Option A's structural characteristics have the potential to realise several benefits in relation to improved services and system wide delivery:

A single unitary council being responsible for the delivery of **adult social care and children's services** would provide the conditions for further strengthening of the interface between social care and health. The county council and health system partners share many of the same demand and cost pressures, including:

- Pressures associated with an ageing, frailer and more complex population.
- Children and young people with mental health needs (often requiring immediate support and intervention), disabilities and those experiencing health and wellbeing inequality.

Option A would maintain the county council's current adult social care and children's services offers and Better Care Fund arrangements, while also protecting single discharge pathways between health and adult social care. Option A would also reduce the number of partners, connections and relationships needing to be held and maintained across the wider system.

6. Option A High quality and sustainable public services

A single unitary council will also support the county's children's services improvement journey, while health services would avoid being required to manage the complexity associated with supporting two improvement journeys.

In relation to **prevention**, opportunities exist for all proposed LGR options to deliver a neighbourhood model that aligns with neighbourhood health service. Each would focus on building community capacity and resilience, supporting the establishment of a single front door for health and wellbeing services.

The delivery of a single Worcestershire wide public health function via options A and B2, overseen by a Director of Public Health, would also assist in the coordination of system wide and local prevention planning and delivery.

Recent examples of the effective community level preventative interventions include the award-winning preventative 'We are Westlands' project in Droitwich Spa. Community development work on the estate was originally facilitated and funded by Wychavon, with the 'We are Westlands' project developed by the county council's Public Health Team and the community; the project focusses on supporting residents and professionals to collaborate with a focus on preventing health problems, providing better access to services and support and helping people to stay well. This project also reflects Wychavon's investment in increasing the social mobility of residents across the district council.

The establishment of a network of neighbourhood area committees (or equivalent) across the new unitary council provides the opportunity to further embed prevention at a local level, in partnership with family hubs, schools, libraries, youth services and community centres. Additionally, community services and local VCSE organisations would provide the foundation for a localised preventative offer.

In terms of **devolution**, the English Devolution White Paper (2024) sets out a transformative role for strategic authorities. They will be required to oversee the reforming of public services, making them more efficient, community-focussed and person-centred.

Strategic authorities will be given new bespoke statutory powers to improve health outcomes and reduce health inequalities, with a focus on the social determinants of health (e.g. housing, transport, education, employment etc.) through a 'health in all policies' approach. Strategic authorities will be required to convene partners, support the integration between health and social care, and promote prevention. Strategic authorities engaging with fewer organisations at a system wide level (through a single new unitary council model) would create the conditions for greater coordination. However challenges associated with translating system-wide transformation into effective community led prevention and capacity building would need to be addressed.

Across the wider public service system, a single new unitary council would provide the Police and Crime Commissioner, West Mercia Police, Hereford and Worcester Fire and Rescue Service and housing providers with opportunities to influence and integrate at scale, compared to a two new unitary model. However, the challenge of ensuring tailored services to a diverse range of communities would need to be addressed. The scale of a single new unitary council risks creating distance between communities and services, while connections are required through effective neighbourhood working to develop and maintain trust and confidence.

6. Option A High quality and sustainable public services

Required conditions and arrangements - While option A's structural characteristics would create conditions for improved service delivery, structural reform alone is not a guarantee for effective, placed based service delivery and improved outcomes. Given the size and scale of the new unitary council, specific challenges may be experienced in relation to:

- Replicating the integral role currently played by district councils in supporting communities to design and deliver preventative (discretionary) services at a neighbourhood level that would be lost through LGR; new neighbourhood delivery models would be required to establish trusting and empowering relationships that result in approaches and services reflecting the diversity that exists across Worcestershire's urban and rural communities.
- Changes associated with the Fair Funding Formula may create challenges, with funding being reallocated to areas experiencing inequality and deprivation; this may leave less funding in other areas for non-statutory preventative services.
- The risks associated with the new unitary council operating at scale and across multiple systems would require mitigation. In terms of social care, prevention/early help, public health, education and leisure services, communities require locally specific services and support that is developed and delivered collaboratively, as opposed to a standardised and universal offer.
- Delivering person-centred support across Worcestershire's communities requires long term commitment and investment into neighbourhood delivery models, governance, community engagement, and ensuring services are sufficiently flexible to adapt to changing local needs. Prevention is well served by local connections at a neighbourhood level that can become dispersed or disconnected when local communities, including the VCS, feel distant and isolated.
- The new unitary council would be required to adopt a localised approach to commissioning and joint working with VCSE organisations. While some of these organisations operate on a county wide or regional basis, other organisations operate at a hyper-local level and are deeply embedded within their communities.
- Ensuring clear lines of accountability between neighbourhood governance structures and councillors would be crucial in offsetting the loss of local representation that would result from the deletion of district and county councillor posts. The ability of residents to influence and understand decisions, and the transparency of decision making, were identified as critical characteristics of any new council by local stakeholders during the engagement process.
- How the new unitary council engages, supports and works with town and parish councils, neighbourhood area committees, neighbourhood health service and community organisations would be critical to determining the quality of services and outcomes achieved by each locality.

Criterion - Improved service delivery and avoidance of unnecessary fragmentation of services

- **High probability** - analysis provides demonstrable evidence that the option can meet the criterion.

Identified opportunities to deliver public service reform, including where they will lead to better value for money

Detailed service design plans are not currently available; therefore the assessment of performance against this criterion focusses on the potential opportunities for public service reform.

System and council level - A single unitary creates opportunities for strengthening integration across a range of currently disbursed service areas. While adult social care, children's services and public health are currently delivered by the county council, housing, homelessness, leisure and benefits management and support are delivered by the district councils. A single unitary responsible for the delivery of these services provides potential for greater levels of integration, creating the conditions for person-centred services via single front doors. From a system partner perspective, health services would benefit from the new unitary council's integrated housing, adult social care and children's service functions by reducing the number of partners, connections, decision making points and budgets/commissioning arrangements required to plan and deliver integrated services.

Opportunities also exist (across all options) for an integrated approach to the strategic planning and delivery of economic development, skills, transport, housing and health services, by:

- Addressing specific challenges to the county's economy, including the skills gap and workforce participation, by strengthening links between education (including colleges and universities), skills providers and employers.
- A single approach to increasing the supply of employment sites, in partnership with local businesses/employers.
- The development and delivery of a transport strategy that addresses key issues including access to employment and skills provision, business growth and regional connectivity.
- A joint approach to the digitisation of public services, in conjunction with the NHS and other system partners, including the use of shared data and artificial intelligence to support the identification of emerging need.
- Designing and implementing a housing strategy that leads to improvements in housing affordability / availability and workforce mobility in both rural and urban areas.
- At a regional level, the role of the strategic authority will be crucial in supporting public service reform across Worcestershire. As a constituent member with a population of c614,000, the single new unitary council would possess scale and capacity to deliver regional priorities, as well as supporting the strategic authority to attract investment and deliver priorities locally.

Neighbourhood level - Option A would be required to establish effective governance/decision making arrangements and delivery structures that enable council services to respond effectively to local needs and ensure fair resource distribution across a large geographical area.

Options A, B1 and B2 each intend to strengthen existing locality working across Worcestershire's communities. Both options would implement neighbourhood arrangements designed to increase community capacity, capability and resilience to improve outcomes and reduce demand on

public services. Opportunities exist to transfer council assets and devolve decision making via local governance arrangements

Required conditions and arrangements - Given the size and scale of the new unitary council, specific challenges may be experienced in relation to designing and implementing public service reform:

- The ability to significantly expand the new unitary council's current neighbourhood working function. LGR presents the opportunity to reimagine local leadership, rebuild trust between citizens and the state and transform public services so they are truly people-centred, integrated and relational. Creating truly person-centred support requires both a strengthening of collaboration across public and community services and the direct connections between people, their neighbourhoods and the support they need. While option A provides the conditions for strengthened system wide collaboration, it does not demonstrate at this stage how neighbourhood working will be strengthened beyond current levels; these characteristics are inherent within options B1 and B2, given their close proximity to local communities.
- While the single new unitary will be committed to investing in public service reform, financial pressure may result in ongoing funding constraints and the prioritisation of social care, resulting in reductions in funding being allocated to preventative services and innovative neighbourhood pilots.

  Evidence indicates that lower additional ongoing costs for social care can follow disaggregation. The findings of the Impower report commissioned by DCN (https://www.districtcouncils.info/wp-content/uploads/Impower-DCN-ASC-LGR-Report-2025-FINAL-compressed-version.pdf) state "*There are no economies of scale in delivering social care, and in some cases, there is evidence that larger systems introduce diseconomies*".

  Additionally, evidence from the DCN/PeopleToo 'Adults Social Care and Children's Service's Lens' report states: '*There is no evidence that county councils are achieving lower unit costs as a result of greater buying power*'. While the single new unitary may be committed to investing in public service reform, financial pressure (potentially resulting from the above) may result in ongoing funding constraints and the prioritisation of social care, resulting in reductions in funding being allocated to preventative services and innovative neighbourhood pilots.
- Challenges would exist regarding the implementation of public service reform that benefits all residents across the single new unitary council, given the risks associated with the new unitary council operating at scale and across multiple systems. Potential limitations on delivering effective community engagement across all areas of Worcestershire may also limit the delivery and spread of innovation across neighbourhood areas.

Criterion - Identified opportunities to deliver public service reform, including where they will lead to better value for money

- **High probability** - analysis provides demonstrable evidence that the option can meet the criterion.

6. Option A

High quality and sustainable public services

Demonstrate consideration for the impact on crucial services such as adult social care, children's services, SEND and homelessness and wider public services including public safety

Adult social care and children's services - Given that statutory responsibilities, service delivery functions, existing operating models and commissioning arrangements would transfer from Worcestershire County Council to the new unitary council (i.e. with no aggregation or disaggregation), the risks associated with service disruption are considered to be low.

The establishment of option A would result in the retention of current experience within leadership teams and established service structures, both of which would aid service continuity. Staff would transfer directly to the new unitary council, retaining the current workforce and expertise. Options A's larger scale and footprint would support the management of risks and fluctuations in demand.

Option A would also support children's services to continue with the improvement journey, avoiding the complexity of disaggregation and two separate Ofsted inspections (in contrast to options B1 and B2).

SEND - Worcestershire supports a higher proportion of SEND pupils than national and local comparators. A single unitary council model would result in a more simplified interface between the council and health services. A two unitary model with separate social care/education services (option B1) would increase complexity and potentially risk responsiveness and quality, in addition to adding cost to the system.

Homelessness - Service disruption is possible, given that homelessness services would be aggregated and transferred from the district councils to the new unitary council. However, in the medium to long term, homelessness support being provided by the same new unitary council that delivers housing and social care, in addition to a single interface with health services, creates the conditions for improvements in prevention, service integration and outcomes.

Public safety - Concerns were raised during the engagement process that amid the processes of reforming the ICB and implementing LGR, safeguarding the most vulnerable and children could fall between the cracks. Proactive risk mitigation would therefore be required between system partners.

A single new unitary council would provide the Police and Crime Commissioner and West Mercia Police with a simplified and less complex interface with local government.

The single new unitary model would also assist in coordination between the police, council and health services, creating the conditions for increased integration, prevention and improved outcomes. Existing community safety partnerships (north/south) could be retained by the new unitary council, however evidence from elsewhere indicates new unitary councils may seek to establish a single community safety partnership.

Criterion - Demonstrate consideration for the impact on crucial services such as ASC, children's services, SEND and homelessness and wider public services including public safety

- **High probability** - analysis provides demonstrable evidence that the option can meet the criterion.

6. Option A

A view that meets local need and is informed by local views

Evidence of local engagement and an explanation of the views that have been put forward and how concerns will be addressed

Details of local engagement undertaken to date are included within section 3 and Appendix B.

In relation to the public engagement exercise, 47.8% of respondents identified their preferred option for LGR to be a two unitary model (option B1 and B2), with 28.7% identifying a single new unitary council as their preferred model:

- Support for a single new unitary was at broadly the same levels from respondents from both north and south Worcestershire (c30%).
- Support for two new unitary councils was demonstrated most strongly by residents living in south Worcestershire (c52%), compared to north Worcestershire (42%).

Respondents identified the following as being the most important to them, in terms of how councils are organised:

1. Infrastructure planning (e.g. roads, schools, health): 63%
2. Maintaining/improving local services and council-owned facilities: 59%
3. How much Council Tax I pay: 44.7%
4. Impact on the local community and local identity: 43.8%
5. Access to local representation/councillors to get my voice heard: 35.1%

Of the services currently delivered by the county and district councils, respondents stated that they were most concerned about the following being affected:

1. Highways (potholes, footpaths, drainage, street lighting etc.): 49.9%
2. Adult social care, such as support for people with disabilities, or care for the elderly: 41.7%
3. Waste and recycling collection and disposal: 39.8%
4. Parks and other green spaces: 35.0%
5. Planning and related services: 34.3%
6. Education and children's services: 33.7%

Specific concerns regarding the outcome of the LGR process included:

- Loss of localism and representation - Concerns regarding diminished community involvement, loss of local facilities and remote decision-making.
- Accountability and governance - A desire for clear, transparent governance with councillors who live in the areas they represent.
- Allocation of services and resources - Concerns include potential marginalisation of rural areas, unequal resource allocation and fears that rural needs (e.g. isolation, transport) will be overlooked.
- Service quality - Fear of service decline, particularly for vulnerable populations (e.g. elderly, disabled, rural residents). Additionally, concerns regarding the loss of non-statutory services (e.g. parks) and reliance on digital-only systems.
- Financial concerns and cost-saving scepticism - Concerns regarding higher council tax, service cuts and potential hidden costs.

6. Option A

A view that meets local need and is informed by local views

- Planning, housing and environmental protections - Concerns regarding overdevelopment, loss of green belt and strain on infrastructure. There was also an emphasis on protecting the environment, nature reserves and heritage sites, as well as a requirement to integrate climate adaptation and sustainability into planning decisions.

Option A would be required to address the loss of localism and requirement to provide clear lines of accountability and governance structures. Respondents highlighted their preference for a two unitary model due to the model strengthening local connections and place based working, increasing the ability of public services to reflect the diverse needs of urban and rural communities. Concerns regarding a single new unitary model also focussed on diminishing community involvement and remote decision making.

Criterion - Evidence of local engagement and an explanation of the views that have been put forward and how concerns will be addressed

- **Medium probability** - analysis provides partial evidence that the option can meet the criterion.

Consideration of issues of local identity and cultural and historic importance

During the engagement process, two views emerged in relation to the identities held by residents and communities across Worcestershire:

- Residents and communities are more likely to identify with and relate to the county's identity, heritage and culture.
- Residents and communities are more likely to identify with and relate to their local place's identity, heritage and culture (city, town or rural).

Two different views were demonstrated in relation to the impact that LGR would have on local identity:

The preservation of Worcestershire's identity - 20.3% of respondents identified the single unitary option as best supporting local identity. A thematic analysis of responses identified:

- A strong emotional and practical support for retaining the county as a whole.
- References to Worcestershire's historical and cultural coherence.
- A desire for 'One Worcestershire' as a way of avoiding unnecessary geographic or administrative splits.
- A reflection of how residents already see themselves - as part of 'Worcestershire,' not as 'north' and 'south'.

The preservation of local identity, local knowledge and localism - An alternative view was provided by 45.7% of respondents who identified a two unitary model as best supporting local identity, with 25.3% stating neither option. A thematic analysis of responses identified the following

6. Option A

A view that meets local need and is informed by local views

main reasons for their position:

- Respondents value local identity, local knowledge and community character, which they see as being a strength of a two unitary model. Some fear that this might be eroded in a large one unitary.
- Some respondents stressed the importance of decision-makers having direct knowledge of local communities, including living in those communities, which they believe will be stronger in a two unitary model.
- A two-council model is seen as maintaining local pride and cohesion better than a centralised, 'one-size-fits-all' model.

Additionally, 43.8% of respondents state that local identity was one of the most important three things that matter to them, in terms of how councils are organised.

While both options have the potential to support local identity, cultural heritage and historic distinctiveness, the feedback from the public engagement exercises identifies a prominent proportion of respondents who feel their local identity would be best preserved through a two unitary model (options B1 and B2).

Criterion: Proposals should consider issues of local identity and cultural and historic importance

- **Medium probability** - analysis provides partial evidence that the option can meet the criterion.

6. Option A

Ability to unlock devolution

Current status of devolution in Worcestershire

Establishing a single tier of local government in Worcestershire is an essential step towards devolution. The English Devolution and Community Empowerment Bill does not specify a fixed deadline for the creation of new strategic authorities outside of the Devolution Priority Programme; instead, it provides a framework for ongoing applications.

Worcestershire and nearby authorities including Herefordshire, Gloucestershire, Shropshire, Staffordshire, Warwickshire are not included within government's current Devolution Priority Programme.

The future structure of local government in Worcestershire and surrounding two-tier areas will heavily influence the design of devolution arrangements across the region. Councils across Gloucestershire and Warwickshire are currently considering various LGR options. Once confirmed, these new structural arrangements will provide further clarity on strategic authority options. The future layout of new unitary authorities may create or limit opportunities, depending on the geographical configuration and population size of each new unitary.

Additional considerations include the cluster and shared management arrangements between Herefordshire and Worcestershire ICB and Coventry and Warwickshire ICB, given the requirement for public services to align with strategic authority boundaries.

Discussions between Worcestershire councils, system partners and neighbouring authorities regarding devolution are continuing during the LGR process.

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

The creation of a single new unitary council would establish a council with a significant population (c614,000) and economy. As a constituent member of a new strategic authority, the new unitary would possess significant economic power/assets and the capacity/scale to deliver regional priorities.

A single new unitary in Worcestershire would help to unlock devolution by:

Providing a foundation for economic growth - Economic development, skills, transport and housing functions/responsibilities would be delivered by the new unitary council through integrated governance and strategies, aiding strategic planning and the coordinated delivery of priorities both locally and regionally. These characteristics would assist the new unitary council in influencing and delivering anticipated regional priorities:

- Transport and infrastructure: Shaping and delivering interventions aligned to the regional transport strategy.
- Housing delivery: Including affordable housing and aligning housing supply with transport and economic growth.
- Skills and employment: Shaping and delivering local skills strategies in partnership with employers and education providers.
- Economic development: Providing the scale to attract investment and deliver large infrastructure projects.

Ability to unlock devolution

- Environment and climate change: Shaping and delivering net-zero and climate resilience policy and interventions, as well as leading on the delivery of green infrastructure and biodiversity initiatives.

Acting as a prominent public services place leader - A single new unitary council would establish joint working relationships with all public service system partners (ICB, Police and Crime Commissioner, West Mercia Police, Hereford & Worcester Fire and Rescue etc.), in addition to housing providers, colleges and the university. The new unitary council would have direct access to numerous levers to initiate change and be well placed to work in partnership with the strategic authority to deliver:

- Health and wellbeing transformation: Through the integration of health, social care and housing, tacking health inequalities and improving population health.
- Public service reform: Designing and delivering reformed public services that are more efficient, needs led and community focussed.
- Improved public safety and resilience: Through the coordination of emergency planning and civil resilience at scale, while working directly with the police and fire services to deliver local strategies.

Providing significant scope and scale to support regional efforts to secure investment - The strategic authority would benefit from the new unitary council's strategic scale and scope, particularly in relation to transport, housing and economic development.

Required conditions and arrangements - While a single unitary council would provide the conditions to unlock devolution, it would be required to ensure that arrangements are in place to mitigate the risks and issues identified during the engagement process, including:

- Worcestershire is a 'community of communities', with significant variance in terms of needs and opportunities across the county. As outlined within options B1 and B2, the two new unitary council option provides the opportunity for North Worcestershire to consider associating itself more closely with the West Midlands Combined Authority, while South Worcestershire may consider a strategic authority that contains (for example) Warwickshire and Gloucestershire; these options may represent more sensible economic and social geographies
- A requirement for any strategic authority model to mitigate the challenges posed in relation to the north / south and urban/rural splits that exist across the county. Spanning housing, transport, skills and health inequality, the needs of Worcestershire's residents, communities and businesses vary. The ability to ensure equal and inclusive growth that aligns ambitious growth plans with the needs of all residents and businesses, over a large and diverse geographic area, represents a significant challenge, particularly across areas of the county that currently feel underserved by current arrangements. Clear lines of local accountability, inclusive governance, deep insight into the needs of all communities and economic sectors are required to ensure the effective translation of regional priorities into meaningful change and improvement from the perspectives of Worcestershire's diverse communities and business base.
- The requirement to balance a coherent regional voice with local accountability. The new unitary council would be required to establish effective local structures that empower town and parish councils,

embed newly established neighbourhood area committees and enhance the current roles played by a diverse and comprehensive group of VCSE organisations that will together play a pivotal role in translating regional priorities into local services.

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

- **High probability** - analysis provides demonstrable evidence that the option can meet the criterion.

Sensible population size ratios between local authorities and any strategic authority

MHCLG guidance outlines a requirement for each new strategic authority to possess a population of 1.5 million residents, although exceptions may be permitted due to local circumstances.

A new unitary council for Worcestershire would have a population of c614,000. While discussions are ongoing, other potential areas that could combined to create a new strategic authority include:

- Warwickshire (population c600,000).
- Herefordshire (population c187,600).
- Gloucestershire (population c646,600).
- Shropshire (population c330,000)
- Staffordshire (population c877,900).

As an example, a strategic authority involving new Worcestershire unitary council and new (single) unitary councils within two of the other three larger councils (i.e. excluding Herefordshire) would meet the population requirement, while constituent members would be of a broadly similar size.

Criterion - Sensible population size ratios between local authorities and any strategic authority

- **High probability** - analysis provides demonstrable evidence that the option can meet the criterion.

Enabling stronger community engagement and neighbourhood empowerment

Proposals should demonstrate how councils will enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment

The intended structure for community engagement and neighbourhood empowerments involves (across all options):

- Establishing strengthened links with existing town and parish councils and other local decision making bodies, ensuring they have sufficient capacity and capabilities to effectively deliver their responsibilities, represent the views of residents and businesses and influence unitary council decision making.
- The creation of neighbourhood area committees (or equivalent), potentially similar to local area partnerships (Cornwall) or the area boards (Wiltshire). The membership of these committees may include town and parish councils, representatives from public services (police, health services, youth services etc.), unitary councillors, skills providers, VCSE organisations, residents and local businesses. These committees would work alongside other organisations to deliver local priorities and shape services to meet local need; local priorities would be agreed based on local data and insights and delivered in ways that increase community capacity, capability and resilience.
- Alignment between the above and the neighbourhood health service, to create integrated services that reflect the needs of each local community. Additionally, the council's delivery of adult social care, children's services and public health services are anticipated to be delivered in an increasing localised way.

Once neighbourhood governance and delivery model arrangements are established, the new unitary council(s) would be required to coordinate and sufficiently fund the ongoing collaboration between neighbourhood governance and public services.

Effective local engagement is a function of how local places are empowered, rather than being determined by the size of the council. While the structural aspects of community engagement have been identified, consideration is required to ensure that each option possess the capacity and commitment to establish/maintain arrangements that reflect local need within each community.

Required conditions and arrangements (for all options, A, B1 and B2)

- Investing in the capacity and capabilities of existing town and parish councils. Feedback received during the engagement process strongly indicates that many town and parish councils require additional investment. The majority of parish councils rely on volunteers, while the ability to achieve quoracy can be a regular issue for some.
- Not all of Worcestershire is parished, while certain towns do not have a town council (e.g. Redditch and Bromsgrove). Other areas (e.g. Wychavon) are fully parished or have town councils (e.g. Great Malvern, Droitwich Spa, Kidderminster etc.). Given that Worcester City Council would not exist post-LGR, specific consideration would be required to ensure that residents are represented at a local level, the area currently consists of only two parish councils located in the east of the city. Consideration is therefore required to ensure that

Enabling stronger community engagement and neighbourhood empowerment

communities across Worcestershire are represented equally and fairly by neighbourhood governance structures.

Option A - Required conditions and arrangements - In addition to the above, option A would specifically be required to:

- Align neighbourhood and council governance arrangements. Option A would require clear lines of governance and accountability between neighbourhoods and the council which would serve a population of c614,000 residents. Establishing these arrangements at such a scale, in a way that strengthens each community's trust in decision making while providing transparency and clear lines of accountability, represents a challenge.
- Establish a culture of community engagement and neighbourhood empowerment. Effective local community engagement and empowerment requires the devolution of power, decision making, assets and budgets, supported by trusting and strong local connections. The new unitary council would be required to establish such arrangements across all of Worcestershire's neighbourhoods. Additionally, a culture of ceding control would need to be embedded within the new unitary council. Local, visible and accountable leaders from the council and communities would need to be in a position to work together to develop innovative approaches to neighbourhood empowerment, potentially including (for example) devolving decision making, powers and budgets to communities; potential also exists to develop new social contracts between residents and the council.
- Establish bespoke and robust neighbourhood governance arrangements . Delivering person centred support across Worcestershire's communities requires long term commitment and investment into neighbourhood delivery models, governance, community engagement, and ensuring services are sufficiently flexible to adapt to changing local needs.
- Build on existing arrangements and 'what works'. The new unitary council would be required to leverage the county council's current experience of delivering services at both scale and locally, while ensuring that the corporate intelligence, insights, connections and relationships are effectively transferred from the district councils to the unitary council.
- Establish a localised approach to working in partnership with VCSE organisations. The new unitary council would be required to adopt a localised approach to commissioning and joint working with local VCSE organisations. While some of these organisations operate on a countywide or regional basis, other smaller organisations operate at a hyper-local level and are deeply embedded within their communities.

Criterion - Proposals should demonstrate how councils will enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment

- **Medium probability** - analysis provides partial evidence that the option can meet the criterion.

6. Option A

Overview of findings

1. The establishment of a single tier of local government		2. The right size to achieve efficiencies, improve capacity and withstand financial shocks		3. Prioritise the delivery of high quality and sustainable public services to citizens		4. Working together in coming to a view that meets local needs and is informed by local views		5. Ability of new unitary structures to unlock devolution		6. Enable stronger community engagement and neighbourhood empowerment	
The establishment of a single tier of local government	🟢	Meet the 500,000 population guiding principle	🟢	Improved service delivery and avoidance of unnecessary fragmentation of services	🟢	Evidence of local engagement and an explanation of the views that have been put forward and how concerns will be addressed	🟡	Proposal should set out how it will help unlock devolution	🟢	Arrangements will enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment	🟡
Represent a sensible economic area	🟢	Efficiencies should be identified to help improve councils' finances*	🟢	Identified opportunities to deliver public service reform	🟢	Consideration of issues of local identity and cultural and historic importance	🟡	Sensible population size ratios between local authorities and any strategic authority	🟢		
Appropriate tax base & not creating undue advantage or disadvantage for one part of the area*	🟢	Identification of transition costs and how these will be managed	🟢	Consideration for the impact on crucial services	🟢						
Increase housing supply and meet local need	🟢	Be the right size to withstand financial shocks – Measure 1*	🟢								
		Be the right size to withstand financial shocks – Measure 2*	🟢								
Identify intended outcomes, informed by local engagement	🟡	EFS - putting local government in the area as a whole on a firmer footing	⚫								
Demonstrate a positive cost/benefit ratio	🟡										
Ensure effective democratic representation for all parts of the area	🟡										

Key

🟢 **High probability** - analysis provides demonstrable evidence that the option can meet the criterion.

🟡 **Medium probability** - analysis provides partial evidence that the option can meet the criterion.

🔴 **Low probability** - analysis indicates that the option is unlikely to meet the criterion.

⚫ **Unclear** - further information is required to assess the performance of the option against the criterion.

* Assessment against criteria does not take into account the potential impact of the Fair Funding Formula.

MUTUAL VENTURES

Section 7

Option B1
Option analysis

Bromsgrove District Council
www.bromsgrove.gov.uk

Malvern Hills District Council

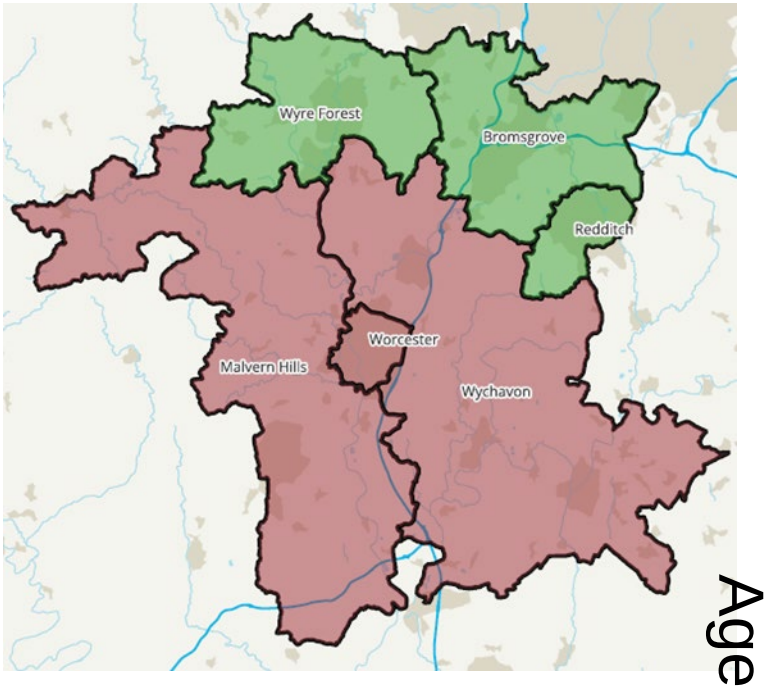
Redditch Borough Council
Working together for our communities

Worcester City Council

WYCHAVON

7. Options B1 and B2 - Place profile and option analysis

Key	Proposed new unitary council	Area (km2)	Current population (2023)	Population forecast (2032)
	North Worcestershire Bromsgrove District Council Redditch Borough Council Worcestershire County Council (part) Wyre Forest District Council	466	290,991	300,133
	South Worcestershire Malvern Hills District Council Worcester City Council Worcestershire County Council (part) Wychavon District Council	1,254	323,194	346,017



7. Options B1 and B2 - Demographic and economic profile

DEMOGRAPHIC

	Option B		Worcs. average
	North Worcs.	South Worcs.	
Demographics			
Area (km2)	466	1,254	1,741
Population (2023)	290,991	323,194	614,185
Population (2032)	300,113	346,017	646,150
Age 0-15	18.0%	16.4%	17.2%
Age 16-64	59.5%	59.6%	59.5%
Age 65+	22.5%	24.0%	23.3%
Population density (km2) 2021	861	1,153	346.8
Population in rural Output Areas	12.6%	35.2%	23.9%
Index of Multiple Deprivation (2019) (1 is the most deprived, 10 is the least deprived)			
Income	6	6	6
Employment	6	6	6
Skills	5	6	6
Health	6	7	6
Crime	6	7	6
Housing	5	5	5
Living env.	7	5	6

ECONOMIC

	Option B		Worcs. average
	North Worcs.	South Worcs.	
Economy			
Claimants as a proportion of residents aged 16-64 (2025)	3.2%	2.9%	3.1%
Council tax base	101,006	124,123	-
Total rateable value of all businesses	£244,549,186	£293,408,739	-
GVA per hour	£33.3	£35.3	£34.3
Gross median pay	£610.4	£577.9	£588.6
Employmt. rate (16-64)	81.9%	76.7%	79.4%
Economic activity (16-64)	83.8%	78.2%	81.2%
% pop - Level 3 skills	16.9%	17.0%	17.0%
% pop - Level 4 skills	29.5%	35.2%	32.3%
Estimated % of jobs earning below Living Wage Foundation rates	16.7%	19.1%	17.9%
% of residents who travel less than 10km to work	34.8%	32.9%	33.8%
% of residents who travel more than 10km to work	23.5%	22.5%	23.0%
Housing target	1,794	2,181	-
5 year housing land supply (years)	4.7	1.8	3.3
Employment land*	112.0	313.8	-

**Required employment land as set out in each area's Local Plan or Demand Study*

7. Option B1

Establishment of a single tier of local government for the whole area

Proposals should seek to achieve for the whole of the area concerned the establishment of a single tier of local government

The new unitary councils would create a single tier of local government across Worcestershire. Both new unitary councils would fall within the organisational boundaries of system partners (West Mercia Police, Hereford and Worcester Fire and Rescue service and Herefordshire and Worcestershire Integrated Care Board).

Criterion: Proposal should seek to achieve for the whole of the area concerned the establishment of a single tier of local government

- **High probability** - analysis provides demonstrable evidence that the option can meet the criterion.

Proposals should be for a sensible economic area

The creation of two new unitary councils would result in the grouping of the various economic geographies identified within the Worcestershire LEP Economy Report 2024:

North Worcestershire:

- The north of the county (Redditch, Bromsgrove and Wyre Forest) is a hub for advanced manufacturing and business services, in addition to a significant and growing proportion of SMEs and business start up growth.

South Worcestershire:

- The rural heartlands (Wychavon) is home to a large number of small and micro businesses, while the Vale of Evesham (Wychavon) possesses a thriving horticultural sector.
- Worcester City is the primary city economy in Worcestershire, possessing a strong manufacturing base with opportunities in the health and care, business and professional services sectors.
- Malvern Hills is home to the Malvern Hills Science park and a cluster of cyber and technology led businesses.

The varying characteristics of the economic geography illustrates the broad 'north / south split' across the county's economy. While the north's economy leans towards manufacturing, engineering and professional services, the south's specialisms include tech and cyber, education, agriculture and tourism, with Worcester being a hub for public administration and higher education.

The north of the county holds strong economic ties with Birmingham and the Black Country, while the south has strong links to the south west of England and Warwickshire.

Grouping the various economic geographies on a north / south basis in most cases reduces the overall variance / disparity that exists, compared to when the county's economy is viewed as a whole:

7. Option B1

Establishment of a single tier of local government for the whole area

	Variance range across county footprint (highest to lowest)	North - variance range across new unitary council footprint (highest to lowest)	South - variance range across new unitary council footprint (highest to lowest)
GVA per hour	17.1%	17.1%	3.2%
Proportion of working age adults	8.4%	3.4%	8.2%
Level 4 skills	12.9%	10.5%	5.8%
Employmt. rate (16-64)	12.6%	9.2%	8.1%
Economically active (16-64)	13.1%	3.8%	9.3%
Council Tax base range	30,554	11,659	22,315

This analysis demonstrates the commonalities that exist across the economies within each area (north/south); the lower ranges of performance against a number of key economic indicators demonstrates that a two new unitary council model would be well positioned to understand, focus on and address the key structural and system challenges that are specific to each place's economy.

Given these sensible economic areas and each new unitary council's place based approach to economic development, the following benefits would likely be realised:

- A two new unitary model would provide each council with the opportunity to develop economic growth strategies that align with the needs and ambitions of residents, communities and businesses. Each council would possess a strong understanding of their local economies, allowing for the development/delivery of tailored strategies and interventions.
- Each new unitary council would be in a position to develop strong relationships with education and skills providers, ensuring the development of local partnerships to address challenges around accessibility, inclusion and aspirations, while also working closely with businesses to address skills shortages that suppress economic growth and productivity.
- Equally, the new unitary authorities would be in a strong position to collaborate to support Worcestershire's cornerstone and emerging industries, while also providing strong links between each place's economy and the development/delivery of regional economic priorities via the strategic authority. With populations of c290,000 and c323,000, each new unitary council would possess economic assets and strength to effectively deliver regional priorities (potentially in collaboration).
- Additionally, there would be less pressure to ensure fair and equal investment across the whole of Worcestershire's economic footprint with new unitary councils instead focussing their investment decisions on a smaller, more concentrated economic areas.

7. Option B1

Establishment of a single tier of local government for the whole area

- Options B1 and B2 would provide the opportunity to work in an increasingly placed based way with the neighbourhood health service, the Department for Work and Pensions, skills providers and businesses to address barriers to employment experienced by people with disabilities, health conditions, or those returning to work after long absences (e.g. health, housing, transport, skills etc.).

Required conditions and arrangements - While a two unitary approach provides the opportunity to establish a more focussed approach to economic development, challenges would exist in relation to:

- Ensuring strategic alignment between both councils and the strategic authority/authorities in relation to creating the key conditions for growth. A regional approach would be required to address the structural and systemic challenges impacting on both local economies (e.g. skills and housing shortages, transport and connectivity issues and comparatively low levels of productivity). Some form of collaboration (strategic planning and joint economic development/delivery) would most likely be required.
- Establish and coordinate a unified approach that supports key growth sectors across Worcestershire, including manufacturing, cyber security, IT and defence, horti / agricultural technology and tourism. Given that the majority of these sectors span both north and south Worcestershire, a joint approach would be required.

Criterion: Proposals should be for a sensible economic area

- **High probability** - analysis provides demonstrable evidence that the option can meet the criterion

Proposals should be for areas with an appropriate tax base which does not create an undue advantage or disadvantage for one part of the area

The establishment of a single new unitary council would result in a unified tax base across Worcestershire. This would require Council Tax harmonisation; the government typically allows a transition period (e.g. 5–10 years) to phase in changes gradually.

A Council Tax base differential exists across the councils currently; councils in the south represent c55% of the county's Council Tax base. The range of Council Tax Band D is smaller across the north Worcestershire councils (£38.49) compared to the south Worcestershire councils (£80).

According to the Indices of Multiple Deprivation (2019), North Worcestershire's communities would experience greater levels of deprivation and inequality compared to those in South Worcestershire, in relation to skills, health, crime and the living environment. Both new unitary councils would have similar levels of housing deprivation, with these levels in line with the national average.

Other considerations include:

- North Worcestershire having a marginally higher average claimant count (3.33%) compared to South Worcestershire (3.10%).
- 45% of the Children Looked After (up to 31/12/24) are from south Worcestershire (home address), compared to 41% in north Worcestershire.
- South Worcestershire is responsible for 49% of all adult social care service users, compared to 46% in North Worcestershire.

7. Option B1

Establishment of a single tier of local government for the whole area

- A higher proportion of residents aged 65+ in South Worcestershire (24% of the population), compared to North Worcestershire (22.5%).
- Identical levels of numbers of pupils with the Pupil Premium (23%).
- Similar numbers of pupils with Education, Health and Care Plans ('EHCPs') - (North Worcestershire 5%, South Worcestershire 5%) and those receiving SEN support (North Worcestershire 15%, South Worcestershire 14%).

South Worcestershire is forecast to experience higher levels of demand for children's services. Additionally, South Worcestershire's larger population has a higher proportion of residents aged 65+, indicating a higher level of demand for adult social care services in the future.

Given that the Fair Funding Formula is anticipated to invest additional public funds into areas experiencing deprivation, North Worcestershire would expect to experience an increase in funding per capita, in line with current levels of deprivation and inequality across the county.

Further information is required to assess whether Council Tax harmonisation would create undue advantage or disadvantage across the new unitary councils (for each option).

Additionally, the spending intentions for each new unitary council would need to be understood, including the level of discretionary preventative spend that would be invested across areas.

To ensure consistency for how each option is assessed against this criterion, options A, B1 and B2 have been allocated the same rating. The issues and uncertainty identified above would need to be considered by the commissioning councils during the development of a full LGR proposal.

Criterion: Proposals should be for areas with an appropriate tax base which does not create an undue advantage or disadvantage for one part of the area

- **High probability** - analysis provides demonstrable evidence that the option can meet the criterion.

Proposals should be for a sensible geography which will help to increase housing supply and meet local need

The creation of two new unitary councils in Worcestershire would result in the aggregation of housing (supply/support) responsibilities and functions currently delivered separately by district councils, with these functions transferring to the relevant new unitary council.

Each council would be required to adopt their own Local Plan and spatial development strategy.

Disparity would exist in terms of the 5-year housing land supply levels across each new unitary council:

- North Worcestershire: 4.7 years.
- South Worcestershire: 1.8 years.

Housing deprivation (informed by the IMD) would be at identical levels across each new unitary council, in line with the national average.

A two unitary approach would create several advantages in relation to meeting housing supply needs:

- The likelihood of adoption of inherited plans is considered to be greater for options B1 and B2, given that the South Worcestershire Development Plan has been jointly developed by the district

7. Option B1

Establishment of a single tier of local government for the whole area

councils that would form the new South Worcestershire unitary council. Across north Worcestershire, Bromsgrove and Redditch currently share strategic functions and collaborate on housing delivery while maintaining their own separate Local Plans.

- The district councils currently deliver their own housing functions. Planning teams operate via their own planning systems and possessing significant expertise and understanding of local need, context and challenges. These teams would be combined within their respective new unitary council's planning service, while still being able to focus on their specific areas.
- In addition to housing, the implementation of Option B1 would also result in each council assuming responsibility for economic development, skills, education, transport and infrastructure. This would enable each council to adopt a place-based approach, coordinating the development and delivery of Local Plans with other place based strategies and interventions.
- Given that each new unitary council would also be responsible for delivering and coordinating (with public service system partners) public service provision, each council would be in a position to ensure that housing supply aligns with local service provision (e.g. schools, GPs, preventative services, green spaces etc.).
- A two unitary model would enable each council to focus on the specific needs of their populations. Demand for housing varies across the county, informed by demographic variance and the requirement to balance local heritage and character with the need for affordable housing. Each council would be well placed to support towns with their own local and neighbourhood plans, including design codes specific to each area.
- A two unitary model would also enable a place-based approach to balancing local character with the need for affordable and family housing. With planning services focussed on specific geographical areas, the development and implementation of local design codes provides the opportunity to balance housing supply with local character. Additionally, close local relationships between each new unitary council and town and parish councils would assist in the development of these design codes and ensuring decisions reflect local considerations. The ability to establish and maintain close long term relationships and connections between each new unitary councils and their communities (given the concentrated localised focus of each new unitary council, compared to the single unitary option) provides the conditions for housing supply to align with and reflect the ambitions outlined within neighbourhood plans.
- From a South Worcestershire unitary council perspective, there would be increased potential to address specific issues relating to housing supply in rural areas. For example, closer working with Registered Providers to identify financially sustainable ways of meeting rural housing supply requirements.
- From a North Worcestershire unitary council perspective, opportunities would exist to expand the social housing stock/systems possessed by Redditch, with the potential to scale-up arrangements to cover other areas of North Worcestershire where social housing is required.

7. Option B1

Establishment of a single tier of local government for the whole area

- The new unitary authorities, in conjunction with the strategic authority, would collaborate to address the issues that currently restrict housing supply; namely Green Belt constraints and a lack of brownfield land. The collaborative arrangements between Bromsgrove and Redditch demonstrate that opportunities to work effectively across a place exist, while a joint approach has already been established through the South Worcestershire Development Plan.

Required conditions and arrangements

- The two new unitary councils would be required to work collaboratively to ensure that their separate housing strategies / Local Plans align with the prioritisation, design and delivery of major infrastructure projects. A significant level of joint strategic planning would be required to ensure that each council's plans align with wider infrastructure plans.
- The two new unitary councils would consider collaborative arrangements to support (where required) a joint approach to engagement with housing providers, Registered Providers and private developers.

Criterion: Proposals should be for a sensible geography which will help to increase housing supply and meet local need

- **High probability** - analysis provides demonstrable evidence that the option can meet the criterion.

Proposals should identify intended outcomes to be achieved through the new model for local government, informed by local engagement

The commissioning councils have undertaken significant local engagement, including:

- **Engagement sessions** - Over the period June-July 2025, 32 engagement meetings/sessions were undertaken with local stakeholders.
- **Public engagement exercise** - Over the period 1st June - 29th June 2025; a total of 4,249 responses were received from across the county, with the majority (94%) being from residents.
- **Staff surveys and focus groups** with residents, housing tenants and representatives from VCSE organisations.

The outputs from these engagements have been compiled and used to develop a series of design principles (see section 3). These principles demonstrate where broad consensus was achieved on the key ambitions and characteristics that should inform and underpin local government structures, services, culture and priorities post-LGR.

Further work is required to develop the design principles into a comprehensive list of outcomes aligned to the government's Local Government Outcomes Framework.

Criterion - Proposals should identify intended outcomes to be achieved through the new model for local government, informed by local engagement

- **Medium probability** - analysis provides partial evidence that the option can meet the criterion.

7. Option B1

Establishment of a single tier of local government for the whole area

Proposals should demonstrate a positive cost/benefit ratio

An exercise has been undertaken to identify improvements in outcomes that are anticipated to be realised by each of the options. These outcomes and the rationale for the anticipated/assumed variance in performance by each of the options are highlighted on the right hand side.

Initial analysis suggests that Option B1 has the potential to realise the greatest level of wider economic benefits. Further development of these outcomes and the anticipated economic benefits is required during the development of the full LGR proposal.

Criterion - Proposals should demonstrate a positive benefit/cost ratio

- **Medium probability** - analysis provides partial evidence that the option can meet the criterion.

Outcome	Reason for differences between options
Job creation	• Potential for extra focus on predominant (cornerstone / emerging) industries, involving county wide sectors and those specific to either north or south Worcestershire. • Greater levels of direct employment within public sector with 2 authorities compared to 1.
Cultural engagement	• Linked to sense of place, with smaller councils more likely to effectively preserve/enhance local identity, localism and civic engagement.
Physical activity levels	• Physical activity participation is usually at a local level and relies on both formal provision (e.g. gyms, sports clubs) and informal (e.g. access to green space).
Crime & disorder	• Existing community safety partnerships work on north / south basis, with prevalence of crime also varying across both areas.
Visitor economy	• Visit Worcestershire operates at a county level and is likely to be retained; however direct promotion and investment at a more local level is considered to be more effectively delivered by smaller councils.
Homelessness prevention	• Solutions to homelessness (or the factors that help prevent it) are often household-specific and reliant on a high degree of flexibility, creativity, local connections and partner organisations, which are easier to build and sustain on a smaller footprint.
Children social care prevention	• Solutions that are most effective can be best achieved through creativity, flexibility and strong local relationships and partnerships.

7. Option B1

Establishment of a single tier of local government for the whole area

Proposals should ensure effective democratic representation for all parts of the area

NB. The average population per councillor in existing unitary authorities is c4,600.

The commissioning councils propose to initially double the number of unitary councillors as an interim measure post-LGR (prior to a Boundary Commission Review being undertaken), resulting in the following:

- Option A = 114 councillors (5,388 residents per councillor).
- Option B = 114 councillors, split as follows:
  - North Worcestershire = 54 councillors (5,389 residents per councillor).
  - South Worcestershire = 60 councillors (5,387 residents per councillor).

In terms of a potential long term solution, options B1 and B2 provide the opportunity for each new unitary council to further increase the number of councillors to bring each council broadly in line with the national average (subject to the outcome of a Boundary Commission Review):

- North Worcestershire = 63 councillors (4,619 residents per councillor).
- South Worcestershire = 70 councillors (4,617 residents per councillor).

This proposal aligns with LGBCE guidance that identifies 100 councillors as the maximum number per unitary council*.

By comparison, should option A increase the number of councillors to the maximum of 100, this would result in 6,142 residents per councillor.

This demonstrates that options B1 and B2 provide greater opportunities to ensure effective democratic representation.

* = Prior to any increases in the number of councillors per new unitary council, the commissioning councils would consider all cost and value for money implications.

Required conditions and arrangements - Key considerations include:

- The capacity and capabilities of existing town and parish councils. Feedback received during the engagement process indicates that many parish councils will require additional investment to increase capacity and capabilities. The majority of parish councils rely on volunteers to operate, with the ability to achieve quoracy is an ongoing issue for some councils.
- Not all of Worcestershire is parished, while certain towns do not have a Town Council (e.g. Redditch and Bromsgrove). Other areas (e.g. Wychavon) are fully parished or have Town Councils (e.g. Great Malvern, Droitwich Spa, Kidderminster etc.). Given that Worcester City Council would not exist post-LGR, specific consideration would be required to ensure that residents are represented at a local level; the area currently consists of only two parish councils located in the east of the city. Consideration would therefore be required to ensure equitable coverage of democratic structures post-LGR.
- The requirement to define and agree neighbourhood governance arrangements and how these arrangements influence and inform council decision making. While community governance arrangements may vary from community to community, it is assumed that each arrangement would involve a role for each of the

Establishment of a single tier of local government for the whole area

following:

- The new unitary council.
- The unitary councillor(s).
- The neighbourhood area committee and neighbourhood health service.
- The town or parish council (if established).
- Local VCSE organisations.

Criterion: Proposals should ensure effective democratic representation for all parts of the area

- **High probability** - analysis provides demonstrable evidence that the option can meet the criterion.

7. Option B1

Financial sustainability & efficiencies

Proposed unitary councils should meet the 500,000 population guiding principle or provide a compelling case for an exemption

Option B does not meet the LGR criteria's guiding principle for population size:

- North Worcestershire = 290,991 (forecast: 300,133 in 2032).
- South Worcestershire = 323,194 (forecast: 346,017 in 2032).

NB. Recent updates relating to the MHCLG guidance state that the population guiding principle is not a hard target, with commissioning councils having the opportunity to demonstrate a compelling case for exemption during the development of the full LGR proposal.

Criterion - Proposed unitary councils should meet the 500,000 population guiding principle

- **Medium probability** - analysis provides partial evidence that the option can meet the criterion.

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

A systematic approach was taken to project efficiencies and costs associated with the establishment of options A, B1 and B2, using the following steps for each option modelled:

- Information was collected and aggregated from the Revenue Outturn 2023/24 returns.
- Council Tax requirements for 2025/26 were collected and aggregated for each council from budgets approved at their respective Full Councils.
- Each line of the Revenue Outturn was inflated by the percentage difference in aggregate Council Tax between 2023/24 and 2025/26.
- Expected general efficiencies were projected for categories of spend on areas of Revenue Outturn where spending is shared between county and district council; with higher efficiencies projected when there were lower numbers of future unitary authorities.
- Ongoing costs and savings were factored in based upon known local factors, such as existing shared services already delivering efficiencies that would otherwise be expected to be achieved within the general efficiencies.
- Based upon experience elsewhere and from other LGR proposals, assumptions were made to realise the full savings over several years - with a longer timeline the more complex the reorganisation.
- One-off costs built in (see next section for more detail).

Aggregation - In each option the required uplift in Council Tax was between the 2023/24 Revenue Outturn and 2025/26 Council Tax requirement was 11.7%. For the purposes of this analysis, costs and savings have not been apportioned to specific options.

General efficiency factors - For Option B1, the following efficiency factors were used:

	A	B1	B2
Staff saving	3.25%	**3.05%**	3.05%
Non-staff saving	3.25%	**3.05%**	3.05%
Fees & Charges Income	1.00%	**1.00%**	1.00%

7. Option B1

Financial sustainability & efficiencies

In total these factors forecast an efficiency saving of £13.7m.

Efficiency estimates were made based upon experience in other authorities previously undergoing reorganisation, local knowledge of the extent of efficiencies and comparison with other recently submitted and ongoing proposals.

Fees & Charges income savings at just under £1m is consistent with levels of savings found through fees and charges reviews of similarly sized Councils (outside of the reorganisation process).

Specific adjustments for local factors - The following local factors were adjusted for in the case of option B1:

Adjustment	Justification	Value pa (£m)
Ongoing disaggregation costs	Additional costs from splitting existing county level services*.	5.370
Existing shared services	Efficiency savings already made (avoids double counting) – replicated across all options.	3.000
Duplicated management teams	Additional senior staff required for two separate councils (NB this is a 3m total cost swing compared to Option A).	2.000
Reduction in number of councillors (two-tier to one-tier)	Savings based upon reduction in number of councillors and associated elections - replicated across all options*.	(0.633)
Enhancing local democracy	An allowance for a more localised element of engagement based upon local aims (replicated across all options).	0.500
Total adjustment pa	An overall amount in this case offsetting an element of the assumed efficiency savings – primarily due to the savings already achieved through existing joint-working and partnerships plus disaggregation costs.	**10.237**

* After validation, these assumptions have been informed by the February 2025 Future Worcestershire Interim LGR Plan considered by Worcestershire County Council Cabinet on 20th March 2025, with the aim to use consistent assumptions and baselines where possible.

Long-term impact of these savings - Combining the impact of these two sets of savings shows the potential long-term savings for each option, basing these over the various categories of income and expenditure (see next table).

Option B1: Two new unitary councils, strategic services split:

Category	2023/4 Outturn inflated (£m)	General efficiency (£m)	Further specific costs / (savings) (£m)	Projected expenditure / (income) (£m)	Ongoing Saving (£m)
Employee costs	403.581	(4.443)	5.052	404.191	(0.609)
Running expenses	1,017.006	(8.342)	5.185	1,013.849	3.157
Fees & Charges	(174.497)	(0.953)	0.000	(175.449)	0.953
Other income	(177.308)	0.000	0.000	(177.308)	0.000
Non-Dept (Inc) / Exp *	(655.136)	0.000	0.000	(655.136)	0.000
Council Tax req	413.649	(13.737)	10.237	410.147	**3.501**

7. Option B1

Financial sustainability & efficiencies

Consideration was also given to how quickly expected savings would be realised. Greater disaggregation of existing county-level services results in a longer projected time to fully realise savings, with the assumptions and impact on early-year savings projected below:

	A	B1	B2
%age saved – Year 1	40%	30%	40%
%age saved – Year 2	20%	30%	20%
%age saved – Year 3	20%	20%	20%
%age saved – Year 4	20%	10%	20%
%age saved – Year 5		10%	
Saving before one-off costs	£m	£m	£m
Ongoing saving - Year 1	5.084	1.051	1.801
Ongoing saving - Year 2	7.626	2.101	2.701
Ongoing saving - Year 3	10.168	2.802	3.601
Ongoing saving - Year 4	12.710	3.152	4.501
Ongoing saving - Year 5 (and ongoing)	12.710	3.501	4.501

Combined with one-off savings (see next criterion) this gives an overall position per option and ability to compare direct savings.

Summary of financial modelling - The following table sets out the key metrics from each of the options:

	A	B1	B2
One-off costs (£m)	22.581	28.431	22.831
Ongoing annual savings (£m)	12.710	3.501	4.501
10 year savings (£m)	89.269	1.685	16.786
Payback period (years)	3	10	7

Conclusion - With consistent and evidence-based cost saving assumptions applied to each option, c£9.2m of additional annual savings would be realised by option A once full savings are realised, compared to option B1. These savings should however be considered alongside wider economic benefits and disbenefits to the region (such as changes to health, investment, job creation / retention, culture and tourism) to establish a fairer overall reflection of the impact of each LGR option.

Throughout this options appraisal, all savings are considered against a 'stand-still' position. Savings are projected against current needs, current costs and current allocations of grants. None of the options considered include assumptions relating to changes in levels of future needs or changes to resource allocation; these factors are assumed to have the same impact on each option. This approach is required to demonstrate the varying performance of each option to generate efficiencies and realise savings. Similarly, this options appraisal is focussed on appraising structural propositions, rather than appraising detailed system wide, organisational and service level designs. As such, broad but evidence-based assumptions have been used to inform the financial models for each option, including findings from previous LGR programmes, projections from successful recent LGR proposals and Interim LGR Plan proposals for other two-tier areas.

While option B1 demonstrates the ability to realise efficiencies and generate savings, these are at lower levels than the other two options. Option B1 is forecasted to realise c£1.7m of savings over 10 years.

7. Option B1

Financial sustainability & efficiencies

Further details on the approach to financial modelling for each option is provided within Appendix A.

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

- **Low probability** - Projected total 10-year savings are below £9.9m.

NB. In relation to ongoing efficiencies, recently published evidence indicates that (i) there are no economies of scale in delivering social care, and in some cases, there is evidence that larger systems introduce diseconomies, and (ii) in all areas except Section 251 Residential unit costs, unitaries and those with a population size of 250,000 - 350,000 are achieving the lowest unit costs (DCN/PeopleToo 'Adults Social Care and Children's Service's Lens').

Identification of transition costs and how these will be managed

An indicative breakdown of transition costs is provided, however it is considered that the overall quantum is more important that the specific categories. Local decisions will determine how much transformation delivery is carried out in-house compared to accessing external support, which in turn may adjust the allocation of these budgets. All factors have been set in line with observations from other reorganised areas.

These costs are far from certain and strong project management will need to be undertaken to ensure they are kept under control. Reference is given to this particular risk:

Transformation needs to be fully costed and those costs kept under control. For example, in one council the estimated transformation costs increased significantly from £29.5 million in November 2019 to £52.12 million by February 2024. Transformation programmes need effective programme management and regular progress reporting in public to elected members is essential. Elected members need enough evidence to challenge delivery and ensure officers are taking corrective action if needed. Source: Learning from the new unitary councils.

Redundancy costs are set at a one-off rate of 120% of ongoing staff savings to reflect redundancy costs and pension strain, based upon experience from authorities that have previously been through LGR. These costs are broken down as follows:

Category	A (£m)	B1 (£m)	B2 (£m)
Redundancy costs	5.681	5.331	5.331
Rebranding / comms	0.500	0.750	0.500
Public consultation	0.400	0.600	0.400
Transition support / remodelling costs	4.000	6.000	4.500
Programme management	2.000	3.000	2.000
Legal costs (contract novation, new constitutions)	0.500	0.750	0.600
ICT costs	3.000	4.000	3.000
Contingency	4.000	5.000	4.000
Shadow operations	1.000	1.500	1.000
Additional agency year 1	0.750	0.750	0.750
HR Support for transition / TUPE etc	0.750	0.750	0.750
Closedown			
Sub-total non-redundancy costs	16.900	23.100	17.500
Total one-off costs	22.581	28.431	22.831

7. Option B1

Financial sustainability & efficiencies

There are several ways this cost can be met in whole or part:

- Existing reserves - especially if some existing earmarked reserves are no longer needed for their original purpose post-reorganisation.
- Sale of surplus land / properties - due to existing overlap in provision between councils, there may be land and properties that become surplus to requirements post-reorganisation. These assets could be sold and receipts used to offset the transition costs (noting there are likely timing gaps, so alternative interim solutions may be required).
- Additional borrowing - following a capitalisation direction to meet any short-term costs that cannot be met by the above.

The need for borrowing and ability to payback will be influenced by ability to generate efficiencies, so a shorter payback period would mitigate some of the risks of reliance on borrowing.

A summary of the anticipated transition costs and payback periods is provided below:

	A	B1	B2
One-off costs (£m)	22.581	28.431	22.831
Ongoing annual savings (£m)	12.710	3.501	4.501
10 year savings (£m)	89.269	1.685	16.786
Payback period (years)	3	10	7

Criterion - Identification of transition costs and how these will be managed

- **Medium probability** - Projected payback period is between 5 years and 10 years.

NB. The LGR criterion does not provide a specific target in terms of the required/maximum duration of the payback period.

Unitary local government must be the right size to withstand financial shocks

Total borrowing as a proportion of total general reserves - The new North Worcestershire unitary council is forecast to achieve a value of 251.89%. The new South Worcestershire unitary is forecasted to achieve a value of 156.44%.

In comparison, the single new unitary council is forecast to have a borrowing as a proportion of reserves level of 192.20%.

Criterion - Unitary local government must be the right size to withstand financial shocks (1)

- North Worcestershire: **High probability** - Borrowing as a proportion of reserves is below 300%.
- South Worcestershire: **High probability** - Borrowing as a proportion of reserves is below 300%.

Total general reserves as a proportion of service expenditure - The North Worcestershire new unitary council is forecast to achieve a value 25.93%. The South Worcestershire new unitary is forecasted to achieve value of 39.28%.

In comparison, the single new unitary council is forecast to have a borrowing as a proportion of reserves level of 32.93%.

7. Option B1

Financial sustainability & efficiencies

Criterion - Unitary local government must be the right size to withstand financial shocks (2)

- North Worcestershire: **Medium probability** - Reserves as a proportion of service expenditure is within the range of 20% and 29.9%.
- South Worcestershire: **High probability** - Reserves as a proportion of service expenditure is above 30%.

NB. Calculations do not take into account the impact of the Fair Funding Formula (which, for example, indicates increased future funding levels for Redditch), the allocation of EFS liabilities, the sale of land or properties and any future additional borrowing.

For areas covering councils that are in receipt of EFS, proposals should demonstrate how reorganisation will contribute to putting local government in the area as a whole on a firmer footing

Worcestershire County Council received £33.6m of Exceptional Financial Support ('EFS') for financial year 2025-26. Within the county's request to government, a further £43.6m was also identified as potentially being required in 2026-27.

The support is designed to provide the council with flexibilities to address financial challenges, particularly in relation to rising demand and costs associated with adult social care and children's services.

Further information is required in relation to the liabilities (e.g. interest payments on any borrowings resulting from the EFS) and levels of efficiencies/savings and sales of assets that may be realised through EFS flexibilities. Further work is also required to understand the longer-term financial implications of the EFS, given that the maximum duration of support is 20 years; EFS may therefore impact on the financial positions of new unitary council(s). As such, it is not currently possible to appraise options B1 or B2 against this criterion.

Criterion - For areas covering councils that are in receipt of EFS, proposals should demonstrate how reorganisation will contribute to putting local government in the area as a whole on a firmer footing

- **Unclear** - further information is required to assess the performance of the option against the criterion.

Improved service delivery and avoidance of unnecessary fragmentation of services

Service fragmentation - Establishing option B1 would result in significant service disaggregation, given that establishing two new unitary authorities would involve:

- The transferring of statutory and non-statutory services and functions from Worcestershire County Council to the new unitary councils, involving the disaggregation of service directorates currently delivered by the county council.
- The disaggregation and transferring of the county council's operating model (staff, assets, data, finances, contracts, frameworks, support services etc.) to the new unitary councils.

The disaggregation of the above services represents a complex process involving a range of core functions and statutory services. In addition to the complexity of disaggregation, the process would also represent a risk to service continuity. It would however provide the basis for longer term service transformation, with services in the future designed and delivered across an enhanced neighbourhood model of working.

The following aggregation of services would also be required:

- The aggregation (if not already shared) and transferring of all statutory and non-statutory services, functions and operating models from district councils operating across the north and south of the county, to their respective new (north or south) unitary council.

It is assumed that existing shared services and partnerships (e.g. WRS etc.) would not be disaggregated, but would instead be shared across the unitary councils. Other shared services would be allocated to their respective new unitary council (i.e. Procurement, ICT, Building Control, Land Drainage and Revenue and Benefits services currently shared across south Worcestershire councils).

Improved service delivery - The likelihood and scale of the potential benefits associated with the disaggregation and reconfiguration of service directorates is heavily dependent on a clear strategic vision, strong leadership, integrated working across sectors, resilient provider markets, and a skilled, stable workforce (District Council Network 'The Power of prevention and place in new unitary councils' report).

The following potential benefits associated with option B1 include:

- The benefits of place-based leadership and the convening powers of smaller new unitary councils. The potential for increased service responsiveness, with services being designed in partnership with communities to reflect their needs. Given the smaller footprint of each new unitary council, opportunities exist to design (for example) adult social care and preventative services that are tailored to the needs of individual communities. This relies upon effective community engagement and strong, trusting relationships with residents, communities and VCSE organisations, which is anticipated to be a strength of options B1 and B2. Through the proposed neighbourhood delivery model (that underpins both options) and alignment with the neighbourhood health service, the new unitary councils would be in a position to design, deliver and coordinate a range of co-produced person-centred services across their respective unitary council footprints, while also developing / delivering innovative and specialised services required by communities.

7. Option B1 High quality and sustainable public services

- Building on what currently works locally. A range of shared services currently exist across the district councils. For example, district across south Worcestershire jointly deliver Procurement, ICT, Building Control, Land Drainage and Revenue and Benefits services. Councils in the north share Building Control, Land Drainage, Water Management and Emergency Planning services/functions. As such, these services would continue to be delivered in close proximity to communities and businesses within a two new unitary council model, maintaining efficiencies and effective delivery arrangements.
- Providing the conditions for targeted and timely support to communities experiencing localised inequality and deprivation, through a stronger understanding of local needs and effective investment of additional funds via the Fair Funding Formula.
- Strengthened place based structures, local presence and connections to support communities experiencing localised inequality and deprivation. New unitary councils would be in a strong position to support residents in areas experiencing higher levels of deprivation that surrounding areas. For example, Redditch has a disproportionately high level of deprivation compared to other district council areas, relating to education, employment, skills, health and housing. A new North Worcestershire unitary council, using the anticipated increase in funding via the Fair Funding Formula, would be in a position to invest in the town's public services and communities, while also reviewing the structure of education (with Redditch being one of few remaining places that operates middle schools) with a view to increasing attainment, life chances and aspiration.

Two examples of where LGR has resulted in the disaggregation of Children's Services are provided in this section, with both examples sourced from the District Council Network's 'Building the best places for children and families; Children's services in new unitary councils'.

Cumbria (Cumberland Council and Westmorland and Furness Council) - In 2023, six district councils and Cumbria County Council were reorganised into two unitary councils, Cumberland Council and Westmorland and Furness Council. Both councils are sparsely populated, covering very large areas. Westmorland and Furness is the third largest authority in England and Wales by geographic area. It has a small population of whom 15% are children aged 0 to 15 across a rural geography. Key aspects of the approach include:

- Strong alignment between the Children's Plan and council priorities.
- Priorities are driven through engagement with children and families.
- Adoption of an early intervention and prevention Family Help locality offer implementing a partnership model of delivery, which includes Health partners, Police, Education, Local Authority, Voluntary and Community sectors working together to identify needs within families as early as possible.
- Clear governance arrangements through a Family Help programme Board, Safeguarding partnership, Strategic Education Alliance and a SEND Partnership Board.
- Using community and partnership support to help deliver coordinated, connected and integrated family help through place-based family help hubs which include both a physical and virtual offer.

7. Option B1 High quality and sustainable public services

- Deprivation and inequality may not be identified through place based deprivation measures. A new unitary council with a strong understanding of their urban and rural communities would be well placed to identify pockets of deprivation.
- The new unitary councils would be in a stronger position to develop and maintain strong relationships with local VCSE organisations. These relationships would support the design and delivery of bespoke services tailored to the needs of each neighbourhood, given that many of VCSE organisations operate on a local (or hyperlocal) basis.
- Local accountability - Taking children's services as the example, each new unitary council would require a Director of Children's Services and Lead Member for Children's Services. Placed based services and governance structures would create the conditions for clear and more localised lines of accountability, creating the conditions for residents to influence decisions and hold decision makers to account.
- Opportunities for local innovation - Given the integration of core council functions (e.g. social care, education, public health, leisure, parks, housing and homelessness) within each new unitary council, opportunities exist to pilot local innovations; while these opportunities exist for option A, option B1 and B2's structures and enhanced place based working would create the conditions for a more consistent neighbourhood based approach to innovation. Supported by deep insights into local need, effective community engagement and the decision-making agility associated with more localised governance, the new unitary councils would be well placed to deliver these innovations in partnership with the neighbourhood area committees and the neighbourhood health service. Examples of how district councils have invested in timely and needs led preventative services and support are provided below:

Bedfordshire (Bedford Borough Council and Central Bedfordshire Council) - Bedfordshire separated in 2009. Each new council appointed its own DCS and leadership team and adopted its own delivery model. Specific identified benefits include:

- Support for children and families is central to corporate and strategic partnership decisions.
- Leaders are visible and approachable and have built a positive, relationship based culture in their work with practitioners and families.
- Locality working is embedded.
- Leaders know the service well, are accessible and approachable, and are responsive to changes in demand.

All information in relation to these example have been provided by the DCN's 'Building the best places for children and families; Children's services in new unitary councils' report.

Social mobility - In 2017 the Social Mobility Commission's State of the Nation Report ranked the Wychavon area as 15th worst nationally for social mobility. The council introduced new grant schemes for schools and settings to help make a difference to pupils. These were available annually and typically between £500 and £2,000. The grants enabled schools and

settings to deliver opportunities to improve outcomes for Free Schools Meal eligible children and/or their families. Social mobility grants funded sensory gardens and outside learning spaces, summer school for children who are from a Gypsy, Roma or Traveller heritage, Clicker 8 programme to help with writing, Dance classes for young people and aspiration and achievement programmes. The council also created a Breakfast club grant that provided funds for food and drinks for breakfast and wrap around care.

- Preventing homelessness - In January 2025 Redditch Borough Council agreed a £50,000 annual investment from the Housing Revenue Account budget to set up a Homelessness Prevention Hardship Fund, designed to support those at risk of becoming homeless. The fund also supports tenants to maximise their benefits entitlement and also explore other income opportunities and signposting where appropriate.
- Voluntary, community and social enterprise grants - Worcester City Council has allocated £30,000 from its Household Support Fund to provide VCSE crisis and prevention grants which enable voluntary/ community sector organisations to provide flexible prevention activities, advice, crisis intervention and support, provide food and warm meals, facilitate warm spaces and meaningful activities.

Required conditions and arrangements - The disaggregation of services represents a complex process involving a range of core functions and statutory services. In addition to the complexity of disaggregation, the process would also represent a risk to service continuity in the short term. The potential disadvantages associated with the disaggregation of services include:

- Option B1 would result in splitting the county council's current adult social care and children's services offers. From an adult social care perspective, Better Care Fund arrangements would be split across both councils, while the current single discharge pathways between health and social care would need to be redesigned for each council, involving significant complexity and inefficiency in establishing and maintaining two separate systems.
- Option B1 would likely to create complications in relation to the ongoing implementation of children's services improvement plan. In addition to both new unitary councils being required to support the improvement journey, the health system would experience complexity and cost in supporting two (rather than one) councils to secure further improvements to children's services.
- Challenges and additional costs associated with recruiting and retaining two corporate leadership teams, in addition to leadership teams for each service directorate across each council. Each new council would (for example) be required to appoint a Director of Adult Social Services, Director of Children's Services and Director of Public Health.
- Public service system partners would be required to establish and maintain relationships, connections and joint working arrangements with twice the number of councils, adding complexity, cost and inefficiency into a system that is experiencing significant financial and demand pressures. Long term efficiencies and savings resulting from improved impact through improved local delivery may therefore create costs elsewhere across public service systems.

7. Option B1 High quality and sustainable public services

- In relation to SEND, a two unitary council model would also result in more complex interfaces between each council, schools and health services, potentially risking responsiveness and quality, in addition to adding cost to the system.
- Without coordination between the new unitary councils, criteria for granting funding or other forms of investment may be different across each council (particularly given each council would be increasingly focussed on local needs and requirements), resulting in additional complexity and cost to businesses. Additionally, skills providers, colleges and the university would be required to agree priorities and jointly deliver across both councils. Each new unitary council would hold their own Adult Skills Budget, requiring skills providers to follow two separate engagement and funding frameworks. As such, the risk of fragmentation or duplication of skills provision exists.
- In relation to devolution, strategic authorities will be required to oversee the reforming of public services, making them more efficient, community-focussed and person-centred. The creation of two new unitary councils complicates this responsibility. Strategic authorities engaging with fewer organisations at a system wide level (i.e. option A) creates the conditions for improved coordination and impact, however option B1 would be well placed to translate system-wide transformation into effective community led prevention and capacity building.

In summary, while option B1 would potentially realise benefits in relation to the quality of public services delivered by the new unitary councils in the medium to long term, it risks creating inefficiencies, costs and complexity for system wide partners and other local stakeholders. The option would however avoid the disaggregation of certain place based services currently delivered by the district councils.

Criterion - Improved service delivery and avoidance of unnecessary fragmentation of services

- **Medium probability** - analysis provides partial evidence that the option can meet the criterion.

Identified opportunities to deliver public service reform, including where they will lead to better value for money

LGR presents the opportunity to reimagine local leadership, rebuild trust between citizens and the state and transform public services so they are truly people-centred, integrated and relational.

Creating truly person-centred support requires both a strengthening of collaboration across public and community services and the direct connections between people, their neighbourhoods and the support they need.

Given the structural characteristics of Option B1 and B2, these option would possess significant agility to deliver change at pace. Integrated services, close connections to communities and deep local insights provide the conditions to achieve significant and impactful public service reform, particularly at a neighbourhood level.

System and council level - Inherent within option B1 is the integration of services and functions previously delivered by the county council (e.g. adult social care, children's services, education, public health) with those previously delivered by the district councils (housing, leisure homelessness, benefits management etc.). The opportunity to meaningfully integrate these services provides significant scope for public service reform, improved

outcomes and impact. Additionally, the opportunity to integrate local services with the neighbourhood health service provides the basis for a single front door into public service systems and a neighbourhood approach to prevention.

Greater levels of integrated strategic planning and delivery across council and health services would provide the opportunity to digitise health and wellbeing services, in addition to using artificial intelligence to support the real time identification of emerging need at a local level.

In partnership with the strategic authority/authorities, each unitary council would be well placed to support the transformation of public services, given each council's increasingly agility and localised approach to delivering services.

Neighbourhood level - A localised approach to delivering services creates numerous potential advantages for option B1:

- A relational approach to public service reform. Opportunities exist in relation to each unitary council's role as a place leader; by establishing strong working relationships with neighbourhood area committees, town and parish councils and VCSE organisations, the conditions required for long term planning, investment and ongoing reform, tailored to the needs of local communities, would be established.
- The agility, connections and culture to be radical. Through their local connections and relationships, the two new unitary authorities would be well positioned to implement neighbourhood governance models that reflect preferences and need on a community by community basis. Once established, these would provide an effective mechanism for ongoing engagement and empowerment, building further trust and strengthening connections. These arrangements would provide a strong basis for discussions around local expectations and how best to deliver localised support to enhance community capacity and capabilities.

  Supported by the above, a culture of ceding control could be embedded within each new unitary council. Local, visible and accountable leaders from both the council and communities would be in a position to work together to develop innovative approaches to neighbourhood empowerment, potentially including (for example) devolving decision making, powers and budgets to communities.
- Ensuring the required level of investment and capacity to support neighbourhood led public service reform. Evidence indicates that lower additional ongoing costs for social care can follow disaggregation. The findings of the Impower report commissioned by DCN (https://www.districtcouncils.info/wp-content/uploads/Impower-DCN-ASC-LGR-Report-2025-FINAL-compressed-version.pdf) state "*There are no economies of scale in delivering social care, and in some cases, there is evidence that larger systems introduce diseconomies*" allowances have still been made for additional leadership roles and ICT relating to running an additional ICT system.
- Additional evidence from the DCN/PeopleToo 'Adults Social Care and Children's Service's Lens' report states: '*There is no evidence that county councils are achieving lower unit costs as a result of greater buying power*'.

7. Option B1 High quality and sustainable public services

For option A, financial pressure (resulting from the above) may result in the prioritisation of social care, resulting in reductions in funding being allocated to preventative services and innovative neighbourhood pilots. Option B1 would however benefit from the anticipated ongoing financial efficiencies, resulting in increased investment in local services.

- Continued investment in communities - Examples of preventative services recently funded by district councils were outlined within the analysis of the previous criterion (social mobility, preventing homelessness and Voluntary, community and social enterprise grants; the expectation is that the new unitary councils would continue to invest in innovative preventative services, including parks and leisure, designed in partnership with neighbourhoods and communities.
- Given their local connections to town and parish councils and neighbourhood area committees, opportunities would exist for the new unitary councils to transfer council assets and devolve decision making via local governance arrangements. Additionally, the new unitary councils would be well placed to implement long term strategies designed to increase the capacity, capabilities and resilience of communities; priorities and timescales would vary from community to community, as would the scope and scale of VCSE involvement.

Criterion - Identified opportunities to deliver public service reform, including where they will lead to better value for money

- **High probability** - analysis provides demonstrable evidence that the option can meet the criterion.

Demonstrate consideration for the impact on crucial services such as adult social care, children's services, SEND and homelessness and wider public services including public safety

From a structural perspective, the establishment of two new unitary councils is likely to have the following impacts:

Service continuity - The complexity of disaggregation represents a risk to service continuity. The new unitary councils would be required to identify risks and mitigations during the development of the full LGR proposal. Potential risks to service continuity (not an exhaustive list) include:

- Two sets of leadership and management teams needing to be appointed well before vesting day, requiring timely recruitment and inductions.
- Operational disruption and inconsistent service standards, with particular risks associated with safeguarding, children's services, adult social care and emergency planning.
- The impact on support systems (ICT, finance, case management systems and data storage) that are required to deliver day-to-day functions and services.
- Protecting expertise and experience at a time of uncertainty for staff, ensuring low staff turnover during a period of significant organisational reform.

7. Option B1 High quality and sustainable public services

- Disruption to existing partnerships and joint working arrangements with system partners and external organisations, including the IBC, PCC / West Mercia Police, Herefordshire and Worcestershire Fire and Resue, private businesses and VCSE organisations.

Adult social care and children's services - Key considerations include:

- The implications for discharge pathways between health and social care. This would either require the development of pathways specific to each new unitary council and health services, or the development of single pathways shared by both councils (within implications for how each new unitary structures their adult social care services). Consideration would also need to be given to the impact of these arrangements on health services and patients/service users.
- The risk of service duplication. While the new unitary councils would design services in partnership with local communities, certain service functions may be suited to a shared service, for example the management of out of hours adult social care services. Consideration would therefore need to be given to opportunities for shared service arrangements.
- The implications and complexity of splitting existing Better Care Fund arrangements. Consideration should be given to how arrangements could be structured in each new unitary council, or alternatively how collaborative arrangements between the new unitary councils could be structured. Again, the councils would be required to consider the impact on health services and patients/service users.
- The challenges associated with recruitment and retention of staff (senior management, team managers and front line staff). Both new unitary authorities risk competing to attract new staff. Consideration should be given to the opportunities for joint recruitment and workforce strategies.
- The implications associated with both new unitary authorities separately commissioning provision and ensuring sufficiency for their respective services. Both new unitary authorities risk competing to procure (for example) placements and foster care provision. Consideration would be given to the opportunities for joint commissioning and procurement. Options for consideration include regional collaborative arrangements that support sufficiency and value for money (e.g. Regional Care Cooperatives designed to support a regional approach to planning, commissioning and delivering children's care places in fostering, children's homes, secure children's homes and supported accommodation).
- **SEND** - Worcestershire supports a higher proportion of SEND pupils than national and local comparators. A two unitary council model would also result in more complex interfaces between each council, schools and health services, potentially risking responsiveness and quality, in addition to adding cost to the system. Areas for consideration include:

7. Option B1 High quality and sustainable public services

- The opportunity to establish shared arrangements relating to EHCPs, requiring coordination across each new unitary council's education and social care services, in partnership with health services.
- Establishing collaborative arrangements relating to the sufficiency of SEND provision across both new unitary councils.

Homelessness - Homelessness services would be aggregated and transferred from the district councils to the new unitary councils. Homelessness prevention and support being provided by the same new unitary council that delivers housing and social care, in addition to the interface with health services, creates the conditions for improvements in prevention, service integration, quality and outcomes. Additionally, a neighbourhood level approach to homeless prevention has the potential to improve outcomes and limit demand on public services. Links between the new unitary authorities and strategic authority responsibilities would need to be considered, given the latter's regional responsibilities for the coordination of homelessness services.

Public safety - The creation of two new unitary authorities would provide the opportunity for the continuation of the North Worcestershire and South Worcestershire Safer Community Partnerships, supported by an enhanced level of neighbourhood working.

Criterion - Demonstrate consideration for the impact on crucial services such as adult social care, children's services, SEND and homelessness and wider public services including public safety

- **Medium probability** - analysis provides partial evidence that the option can meet the criterion

7. Option B1

A collective view that meets local need and is informed by local views

Evidence of local engagement and an explanation of the views that have been put forward and how concerns will be addressed

Details of local engagement undertaken to date are included within section 3 and Appendix B. In relation to the public engagement exercise, 47.8% of respondents identified their preferred option for LGR to be a two unitary model (Option B), with 28.7% identifying a single new unitary council as their preferred model:

- Support for a single new unitary was at broadly the same levels from respondents from both north and south Worcestershire (c30%).
- Support for two new unitary councils was demonstrated most strongly by residents living in south Worcestershire (c52%), compared to north Worcestershire (42%).

Respondents identified the following as being the most important to them, in terms of how councils are organised:

1. Infrastructure planning (e.g. roads, schools, health): 63%
2. Maintaining/improving local services and council-owned facilities: 59%
3. How much Council Tax I pay: 44.7%
4. Impact on the local community and local identity: 43.8%
5. Access to local representation/councillors to get my voice heard: 35.1%

Of the services currently delivered by the county and district councils, respondents stated that they were most concerned about the following service being affected:

1. Highways (potholes, footpaths, drainage, street lighting etc.): 49.9%
2. Adult social care, such as support for people with disabilities, or care for the elderly: 41.7%
3. Waste and recycling collection and disposal: 39.8%
4. Parks and other green spaces: 35.0%
5. Planning and related services: 34.3%
6. Education and children's services: 33.7%

Specific concerns regarding the outcome of the LGR process include:

- Loss of localism and representation - Concerns regarding diminished community involvement, loss of local facilities and remote decision-making.
- Accountability and governance - A desire for clear, transparent governance with councillors who live in the areas they represent.
- Allocation of services and resources - Concerns include potential marginalisation of rural areas, unequal resource allocation and fears that rural needs (e.g. isolation, transport) will be overlooked.
- Service quality - Fear of service decline, particularly for vulnerable populations (e.g. elderly, disabled, rural residents). Additionally, concerns regarding the loss of non-statutory services (e.g. parks) and reliance on digital-only systems.
- Financial concerns and cost-saving scepticism - Concerns regarding higher council tax, service cuts and potential hidden costs.

7. Option B1

A collective view that meets local need and is informed by local views

- Planning, housing and environmental protections - Concerns regarding overdevelopment, loss of green belt and strain on infrastructure. There was also an emphasis on protecting the environment, nature reserves and heritage sites, as well as a requirement to integrate climate adaptation and sustainability into planning decisions.

Respondents highlighted their preference for a two unitary model due to the model strengthening local connections and place based working, increasing the ability of public services to reflect the diverse needs of urban and rural communities. Concerns regarding a single new unitary model focussed on diminishing community involvement and remote decision making.

As such, option B1 is considered well positioned to address the concerns that were raised.

Criterion - Evidence of local engagement and an explanation of the views that have been put forward and how concerns will be addressed

- **High probability** - analysis provides demonstrable evidence that the option can meet the criterion.

Consideration of issues of local identity and cultural and historic importance

During the engagement process, two views emerged in relation to the identities held by residents and communities across Worcestershire:

- Residents and communities are more likely to identify with and relate to the county's identity, heritage and culture.
- Residents and communities are more likely to identify with and relate to their local place's identity, heritage and culture (city, town or rural).

Two different views were demonstrated in relation to the impact that LGR would have on local identity:

The preservation of Worcestershire's identity - 20.3% of respondents identified the single unitary option as best supporting local identity. A thematic analysis of responses identified:

- A strong emotional and practical support for retaining the county as a whole.
- References to Worcestershire's historical and cultural coherence.
- A desire for 'One Worcestershire' as a way of avoiding unnecessary geographic or administrative splits.
- A reflection of how residents already see themselves - as part of 'Worcestershire,' not as 'north' and 'south'.

The preservation of local identity, local knowledge and localism - An alternative view was provided by 45.7% of respondents who identified a two unitary model as best supporting local identity, with 25.3% stating neither option. A thematic analysis of responses identified the following main reasons for their position:

7. Option B1

A collective view that meets local need and is informed by local views

- Respondents value local identity, local knowledge and community character, which they see as being a strength of a two unitary model. Some fear that this might be eroded in a large one unitary.
- Some respondents stressed the importance of decision-makers having direct knowledge of local communities, including living in those communities, which they believe will be stronger in a two unitary model.
- A two-council model is seen as maintaining local pride and cohesion better than a centralised, 'one-size-fits-all' model.

Additionally, 43.8% of respondents state that local identity was one of the most important three things that matter to them, in terms of how councils are organised.

While all options have the potential to support local identity, cultural heritage and historic distinctiveness, the feedback from the public engagement exercises identifies a prominent proportion of respondents who feel their local identity would be best preserved through a two unitary model (options B1 and B2).

Criterion: Proposals should consider issues of local identity and cultural and historic importance

- **High probability** - analysis provides demonstrable evidence that the option can meet the criterion.

7. Option B1

Ability to unlock devolution

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

The future structure of local government in Worcestershire and surrounding two-tier areas will heavily influence the design of devolution arrangements across the region. Councils across Gloucestershire and Warwickshire are currently considering various LGR options. Once confirmed, these new structural arrangements will provide further clarity on strategic authority options. The future layout of new unitary authorities may create or limit opportunities, depending on the geographical configuration and population size of each new unitary.

The creation of two new unitary councils would establish councils with a population of 290,991 (North Worcestershire) and 323,194 (South Worcestershire). Should option B1 be implemented, several approaches to devolution could be considered, each with their perceived advantages and disadvantages.

A combined approach to devolution - This would involve both new unitary councils joining the same strategic authority as constituent members. Other unitary constituent members may include (for example) unitary councils in Herefordshire, Shropshire, Warwickshire, Gloucestershire and Staffordshire.

The potential advantages of this approach include:

- In conjunction with the strategic authority, maintain a focus on the systemic challenges (transport and connectivity, productivity, housing, skills) that currently impact Worcestershire's economic growth and social outcomes.
- Equally, the new unitary authorities would be in a strong position to collaborate to support Worcestershire's cornerstone and emerging industries and key growth sectors, while also providing strong links between each place's economy and the development/delivery of regional economic priorities via the strategic authority. With populations of c290,000 and c323,000, each new unitary council would possess economic assets and strength to deliver regional priorities.
- Enabling public service system partners (health, PCC and police, fire and rescue etc.) to continue operating across the region without being required to reconfigure organisational/service structures to align to new regional boundaries.
- The ability to represent and advocate for a collective population of c614,000 residents, particular on shared priorities. This would provide the new authorities with the ability to influence regional conversations, increase the (collective) bargaining power and assist in strategic planning and delivery across the county.

A perceived disadvantage of this approach relates to:

- Limiting opportunities for each council's economy to strengthen ties with other similar economies (e.g. north Worcestershire and Birmingham, south Worcestershire with Gloucestershire and Warwickshire etc.) through a strategic authority model.

7. Option B1

Ability to unlock devolution

Separate approaches to devolution - The social, economic and environmental profiles of north and south Worcestershire are different. The two new unitary council option provides the opportunity for North Worcestershire to consider associating itself more closely with the West Midlands Combined Authority, while South Worcestershire may consider a strategic authority that contains (for example) south Warwickshire and Gloucestershire unitary authorities.

The potential advantages of this approach include:

- Each new unitary council possessing similar social and economic characteristics as other constituent members, resulting in regional priorities that more effectively represent the needs of each council's residents and businesses.
- The opportunities for growth that could be realised by developing stronger economic ties between unitary council areas that have not previously benefited from a formalised approach to regional economic development. For example:
  - The economies of north Worcestershire, Birmingham and the Black County would benefit from closer collaboration between north Worcestershire's growth corridors, Birmingham's innovation districts and the Black County's industrial base. Areas requiring investment include further joint enterprise zones, skills/workforce development and integrated housing and transport strategies.
  - South Worcestershire and Gloucestershire share challenges relating to housing need and distribution, transport infrastructure and climate resilience. Economic development opportunities include cyber and technology innovation, green infrastructure and energy, tourism and heritage and skills/workforce development.

The potential disadvantages of this approach include:

- Splitting the combined population and collective capacity that exists across both new unitary councils.
- While joining separate strategic authorities may result in more sensible economic and social geographies being established on a regional basis, such an approach would create complications regarding current boundaries of public services (e.g. health, police, fire and rescue etc.).
- It is unclear whether a North Worcestershire unitary council would be in a position to join the West Midlands Combined Authority as a constituent member.

In summary, option B1 provides numerous options for devolution across Worcestershire and surrounding areas. Further consideration of the various options and implications is required during the development of the full LGR proposal.

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

- **High probability** - analysis provides demonstrable evidence that the option can meet the criterion.

7. Option B1

Ability to unlock devolution

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

MHCLG guidance outlines a requirement for each new strategic authority to possess a population of 1.5 million residents, although exceptions may be permitted due to local circumstances.

The creation of two new unitary councils would establish councils with a population of 290,991 (North Worcestershire) and 323,194 (South Worcestershire). While discussions are ongoing, other potential areas that could combined to create a new strategic authority include:

- Warwickshire (population c600,000).
- Herefordshire (population c187,600).
- Gloucestershire (population c646,600).
- Shropshire (population c327,000)
- Staffordshire (population c877,900).

Until the future structure of local government in Warwickshire, Gloucestershire and Staffordshire is understood (i.e. one, two or three etc. new unitary councils being established in each two-tier area), it is not possible to provide a definitive assessment against this criterion.

However, assuming each two-tier area opts for a two new unitary council model, the populations of Worcestershire's two new unitary councils would be broadly comparable to other constituent members.

Criterion - Sensible population size ratios between local authorities and any strategic authority

- **High probability** - analysis provides demonstrable evidence that the option can meet the criterion.

7. Option B1

Enabling stronger community engagement and neighbourhood empowerment

Proposals should demonstrate how councils will enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment

The intended structure for community engagement and neighbourhood empowerments involves (for each option):

- Strengthening links with existing town and parish councils, ensuring they have sufficient capacity and capabilities to effectively deliver their responsibilities, represent the views of residents and businesses and influence unitary council decision making.
- The creation of neighbourhood area committees (or equivalent), potentially similar to local area partnerships (Cornwall) or the area boards (Wiltshire). The membership of these committees may include town and parish councils, representatives from public services (police, health services, youth services etc.), unitary councillors, skills providers, VCSE organisations, residents and local businesses. These committees would work alongside other organisations to deliver local priorities and shape services to meet local need; local priorities would be agreed based on local data and insights and delivered in ways that increase community capacity, capability and resilience.
- Alignment between the above and the neighbourhood health service, to create integrated people centred services that reflect the needs of each local community. Additionally, the council's delivery of adult social care, children's services and public health services are anticipated to be delivered in an increasing localised way.

Anticipated advantages - Given their local structures, leadership and presence, options B1 and B2 are anticipated to realise the following advantages:

- Neighbourhood delivery model and governance structures would create the conditions for clearer and more localised lines of accountability, enabling residents to influence decisions and hold decision makers to account.
- Given the greater place focus, a culture of ceding control could be embedded within each new unitary council. Local, visible and accountable leaders from the council and communities would be in a position to work together to develop innovative approaches to neighbourhood empowerment, potentially including (for example) devolved powers, decision making, assets and budgets to communities. Opportunities also include developing and agreeing a social contract between the council and communities (e.g. the Wigan Deal).
- Given their smaller size and local focus, opportunities exist for the new unitary councils to establish a culture of small wins; where locally designed, achievable solutions can build momentum and encourage greater participation. Such an approach would be supported by smaller geographies, enabling a more tailored approach to increasing community engagement.
- The new unitary authorities would have the opportunity to promote innovative community led solutions to other neighbourhood areas, with close strategic and operational working relationships with local VCSE organisations helping to support the scaling and spreading of 'what works'.

7. Option B1

Enabling stronger community engagement and neighbourhood empowerment

- As outlined within Appendix B, 47.8% of respondents identified a two unitary option as being their preferred structure for local government; respondents identified the importance of decision makers having direct knowledge of local communities, including living in those communities, which they believe will be a stronger likelihood in a two unitary model. This in turn could increase community engagement and participation, given that 45.7% of residents felt that a two unitary council model would best preserve and support local identity.
- Through communities' stronger connection to the council, the opportunity exists to increase social capital and civic participation

Required conditions and arrangements for option B1 - The new unitary councils would be required to effectively establish the following arrangements:

- Invest in structures that provide strong local leadership, ensuring sufficient internal resources are allocated to work with communities to design, establish and coordinate community engagement and neighbourhood governance arrangements.
- Maintain strong relationships with town and parish councils.
- Invest in relationships with VCSE organisations operating at a local level, ensuring they have sufficient capacity and capability to support the implementation and management of new community engagement arrangements.

Criterion - Proposals should demonstrate how councils will enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment

- **High probability** - analysis provides demonstrable evidence that the option can meet the criterion.

7. Option B1

Overview of findings

1. The establishment of a single tier of local government	2. The right size to achieve efficiencies, improve capacity and withstand financial shocks	3. Prioritise the delivery of high quality and sustainable public services to citizens	4. Working together in coming to a view that meets local needs and is informed by local views	5. Ability of new unitary structures to unlock devolution	6. Enable stronger community engagement and neighbourhood empowerment
The establishment of a single tier of local government (High probability)	Meet the 500,000 population guiding principle (Medium probability)	Improved service delivery and avoidance of unnecessary fragmentation of services (Medium probability)	Evidence of local engagement and an explanation of the views that have been put forward and how concerns will be addressed (High probability)	Proposal should set out how it will help unlock devolution (High probability)	Arrangements will enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment (High probability)
Represent a sensible economic area (High probability)	Efficiencies should be identified to help improve councils' finances * (Low probability)	Identified opportunities to deliver public service reform (High probability)	Consideration of issues of local identity and cultural and historic importance (High probability)	Sensible population size ratios between local authorities and any strategic authority (High probability)	
Appropriate tax base & not creating undue advantage or disadvantage for one part of the area* (High probability)	Identification of transition costs and how these will be managed (Medium probability)	Consideration for the impact on crucial services (Medium probability)			
Increase housing supply and meet local need (High probability)	Be the right size to withstand financial shocks – Measure 1* (N High probability, S High probability); Measure 2* (N Medium probability, S High probability)				
Identify intended outcomes, informed by local engagement (Medium probability)	EFS - putting local government in the area as a whole on a firmer footing (Unclear)				
Demonstrate a positive cost/benefit ratio (Medium probability)					
Ensure effective democratic representation for all parts of the area (High probability)					

Key

- **High probability** - analysis provides demonstrable evidence that the option can meet the criterion.
- **Medium probability** - analysis provides partial evidence that the option can meet the criterion.
- **Low probability** - analysis indicates that the option is unlikely to meet the criterion.
- **Unclear** - further information is required to assess the performance of the option against the criterion.

* Assessment against criteria does not take into account the potential impact of the Fair Funding Formula.

N North Worcestershire
S South Worcestershire

MUTUAL VENTURES

Section 8

Option B2
Option analysis

Bromsgrove District Council
www.bromsgrove.gov.uk

Malvern Hills District Council

Redditch Borough Council
Working together for our communities

Worcester City Council

WYCHAVON

8. Option B2

Overview - Option B2 is similar to option B1 as both options involve the creation of two new unitary councils. However, rather than a disaggregation of all services currently delivered by the county council, B2 would establish shared services arrangements across both new unitary councils for certain services (i.e. adult social care, children's services, education, adult education and transport), with all remaining services being delivered separately by each new unitary council.

This section provides an option analysis of B2 that includes only those criteria where B2's ratings against the LGR appraisal criteria differ from those provided by B1, or where significant differences in the rationale for ratings are identified. These differences between the ratings and/or rationale between options B2 and B1 relate to the following criterion:

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

- Efficiencies should be identified to help improve councils' finances and make sure that council taxpayers are getting the best possible value for their money.
- Identification of transition costs and how these will be managed.

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

- Improved service delivery and avoidance of unnecessary fragmentation of services.
- Identified opportunities to deliver public service reform, including where they will lead to better value for money.
- Demonstrate consideration for the impact on crucial services such as adult social care, children's services, SEND, homelessness and wider public services including public safety.

4. 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

- Evidence of local engagement and an explanation of the views that have been put forward, and how concerns will be addressed.

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

A systematic approach was taken to project efficiencies and costs associated with the establishment of options A, B1 and B2, using the following steps for each option modelled:

- Information was collected and aggregated from the Revenue Outturn 2023/24 returns.
- Council Tax requirements for 2025/26 were collected and aggregated for each council from budgets approved at their respective Full Councils.
- Each line of the Revenue Outturn was inflated by the percentage difference in aggregate Council Tax between 2023/24 and 2025/26.
- Expected general efficiencies were projected for categories of spend on areas of Revenue Outturn where spending is shared between county and district council; with higher efficiencies projected when there were lower numbers of future unitary authorities.

8. Option B2

- Ongoing costs and savings were factored in based upon known local factors, such as existing shared services already delivering efficiencies that would otherwise be expected to be achieved within the general efficiencies.
- Based upon experience elsewhere and from other LGR proposals, assumptions were made to realise the full savings over several years - with a longer timeline the more complex the reorganisation.
- One-off costs built in (see next criterion for more detail).

Aggregation - In each option the required uplift in Council Tax was between the 2023/24 Revenue Outturn and 2025/26 Council Tax requirement was 11.7%. For the purposes of this analysis, costs and savings have not been apportioned to specific options.

General efficiency factors - For option B2, the following efficiency factors were used:

	A	B1	**B2**
Staff saving	3.25%	3.05%	**3.05%**
Non-staff saving	3.25%	3.05%	**3.05%**
Fees & Charges Income	1.00%	1.00%	**1.00%**

In total these factors forecast an efficiency saving of £13.7m.

Efficiency estimates were made based upon experience in other authorities previously undergoing reorganisation, local knowledge of the extent of efficiencies and comparison with other recently submitted and ongoing proposals. Fees & Charges income savings at just under £1m is consistent with levels of savings found through fees and charges reviews of similarly sized Councils (outside of the reorganisation process).

The following local factors were adjusted for in the case of option B2:

Adjustment	Justification	Value pa (£m)
Ongoing disaggregation costs	Additional costs from splitting existing county level services (as option B1 less £0.75m for shared services)*.	4.620
Existing shared services	Efficiency savings already made (avoids double counting) - replicated across all options	3.000
Duplicated management teams	Additional senior staff required for two separate councils (NB this is a £2.75m total cost swing compared to Option A).	1.750
Reduction in number of councillor (two-tier to one-tier)	Savings based upon reduction in number of councillors and associated elections - replicated across all options*.	(0.633)
Enhancing local democracy	An allowance for a more localised element of engagement based upon local aims (replicated across all options)	0.500
Total adjustment pa	An overall amount in this case offsetting an element of the assumed efficiency savings – primarily due to the savings already achieved through existing joint-working and partnerships plus disaggregation costs	**9.237**

* After validation, these assumptions have been informed by the February 2025 Future Worcestershire Interim LGR Plan considered by Worcestershire County Council Cabinet on 20th March 2025, with the aim to use consistent assumptions and baselines where possible.

8. Option B2

Long-term impact of these savings combined - Combining the impact of these two sets of savings shows the potential long-term savings from each of these models, basing these over the various categories of income and expenditure.

Option B2: two new unitary councils including shared services arrangements, strategic services split:

Category	2023/4 outturn inflated (£m)	General efficiency (£m)	Further specific costs / (savings) (£m)	Projected expenditure / (Income) (£m)	Ongoing Saving (£m)
Employee costs	403.581	(4.443)	4.552	403.691	(0.109)
Running expenses	1,017.006	(8.342)	4.685	1,013.349	3.657
Fees & charges	(174.497)	(0.953)	0.000	(175.449)	0.953
Other income	(177.308)	0.000	0.000	(177.308)	0.000
Non-Dept (Inc) / Exp *	(655.136)	0.000	0.000	(655.136)	0.000
Council Tax req	413.649	(13.737)	9.237	409.147	**4.501**

Consideration was also given to how quickly expected savings would be realised. Whilst greater disaggregation of existing county services results in a longer projected time to fully realise savings, it is felt that as the largest strategic services are retained, then this option should result in savings in timescales broadly in line with forecast for a single authority solution:

	A	B1	B2
%age saved - Year 1	40%	30%	40%
%age saved - Year 2	20%	30%	20%
%age saved - Year 3	20%	20%	20%
%age saved - Year 4	20%	10%	20%
%age saved - Year 5		10%	
Saving before one-off costs	£m	£m	£m
Ongoing saving - Year 1	5.084	1.051	1.801
Ongoing saving - Year 2	7.626	2.101	2.701
Ongoing saving - Year 3	10.168	2.802	3.601
Ongoing saving - Year 4	12.710	3.152	4.501
Ongoing saving - Year 5 (and ongoing)	12.710	3.501	4.501

Combined with one-off savings (see next section), this gives an overall position per option and ability to compare direct savings.

Summary of financial modelling - The following table sets out the key metrics for each of the options:

	A	B1	B2
One-off costs (£m)	22.581	28.431	22.831
Ongoing annual savings (£m)	12.710	3.501	4.501
10 year savings (£m)	89.269	1.685	16.786
Payback period (years)	3	10	7

Conclusion - With consistent and evidence-based cost saving assumptions applied to each option, c£8.2m of additional annual savings would be realised by option A once full savings are realised, compared to option B2. These savings should however be considered alongside wider economic benefits and disbenefits to the region (such as changes to health, investment, job creation / retention, culture and tourism) to

establish a fairer overall reflection of the impact of each LGR option.

Throughout this options appraisal, all savings are considered against a 'stand-still' position. Savings are projected against current needs, current costs and current allocations of grants. None of the options considered include assumptions relating to changes in levels of future needs or changes to resource allocation; these factors are assumed to have the same impact on each option. This approach is required to demonstrate the varying performance of each option to generate efficiencies and realise savings. Similarly, this options appraisal is focussed on appraising structural propositions, rather than appraising detailed system wide, organisational and service level designs. As such, broad but evidence-based assumptions have been used to inform the financial models for each option, including findings from previous LGR programmes, projections from successful recent LGR proposals and Interim LGR Plan proposals for other two-tier areas.

Further details on the approach to financial modelling for each option is provided within Appendix A.

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

- **Medium probability** - Projected 10-year savings are between £10m and £49.9m.

Identification of transition costs and how these will be managed

An indicative breakdown of transition costs is provided, however it is considered that the overall quantum is more important that the specific categories. Local decisions would determine how much transformation delivery is carried out in-house compared to accessing external support, which in turn may adjust the allocation of these budgets. All factors have been set in line with observations from other reorganised areas.

These costs are far from certain and strong project management will need to be undertaken to ensure they are kept under control. Reference is given to this particular risk below:

Transformation needs to be fully costed and those costs kept under control. For example, in one council the estimated transformation costs increased significantly from £29.5 million in November 2019 to £52.12 million by February 2024. Transformation programmes need effective programme management and regular progress reporting in public to elected members is essential. Elected members need enough evidence to challenge delivery and ensure officers are taking corrective action if needed. Source: Learning from the new unitary councils.

Redundancy costs are set at a one-off rate of 120% of ongoing staff savings to reflect redundancy costs and pension strain, based upon experience from authorities that have previously been through LGR. These costs are broken down as follows:

8. Option B2

Category	A (£m)	B1 (£m)	B2 (£m)
Redundancy costs	5.681	5.331	5.331
Rebranding / comms	0.500	0.750	0.500
Public consultation	0.400	0.600	0.400
Transition support / remodelling costs	4.000	6.000	4.500
Programme management	2.000	3.000	2.000
Legal costs (contract novation, new constitutions)	0.500	0.750	0.600
ICT costs	3.000	4.000	3.000
Contingency	4.000	5.000	4.000
Shadow operations	1.000	1.500	1.000
Additional agency year 1	0.750	0.750	0.750
HR Support for transition / TUPE etc	0.750	0.750	0.750
Closedown			
Sub-total non-redundancy costs	16.900	23.100	17.500
Total one-off costs	22.581	28.431	22.831

There are several ways this cost can be met in whole or part:

- Existing reserves - Especially if some existing earmarked reserves are no longer needed for their original purpose post-reorganisation.
- Sale of surplus land / properties - Due to existing overlap in provision between councils, there may be land and properties that become surplus to requirements post-reorganisation. These assets could be sold and receipts used to offset the transition costs (noting there are likely timing gaps, so alternative interim solutions may be required).
- Additional borrowing - Following a Capitalisation direction to meet any short-term costs that cannot be met by the above.

The need for borrowing and ability to payback will be influenced by ability to generate efficiencies, so a shorter payback period would mitigate some of the risks of reliance on borrowing.

A summary of the anticipated transition costs and payback periods is provided below:

	A	B1	B2
One-off costs (£m)	22.581	28.431	22.831
Ongoing annual savings (£m)	12.710	3.501	4.501
10 Year Savings (£m)	89.269	1.685	16.786
Payback period (years)	3	10	7

Criterion - Identification of transition costs and how these will be managed

- **Medium probability** - Projected payback period is between 5 years and 10 years.

NB. The LGR criterion does not provide a specific target in terms of the required/maximum duration of the payback period.

Improved service delivery and avoidance of unnecessary fragmentation of services

Service fragmentation - Option B2 is a variation of option B1. All characteristics of option B2 are similar to option B1 with the following key exceptions:

- A care partnership for children's services would be established between the two new unitary councils. Services would be jointly commissioned and delivered across both new unitary councils, potentially with pooled staff and budgets.
- Similarly, a care partnership for adult social care would be established. Adult social care would therefore represent a single function operating across both new unitary councils.
- Public Health functions would be delivered through a shared service.
- Education, schools and adult learning would be delivered via a shared service between the two new unitary councils.
- Strategic Transport would be delivered across both new unitary authorities, via a strategic partnership, shared service or hosted model.

The exact nature of the shared service arrangement has yet to be defined by the commissioning councils. Delivery arrangements could potentially involve a joint committee model, where services are jointly delivered and commissioned across both new unitary councils. Alternatively, a lead authority model could be considered, where one council hosts the service on behalf of the other 'receiving' new unitary council (with pooled staff and budgets etc.).

Improved service delivery - Option B2 would create a model that combines the benefits of a place based approach to the delivery of services with structural efficiencies (leading to better value for money and financial sustainability) and levels of integration associated with public services operating across geographies (maximising opportunities for future collaboration at a strategic level). The model would have the potential to realise the following advantages:

- Option B2 would avoid the fragmentation of crucial services, given that the proposed shared services arrangements across the two new unitary councils would account for c80% of the county council's current annual expenditure.
- The process of establishing shared service arrangements would support service continuity of social care, public health, education, adult education and strategic transport services.
- Early help services for children's services would be delivered by the new unitary councils, enabling a localised approach to prevention and early intervention (i.e. similar to option B1) and alignment with the neighbourhood health service and community led initiatives.
- Services including economic development, planning and development, leisure services, parks and culture, currently delivered / commissioned by the district councils, would transfer to the respective new unitary council, maintaining local connections and relationships.
- It is assumed at this stage that the arrangement would result in both new unitary councils appointing their own Director of Children's Services and Director of Adult Social Services, to strengthen local accountability and leadership.

8. Option B2

- The arrangement would maintain the current adult social care and children's services offers.
- Arrangements would protect current levels of integration between social care and health; for example current Better Care Fund arrangements and the single discharge pathways between health and adult social care.
- A reduced number of partners, connections and relationships would need to be held across the wider system (compared to a fully disaggregated two unitary model, option B1).
- The children's service's care partnership would provide stability in relation to children's services current improvement journey.
- The maintaining of a single education service would ensure consistency across the county, however challenges would remain in terms of varying structures (e.g. middle schools in Redditch) and achieving consistency across the county in terms of attainment and other educational outcomes.
- In relation to skills, each new unitary council would be in a position to maintain strong relationships with education and skills providers, ensuring the development of local partnerships to address challenges around accessibility, inclusion and aspiration, while also working closely with businesses to address skills shortages that suppress economic growth and productivity. The following provides a recent case study of the opportunities for improved service delivery via a shared service arrangement.

Evidence from elsewhere - Following LGR in Cumbria in 2023, Westmorland and Furness Council's Adult Learning Service, which also provides learning programmes on behalf of Cumberland Council, was rated as 'good' by Ofsted in July 2025, with two areas of service rated as 'outstanding'. This represents an improvement from 'good' in all areas at the last inspection (2018). Ofsted found that courses '*are aligned to meet the needs of these communities to help learners develop skills, pick up a new hobby, enhance their CV, or improve their health and wellbeing*'.

Required conditions and arrangements - The commissioning councils would be required to consider the following in relation to each shared service arrangement:

- Strategic considerations - A clear and shared view on the vision, priorities and objectives for each shared service.
- Compatibility between both councils - Ensuring that the agreed vision is supported by similar cultures, values and service expectations.
- Robust, transparent and equitable governance structures - Arrangements should reflect the desire amongst residents and other local stakeholders for clear and needs led decision making, local accountability and the ability to influence decisions. Governance arrangements would be required to ensure effective and accountable local leadership, effective scrutiny and oversight arrangements and local decision making.
- Agreement on 'what good looks like' - Both new unitary councils would be required to agree a range of shared key performance indicators, likely to involve Worcestershire wide, place based and local indicators.

8. Option B2

- The requirement to agree an acceptable funding model - Stating how costs, savings and risks will be shared.
- Change control - The requirement to agree how proposed variance to underlying principles and agreements would be managed.

Criterion - Improved service delivery and avoidance of unnecessary fragmentation of services

- **High probability** - analysis provides demonstrable evidence that the option can meet the criterion.

Identified opportunities to deliver public service reform, including where they will lead to better value for money

Within the '*LGR: Considerations for partnership working in social care for new unitary authorities*' (MHCLG - July 2025) guidance note, specific mention is made of '*partnership working between new unitary authorities that supports authorities to manage the continuity of adult social care and children's social care services during the reorganisation process. It could also maximise opportunities for future collaboration at a strategic level, such as on health and care integration and with other public services.... We are interested in the range of approaches that new unitary authorities may use to work across boundaries on social care services*'.

The shared services arrangements (care partnerships) for adult social care and children's services included within option B2 directly align with the above. Additionally, shared service arrangements covering education, transport and adult learning are also likely to realise strategic and operational benefits.

The proposed arrangements would enable:

- Shared approaches to workforce planning, avoiding direct competition in relation to staff recruitment and retention.
- A collaborative approach to commissioning and market shaping, to assist in ensuring sufficiency across Worcestershire (e.g. adult social care and children's services).
- The joint development of specialist services and provision (e.g. children's homes, foster carers, SEND, residential homes etc.).
- A joint approach to supporting the sustainability of current and future community based provision, including family hubs, community centres and youth centres.
- Possessing the collective scope and scale to work collaboratively with the strategic authority to further transform public services at both place and regional levels.
- Collaborative working with partners to establish and further develop integrated service delivery, including through discharge and transfer of care hubs and the development of the neighbourhood health service.
- Coordination and management of single front doors into public services.
- Joint use of data to understand population needs, design services and shape markets.

From a neighbourhood working perspective, LGR presents the opportunity to reimagine local leadership, rebuild trust between citizens and the state and transform public services so they are truly people-centred, integrated and relational.

8. Option B2

Creating truly person-centred support requires both a strengthening of collaboration across public and community services and the direct connections between people, their neighbourhoods and the support they need. Given the structural characteristics of options B1 and B2, these options would possess significant agility to deliver change at pace. Integrated services, close connections to communities and deep local insights provide the conditions to achieve significant and impactful public service reform, particularly at a neighbourhood level.

A localised approach to delivering services creates numerous potential advantages for option B2:

- A relational approach to public service reform - Opportunities exist to establish each unitary council's role as a place leader; by establishing strong working relationships with neighbourhood area committees, town and parish councils and VCSE organisations, the conditions required for long term planning, investment and ongoing reform, tailored to the needs of local communities, would be established.
- The agility, connections and culture to be radical - Through their local connections and relationships, the two new unitary authorities would be well positioned to implement neighbourhood governance models that reflect preferences and need on a community by community basis. Once established, these would provide an effective mechanism for ongoing engagement and empowerment, building further trust and strengthening connections. These arrangements would provide a strong basis for discussions around local expectations and how best to deliver localised support and enhance community capacity and capabilities.
- Supported by the above, a culture of ceding control could be embedded within each new unitary council. Opportunities could include devolving decision making, powers, assets and budgets to communities. Closer links between the new unitary councils and town and parish councils and VCSE organisations would provide effective mechanisms to explore opportunities for neighbourhood empowerment.
- Continued investment in communities - The expansion of investment in preventative services designed to meet local needs, building on the examples of recently funded project by district councils (social mobility, preventing homelessness and Voluntary, community and social enterprise grants.

Criterion - Identified opportunities to deliver public service reform, including where they will lead to better value for money

- **High probability** - analysis provides demonstrable evidence that the option can meet the criterion.

Demonstrate consideration for the impact on crucial services such as adult social care, children's services, SEND and homelessness and wider public services including public safety

The establishment of two new unitary councils and shared services arrangements has the potential to have the following impact on crucial services:

Service continuity - The complexity of disaggregating adult social care, children's services, education, adult education and SEND would be avoided.

Adult social care and children's services - The proposed arrangements would:

- Maintain the county council's current adult social care and children's services offers and Better Care Fund arrangements.
- Protect the single discharge pathways between health and adult social care that currently exist.
- Provide stability in relation to Worcestershire children's services current improvement journey, including the involvement of system partners such as health services.

SEND - A shared services arrangement for children's services would result in a simplified interface between the council, education and health services (compared to option B1).

Homelessness - Each new unitary council would be responsible for the delivery of homelessness services. The potential benefits of option B2 include each new unitary also delivering their own housing support and benefits management services, while preventative approaches would be co-designed and delivered via each council's respective neighbourhood delivery models.

Public safety - The creation of two new unitary authorities would provide the opportunity for the continuation of the North Worcestershire and South Worcestershire Safer Community Partnerships, supported by an enhanced level of neighbourhood working that would be implemented by each council.

Links between the new unitary authorities and strategic authority would need to be considered, given the latter's regional responsibilities for the coordination of homelessness services.

Criterion - Demonstrate consideration for the impact on crucial services such as adult social care, children's services, SEND and homelessness and wider public services including public safety

- **High probability** - analysis provides demonstrable evidence that the option can meet the criterion.

8. Option B2

Overview of findings

1. The establishment of a single tier of local government		2. The right size to achieve efficiencies, improve capacity and withstand financial shocks		3. Prioritise the delivery of high quality and sustainable public services to citizens		4. Working together in coming to a view that meets local needs and is informed by local views		5. Ability of new unitary structures to unlock devolution		6. Enable stronger community engagement and neighbourhood empowerment	
The establishment of a single tier of local government	🟢	Meet the 500,000 population guiding principle	🟡	Improved service delivery and avoidance of unnecessary fragmentation of services	🟢	Evidence of local engagement and an explanation of the views that have been put forward and how concerns will be addressed	🟢	Proposal should set out how it will help unlock devolution	🟢	Arrangements will enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment	🟢
Represent a sensible economic area	🟢	Efficiencies should be identified to help improve councils' finances *	🟡	Identified opportunities to deliver public service reform	🟢	Consideration of issues of local identity and cultural and historic importance	🟢	Sensible population size ratios between local authorities and any strategic authority	🟢		
Appropriate tax base & not creating undue advantage or disadvantage for one part of the area*	🟢	Identification of transition costs and how these will be managed	🟡	Consideration for the impact on crucial services	🟢						
Increase housing supply and meet local need	🟢	Be the right size to withstand financial shocks – Measure 1 *	N 🟢 S 🟢								
		Be the right size to withstand financial shocks – Measure 2 *	N 🟡 S 🟢								
Identify intended outcomes, informed by local engagement	🟡	EFS - putting local government in the area as a whole on a firmer footing	⚫								
Demonstrate a positive cost/benefit ratio	🟡										
Ensure effective democratic representation for all parts of the area	🟢										

Key

🟢 **High probability** - analysis provides demonstrable evidence that the option can meet the criterion.

🟡 **Medium probability** - analysis provides partial evidence that the option can meet the criterion.

🔴 **Low probability** - analysis indicates that the option is unlikely to meet the criterion.

⚫ **Unclear** - further information is required to assess the performance of the option against the criterion.

* Assessment against criteria does not take into account the potential impact of the Fair Funding Formula.

N North Worcestershire
S South Worcestershire

Summary - option performance against LGR criteria

	1. The establishment of a single tier of local government							2. The right size to achieve efficiencies, improve capacity and withstand financial shocks						3. Prioritise the delivery of high quality and sustainable public services to citizens			4. A view that meets local needs and is informed by local views		5. Ability to unlock devolution		6. Engage & empower
	Single tier of local government	Sensible economic area	Appropriate tax base	Increase housing supply	Identify intended outcomes, informed by local engagement	Positive cost / benefit ratio	Effective democratic representation	Meet 500k population guiding principle	Efficiencies should be identified to help improve councils' finances *	Identification of transition costs and how these will be managed	Right size to withstand financial shocks - measure 1	Right size to withstand financial shocks - measure 2	EFS - local government on a firmer footing	Improved service delivery & avoidance of service fragmentation	Deliver public service reform & VfM	Consideration for the impact on crucial services	An explanation of how local concerns will be addressed	Local identity and cultural and historic importance	How proposals will help unlock devolution	Sensible population size ratios	Enable stronger community engagement and neighbourhood empowerment
Option A	Green	Green	Green	Green	Yellow	Yellow	Yellow	Green	Green	Green	Green	Green	Grey	Green	Green	Green	Yellow	Yellow	Green	Green	Yellow
Option B1	Green	Green	Green	Green	Yellow	Yellow	Green	Yellow	Red	Yellow	N S	N S	Grey	Yellow	Green	Yellow	Green	Green	Green	Green	Green
Option B2	Green	Green	Green	Green	Yellow	Yellow	Green	Yellow	Yellow	Yellow	N S	N S	Grey	Green	Green	Green	Green	Green	Green	Green	Green

APPENDIX A

Financial modelling and assumptions

Purpose - To summarise the assumptions and outputs from the financial modelling undertaken to inform the Local Government Reorganisation in Worcestershire options appraisal.

Assumptions - All options were modelled on Revenue Outturns 2023/24, with all figures inflated so that the total Council Tax requirement for all Worcestershire councils was equal to the Council Tax requirements agreed by each council as part of the 2025/26 budget setting processes.

Within this report, 5 options are considered. The first three are those being considered within the options appraisal (options A, B1 and B2). The final two (Ref 1 LA and Ref 2 LA) refer to the options and associated calculations provided within the Future Worcestershire - Local Government Reorganisation in Worcestershire Options Appraisal and Draft Interim Plan (considered by Worcestershire County Council Cabinet on 20th March 2025). The full list of options referred to in this report are as follows:

- Option A - A new unitary council for the whole county of Worcestershire.
- Option B1- Two new unitary councils (North Worcestershire and South Worcestershire) with full disaggregation of services.
- Option B2 - Two new unitary councils (North Worcestershire and South Worcestershire) with a shared service/hybrid model (adult social care, children's services, education, adult learning, transport).
- Ref 1 LA - Future Worcestershire model - single new unitary council (adjusted for redundancy, please see below for detail); considered by Worcestershire County Council Cabinet on 20th March 2025
- Ref 2 LA - Future Worcestershire model - two new unitary councils (adjusted for redundancy); considered by Worcestershire County Council Cabinet on 20th March 2025.

Throughout this options appraisal, all savings are considered against a 'stand-still' position. Savings are projected against current needs, current costs and current allocations of grants. None of the options considered include assumptions relating to changes in levels of future needs or changes to resource allocation; these factors are assumed to have the same impact on each option. This approach is required to demonstrate the varying performance of each option to generate efficiencies and realise savings. Similarly, this options appraisal is focussed on appraising structural proposition, rather than appraising detailed system wide, organisational and service level designs. As such, broad but evidence-based assumptions have been used to inform the financial models for each option, including findings from previous LGR programmes, projections from successful recent LGR proposals and Interim LGR Plan proposals for other two-tier areas.

General efficiencies - Areas for savings were as categories of service department expenditure where there is an overlap of spending between Districts councils and the County Council, split between staffing, other expenditure and fees and charges income and other income. The following table sets out the modelled saving targets for each option:

	A	B1	B2	Ref 1 LA	Ref 2 LAs
Staff saving	3.25%	3.05%	3.05%	4.50%	4.00%
Non-staff saving	3.25%	3.05%	3.05%	4.70%	2.90%
Fees & Charges Income	1.00%	1.00%	1.00%	0.00%	0.00%

Ongoing additional costs / savings - The next consideration was to look at whether the specifics of any individual option gives rise to ongoing additional costs (such as costs for more members) or leads to ongoing savings (for example through prevention). The following table sets out the net ongoing costs

and savings (£m's) assumed in each option. These are taken to adjust the general level of savings as suggested above.

	A	B1	B2	Ref 1 LA	Ref 2 LAs
Ongoing disaggregation costs	0	5.370	4.620	0	5.370
Existing efficiencies - shared services	3.000	3.000	3.000	0	0
Democratic services	0	0	0	0.445	0.890
Management teams *	(1.000)	2.000	1.750	(1.000)	3.180
Members	(0.633)	(0.633)	(0.633)	(0.633)	(0.633)
Enhancing local democracy	0.500	0.500	0.500	0	0
TOTAL additional costs / (savings)	1.867	10.237	9.237	(1.188)	8.807

* These are costs / (savings) over and above the general %age staff savings based upon streamlining the executive levels of staff

Long-term impact of these savings combined - Combining the impact of these two sets of savings shows the potential long-term savings from each of these models, based upon these over the various categories of income and expenditure – at this stage in the process, figures are presented for all new Councils combined; for the purposes of this analysis no attempt is made to apportion costs and savings to specific newly formed councils.

Option A - A new unitary council for the whole county of Worcestershire

Category	2023/4 Outturn inflated (£m)	General efficiency (£m)	Further specific costs / (savings) (£m)	Projected expenditure / (Income) (£m)	Ongoing saving (£m)
Employee Costs	403.581	(4.734)	(0.633)	398.214	5.367
Running Expenses	1,017.006	(8.889)	2.500	1,010.617	6.389
Fees & Charges	(174.497)	(0.953)	0.000	(175.449)	0.953
Other Income	(177.308)	0.000	0.000	(177.308)	0.000
Non-Dept (Inc) / Exp *	(655.136)	0.000	0.000	(655.136)	0.000
Council Tax Req	413.649	(14.575)	1.867	400.939	**12.710**

Option B1- Two new unitary councils (North Worcestershire and South Worcestershire) with full disaggregation of services

Category	2023/4 Outturn inflated (£m)	General efficiency (£m)	Further specific costs / (savings) (£m)	Projected expenditure / (Income) (£m)	Ongoing saving (£m)
Employee Costs	403.581	(4.443)	5.052	404.191	(0.609)
Running Expenses	1,017.006	(8.342)	5.185	1,013.849	3.157
Fees & Charges	(174.497)	(0.953)	0.000	(175.449)	0.953
Other Income	(177.308)	0.000	0.000	(177.308)	0.000
Non-Dept (Inc) / Exp *	(655.136)	0.000	0.000	(655.136)	0.000
Council Tax Req	413.649	(13.737)	10.237	410.147	**3.501**

Option B2 - Two new unitary councils (North Worcestershire and South Worcestershire) with a shared service/hybrid model (adult social care, children's services, education, adult learning, transport).

Category	2023/4 Outturn inflated (£m)	General efficiency (£m)	Further specific costs / (savings) (£m)	Projected expenditure / (Income) (£m)	Ongoing saving (£m)
Employee Costs	403.581	(4.443)	4.552	403.691	(0.109)
Running Expenses	1,017.006	(8.342)	4.685	1,013.349	3.657
Fees & Charges	(174.497)	(0.953)	0.000	(175.449)	0.953
Other Income	(177.308)	0.000	0.000	(177.308)	0.000
Non-Dept (Inc) / Exp *	(655.136)	0.000	0.000	(655.136)	0.000
Council Tax Req	413.649	(13.737)	9.237	409.147	**4.501**

Ref 1 LA - Future Worcestershire model - single new unitary council

Category	2023/4 Outturn inflated (£m)	General efficiency (£m)	Further specific costs / (savings) (£m)	Projected expenditure / (Income) (£m)	Ongoing saving (£m)
Employee Costs	403.581	(6.555)	(1.633)	395.394	8.188
Running Expenses	1,017.006	(12.717)	0.455	1,004.733	12.272
Fees & Charges	(174.497)	0.000	0.000	(174.497)	0.000
Other Income	(177.308)	0.000	0.000	(177.308)	0.000
Non-Dept (Inc) / Exp *	(655.136)	0.000	0.000	(655.136)	0.000
Council Tax Req	413.649	(19.272)	(1.188)	393.187	**20.461**

Ref 2 LA - Future Worcestershire model - two new unitary councils

Category	2023/4 Outturn inflated (£m)	General efficiency (£m)	Further specific costs / (savings) (£m)	Projected expenditure / (Income) (£m)	Ongoing saving (£m)
Employee Costs	403.581	(5,826)	5.232	402.987	0.594
Running Expenses	1,017.006	(7.795)	3.575	1,012.786	4.220
Fees & Charges	(174.497)	0.000	0.000	(174.497)	0.000
Other Income	(177.308)	0.000	0.000	(177.308)	0.000
Non-Dept (Inc) / Exp *	(655.136)	0.000	0.000	(655.136)	0.000
Council Tax Req	413.649	(13.621)	8.807	408.833	**4.814**

* This includes all other elements of Council Income and Expenditure, including Housing Benefits, Levies, Capital Financing, Non-service grants and appropriations / use of reserves (elements considered outside service reporting on Government – Revenue Outturn forms)

The following table sets out the ongoing savings as a percentage. This is calculated in three ways:

- As a percentage of gross service costs (i.e. employee costs and running expenses)
- As a percentage of net service costs (i.e. employee costs and running expenses less service income)
- As a percentage of Council Tax requirement (i.e. all costs including non-service specific grants, financing costs, precepts and use of reserves)

Category	A (£m)	B1 (£m)	B2 (£m)	Ref 1 LA (£m)	Ref 2 LAs (£m)
Ongoing saving	12.710	3.501	4.501	20.461	4.814
Savings as a percentage of:					
Gross Service Cost (£1,420.587m)	0.9%	0.2%	0.3%	1.4%	0.3%
Net Service Cost (£1,068.785m)	1.2%	0.3%	0.4%	1.9%	0.5%
Council Tax Requirement (£413.649m)	3.1%	0.8%	1.1%	4.9%	1.2%

One-off costs and time to realise savings Each option was considered for one-off costs and how quickly savings could be achieved. The breakdown of these costs varies from option to option and can be seen within the model. For most costs these were given a direct cost. The exception was redundancy costs that were calculated as a percentage of employee costs saved (this forecast includes both the direct costs and any pension strain). A summary of these one-off costs per model are as follows.

	A	B1	B2	Ref 1 LA	Ref 2 LAs
Redundancy (%age of employee costs saved)	120%	120%	120%	120%*	120%*
Other one-off cost (£m)	16.900	23.100	17.500	9.815	14.026

Although an indicative breakdown of transition costs is given, it is considered that the overall quantum is more important that the specific categories. Local decisions will determine how much is of this work is carried out in-house compared to with external support, which in turn may adjust the allocation of these budgets. These costs are broken down as follows:

Category	A (£m)	B1 (£m)	B2 (£m)	Ref 1 LA (£m)	Ref 2 LAs (£m)
Redundancy Costs	5.681	5.331	5.331	7.865	6.992
Rebranding / Comms	0.500	0.750	0.500		
Public consultation	0.400	0.600	0.400	0.275	0.412
Transition support / remodelling costs	4.000	6.000	4.500	4.640	6.950
Programme Management	2.000	3.000	2.000	1.900	2.859
Legal costs (contract novation, new constitutions)	0.500	0.750	0.600		
ICT costs	3.000	4.000	3.000	2.140	2.390
Contingency	4.000	5.000	4.000	0.244	0.488
Shadow operations	1.000	1.500	1.000	0.311	0.622
Additional agency year 1	0.750	0.750	0.750		
HR Support for transition / TUPE etc	0.750	0.750	0.750		
Closedown				0.305	0.305
Sub-Total Non-Redundancy Costs	16.900	23.100	17.500	9.815	14.026
Total One-off Costs	22.581	28.431	22.831	17.680	21.018

Consideration was also given to how quickly expected savings would be realised. Greater disaggregation of existing county-level services results in a longer projected time to fully realise savings, with the assumptions and impact on early-year savings projected below:

	A	B1	B2	Ref 1 LA	Ref 2 LAs
%age saved - Year 1	40%	30%	40%	50%	50%
%age saved - Year 2	20%	30%	20%	25%	25%
%age saved - Year 3	20%	20%	20%	25%	25%
%age saved - Year 4	20%	10%	20%		
%age saved - Year 5		10%			
Saving before one-off costs	£m	£m	£m	£m	£m
Ongoing saving - Year 1	5.084	1.051	1.801	10.231	2.408
Ongoing saving - Year 2	7.626	2.101	2.701	15.347	3.612
Ongoing saving - Year 3	10.168	2.802	3.601	20.461	4.814
Ongoing saving - Year 4	12.710	3.152	4.501	20.461	4.814
Ongoing saving - Year 5 (and ongoing)	12.710	3.501	4.501	20.461	4.814

* These were calculated at approximately 30% in the initial alternative modelling carried out on behalf of Worcestershire County Council - based upon recent examples of costs elsewhere and assumptions used in other current proposals we believe that this would significantly understate redundancy costs.

Summary of financial modelling - The following table sets out the key metrics from each of the options:

	A	B1	B2	Ref 1 LA	Ref 2 Las
One-off costs (£m)	22.581	28.431	22.831	17.680	21.018
Ongoing annual savings (£m)	12.710	3.501	4.501	20.461	4.814
10 Year Savings (£m)	89.269	1.685	16.786	171.595	23.531
Payback period (years)	3	10	7	2	6 *

* This was presented as 11+ years in the actual report, however the savings and costs did not appear to support this calculation

Differences between models - The key differences between assumptions in this modelling compared to Worcestershire County Council's modelling are summarised below:

- Redundancy costs are much greater within this model for all options (120% of employment costs saved compared to c30% in the county's modelling) - our assumption is based upon experience at previously combined councils and includes pension strain for people taking redundancy.
- Lower additional ongoing costs for social care following disaggregation – informed by the findings of the Impower report commissioned by DCN (https://www.districtcouncils.info/wp-content/uploads/Impower-DCN-ASC-LGR-Report-2025-FINAL-compressed-version.pdf) – which states "*There are no economies of scale in delivering social care, and in some cases, there is evidence that larger systems introduce diseconomies*"; allowances have still been made for additional leadership roles and ICT relating to running an additional ICT system.
- Lower ongoing savings modelled across all options and a longer time to realise these – informed by findings in previous merged councils showing that savings took longer to achieve than anticipated and were overestimated. As an example: https://www.westmorlandandfurness.gov.uk/your-council/finance/westmorland-and-furness-council-productivity-plan is projecting £1.293m of unitary specific efficiencies after 4 years of operations (this being one of two new unitary councils formed in Cumbria).
- This model includes a modest increase in income based upon reviewing and aligning fees & charges; this increase is consistent with previous reviews of fees & charges in single authority situations (there should be a greater ability to raise income as there is already differential in fees charged across the existing councils).

- This model makes explicit adjustments for savings already realised in terms of shared services and makes an expenditure allowance for enhanced localised democracy across all options; the county council's model does not make such allowances.
- This model assumes greater transition costs across all options than the county council model, again based upon experience of costs from previous reorganisation; although the split of these costs is different between models, this split is highly dependent upon how the new organisation(s), choose to resource the required transformation and the reliance on internal versus external support (Westmorland and Furness, as one of two new councils in the region were themselves allocated £10m to facilitate transformation in Cumbria as referenced in the same report as linked above). Grant Thornton referenced an example of transformation costs reaching over £50m (see box 1 below):

Box 1: Example of under-estimation and transformation costs associated with LGR

> Transformation needs to be fully costed and those costs kept under control. For example, in one council the estimated transformation programme costs increased significantly from £29.5 million in November 2019 to £52.12 million by February 2024. Transformation programmes need effective programme management and regular progress reporting in public to elected members is essential. Elected members need enough evidence to challenge delivery and ensure officers are taking corrective action if needed.

Source: https://www.grantthornton.co.uk/globalassets/1.-member-firms/united-kingdom/pdf/publication/2024/report---learning-from-the-new-unitary-councils_v08.pdf

Conclusion - When consistent and more realistic cost saving assumptions are applied to each option, we believe that there is a c£8-9m per annum additional saving by having a single new unitary council, compared to options associated with two new unitary councils. These savings should however be considered alongside wider economic benefits and disbenefits to the region (such as changes to health, investment, job creation / retention, culture and tourism) to get a fairer overall reflection of the impact of changes to the region. Initial analysis suggests that Option B1 has the potential to realise the greatest level of wider economic benefits. Further development of these outcomes and the anticipated economic benefits is required during the development of the full LGR proposal.

Shaping Worcestershire - Council changes survey 2025

County wide headline results

The initial Shaping Worcestershire public engagement campaign and survey was carried out for a month from 1st June to 29th June 2025. All borough, city and districts were involved, but not the county council.

The following report sets out the headline results for the whole of the county. It does not currently include any free text analysis and has only one table of results by individual council area. A thematic analysis of free text comments and summary reports for each borough/city/district council and will be available by Friday 11th July 2025. Individual files of raw data will be provided to each borough/city/district after this date for continued / further analysis locally.

4,249 responses in total were received from across the county. The majority (94%) were from residents. Small numbers of businesses, parish and town councils, and voluntary and community sector organisations also responded. The 'other' category of responses included police, church groups, housing associations, colleges, GPs, and some council employees and councillors.

In what capacity are you responding? (If you would like to respond in more than one capacity, please complete a separate survey for each.)

Answer Choices		Response Percent	Response Total
1	Resident	94.4%	4009
2	Business	1.5%	65
3	Parish/Town council	1.2%	52
4	Voluntary or community sector organisation	1.5%	63
5	Other, for example, school, health provider, police, housing association etc (please specify):	1.4%	60
		answered	4249

The total number of responses for each borough/city/district (all types of respondents combined) were as follows:

Number of respondents:						
	Bromsgrove DC	Malvern Hills DC	Redditch BC	Worcester CC	Wychavon DC	Wyre Forest DC
Responses	560	633	759	502	1,073	722

AWARENESS OF LOCAL GOVERNMENT REORGANISATION PLANS:

How aware are you of plans for reorganising local councils in Worcestershire?

Answer Choices		Response Percent	Response Total
1	Very aware	40.2%	1697
2	Somewhat aware	47.9%	2023
3	Not aware	11.8%	500
		answered	4220
		skipped	29

How well do you understand each of the two proposed options for Worcestershire? (For more details on the proposed options, see the main Shape Worcestershire website (opens in a new window))

Answer Choices	Very well	Somewhat	Not well	Response Total
One unitary council covering all of Worcestershire	47.6% 1984	40.8% 1700	11.7% 486	4170
Two unitary councils - one for North Worcestershire and one for South Worcestershire	46.0% 1930	41.8% 1751	12.2% 511	4192
			answered	4238
			skipped	11

RESPONDENTS' PREFERENCES FOR LOCAL GOVERNMENT REORGANISATION:

Based on the information provided, which option do you currently prefer?			
Answer Choices		**Response Percent**	**Response Total**
1	One unitary council covering all of Worcestershire	28.7%	1215
2	Two unitary councils - one for North Worcestershire and one for South Worcestershire	47.8%	2026
3	I don't have a preference	4.2%	176
4	I don't support reorganisation of local councils in Worcestershire	18.9%	799
5	I'm not interested	0.5%	20
		answered	4236
		skipped	13
Please tell us the main reason/s for your choice: (3179)			

3,179 respondents shared the main reason/s for their preference. These responses are currently being analysed and a headline thematic analysis will be provided by 11th July 2025.

Despite the overall pattern of views across the county showing two unitary authorities as the most popular preference, there is some variation in responses by borough/city/districts. This is shown in the table below.

By local area - Based on the information provided, which option do you currently prefer?						
	Bromsgrove DC	**Malvern Hills DC**	**Redditch BC**	**Worcester CC**	**Wychavon DC**	**Wyre Forest DC**
One unitary authority	34%	24%	15%	46%	22%	40%
Two unitary authorities	46%	58%	41%	42%	57%	39%
I don't have a preference	2%	4%	6%	4%	3%	6%
I don't support reorganisation	18%	14%	37%	8%	17%	15%
I'm not interested	<0.2%	<0.5%	<1%	0	<1%	<0.5%

Respondents were asked to identify which restructure arrangement would best deliver a range of outcomes, with the responses shown in the table below.

In summary, the one unitary authority option was rated as best for 'saving money and delivering value', and 'making local government simpler', and the two unitary authority option was thought to be better for 'improving local services', 'supporting local identity', and 'stronger community engagement'.

Thinking of the outcomes the Government expects us to consider when deciding how we restructure councils in Worcestershire, which of the potential options do you think would best deliver each? Choose one option for each of the outcomes

Answer Choices	One unitary authority	Two unitary authorities	Both options	Neither option	Don't know	Response Total
Improving local services	24.6%	44.8%	5.0%	20.9%	4.7%	4192
Saving money and delivering value	36.2%	30.8%	8.5%	18.5%	6.0%	4210
Making local government simpler	35.8%	32.5%	9.7%	17.9%	4.1%	4205
Supporting local identity	20.3%	45.7%	5.1%	25.3%	3.6%	4211
Stronger community engagement	18.7%	43.7%	5.2%	27.4%	4.9%	4206
					answered	4235

The three things delivered by local councils that mattered most to the respondents were 'infrastructure planning' (64%), 'maintaining or improving local services and council-owned facilities' (59%), and 'how much Council Tax I pay' (45%). 'Impact on the local community and local identity' was a very close fourth choice (44%).

Thinking about how your local councils are currently organised, which three things from the list below matter most to you? Choose up to three

	Answer Choices	Response Percent	Response Total
1	Access to local representation/councillors to get my voice heard	35.1%	1485
2	Availability of business support	4.1%	172
3	Funding and other support for voluntary and community organisations	16.1%	681
4	How much Council Tax I pay	44.7%	1894
5	Impact on the local community and local identity	43.8%	1856
6	Infrastructure planning (e.g. roads, schools, health)	63.8%	2701

Thinking about how your local councils are currently organised, which three things from the list below matter most to you? Choose up to three				
7	Knowing who to contact when I have a query or complaint		21.3%	903
8	Maintaining or improving local services and council-owned facilities, such as community centres, sports grounds, arts centres, museums etc-		59.0%	2498
9	Other (please specify):		6.0%	253
			answered	4236

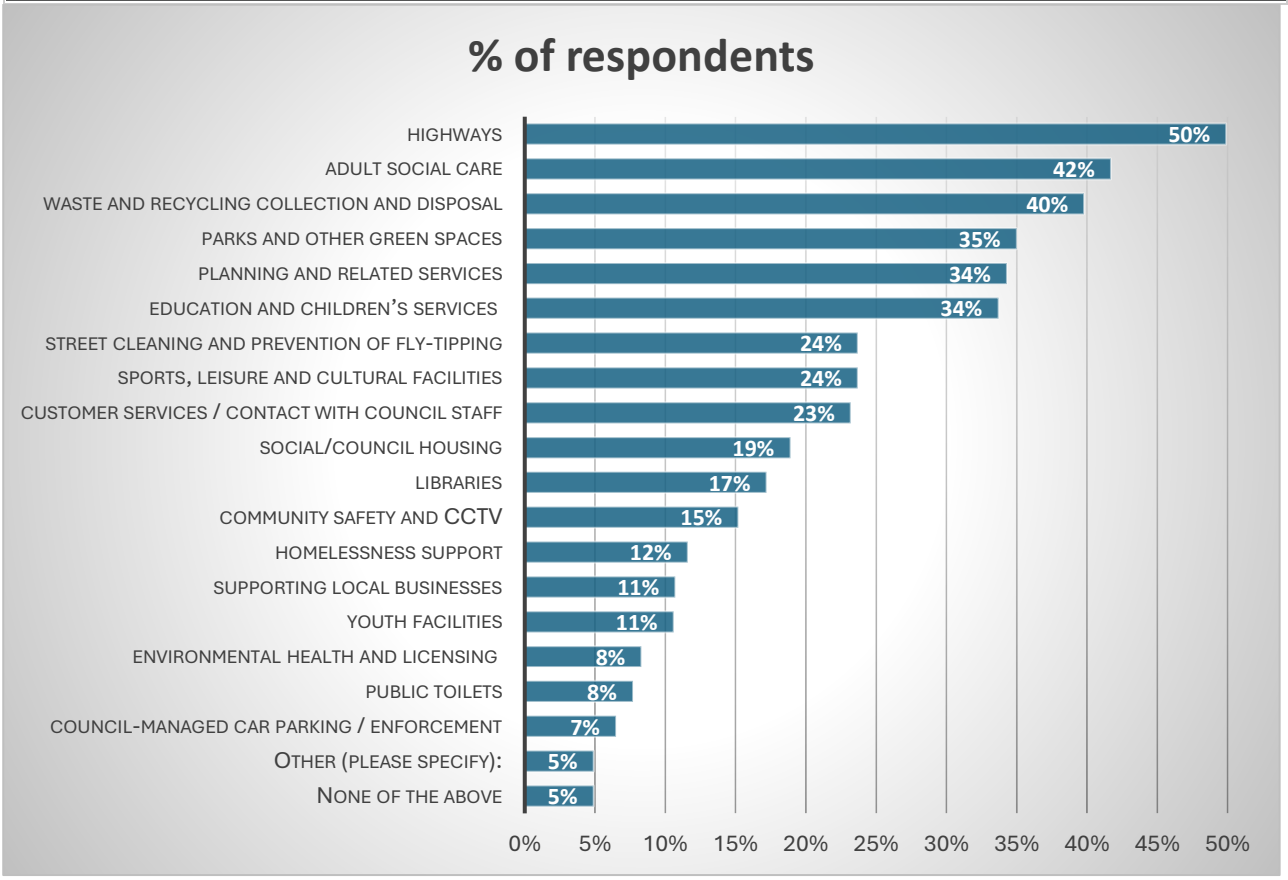
Of the services currently delivered by the county and borough/city/district councils, the top five that respondents were most concerned about being affected by local government reorganisation were:

1. Highways (potholes, footpaths, drainage, street lighting etc) **– 49.9%**
2. Adult social care, such as support for people with disabilities, or care for the elderly **– 41.7%**
3. Waste and recycling collection and disposal **– 39.8%**
4. Parks and other green spaces **– 35.0%**
5. Planning and related services **– 34.3%**

Education and children's services such as looked-after children, those with special educational needs or disability (SEND), fostering and adoption was a very close sixth choice, with 33.7% of respondents selecting it in their top five.

The full ranking is shown in the table on the next page.

County and district/borough/city councils are responsible for a number of services. Which, if any, local services are you concerned about being affected by reorganisation? Choose up to a maximum of five services.



The final question in the survey asked if respondents had any other comments, suggestions or concerns about the proposed reorganisation. 1,563 respondents shared a view, and these text responses are currently being analysed.

Shape Worcestershire - Council changes survey 2025

Executive summary of the thematic analysis

The Shape Worcestershire – Council Changes Survey 2025 included two free text questions. These elicited a total of 4,742 responses, providing insight into respondents' views and concerns about the future of local councils in Worcestershire.

This executive summary provides an overview of the main themes and key points covered in the free text responses. A more detailed analysis can be found in the 'County wide headline results thematic analysis' report.

Survey respondents were invited to choose their **preferred option for reorganising local councils in Worcestershire**. A total of 4,236 respondents gave a preference and 3,179 of them shared the main reason/s for their preference

Of the 1,215 respondents (29%) who selected **'one unitary council'**, 924 gave a reason for their choice.

The prevailing argument for one council is respondents believe this option would deliver greater efficiency and cost savings, reduce duplication, streamline services, cut costs, provide fairness for all irrespective of where they live and maintain a coherent, historic county identity.

Respondents also felt this option would provide strategic coherence, including negating the need to split strategic services currently delivered on a county wide-basis if a two unitary model were chosen.

These respondents broadly reject the idea of splitting the county into two smaller units, which is seen as inefficient, unsustainable, unnecessary and inconsistent with both local needs and national policy direction.

Of the 2,026 respondents (48%) who selected '**two unitary councils',** 1,570 gave a reason for their choice.

Supporters believe the two-council model provides a balanced approach enabling shared efficiencies where appropriate, while still maintaining local focus, democratic accountability and community connection.

The existing cooperation between councils, suitable infrastructure and natural boundaries are also cited as logical reasons for the north/south option. Many feel this is the least disruptive and most effective solution, which is more reflective of local needs, identities

and priorities. Respondents believe that two councils could cooperate successfully on county-wide services, while tailoring delivery more effectively at a local level.

Generally, these respondents strongly oppose the creation of a single county-wide unitary council, which is seen as too large, remote and unrepresentative. Concerns centre on losing local identity, reduced democratic accountability and worsened service delivery, particularly for rural areas.

Of the 176 respondents (4%) who selected '**I don't have a preference'**, 89 gave a reason for their choice.

Most felt ill-equipped to make an informed choice due to the lack of concrete information about the proposed council reorganisation. They expressed frustration, confusion and a strong desire for more transparency and detailed explanations.

While many can see theoretical benefits to reorganisation, such as cost savings or simplified governance, they also express concern about losing local representation, increasing bureaucracy or creating geographical inequality.

There is a prevailing sense of scepticism and distrust toward government processes throughout the responses, with many doubting that any change, regardless of the structure, will result in tangible improvements for residents.

Whilst the survey made it clear that not reorganising is not an option, 799 respondents (19%) chose '**I don't support reorganisation of local councils in Worcestershire'.** 573 gave a reason for their choice.

These responses reveal strong opposition to proposals for merging local councils into one or two larger unitary authorities. They see the existing councils as effective, locally responsive and better equipped than unitary authorities to serve diverse communities across the county.

Among these respondents there is significant concern that larger, more centralised bodies would diminish local democracy and local representation, fearing that the distinct needs and identities of individual towns will be overshadowed by broader, less responsive administrations.

There is anxiety that service quality will decline due to stretched budgets, staff shortages and increased bureaucracy, alongside a belief that financial resources may be unfairly redistributed to more indebted or affluent areas at the expense of others, particularly in rural areas.

Critically, many feel the engagement process has been rushed and lacks transparency, leading to distrust in the motives behind the changes, which are viewed largely as political cost-cutting moves rather than efforts to improve governance.

Overall, these respondents value the current local council structure for its accessibility and local knowledge and worry that merging councils will diminish democratic engagement, weaken community identity and worsen public services. The dominant feeling among

those who selected this preference is that reorganisation is unnecessary, risky and not supported by evidence.

Just 20 respondents (0.5%) selected '**I am not interested'**. 13 gave a reason for their choice.

The issue most often raised by this small number of respondents was a lack of trust that structural reorganisation will lead to any real improvement in services or governance. There is scepticism that changing structures will not solve the current underlying problems of perceived inefficiency, poor decision-making and wasting public money.

At the end of the survey respondents were given the opportunity to add '**any other comments, suggestions, or concerns about the proposed reorganisation'**. Of the 4,249 survey respondents, 1,563 (37%) provided some further views indicating the strength of feeling about local government reorganisation in Worcestershire.

A summary of the key themes and points made is provided below, many are similar to those already expressed.

Urban vs rural differences

- Some support a single unitary council for efficiency, but many prefer two to reflect the diverse needs of urban and rural areas.
- Concerns include potential marginalisation of rural areas, unequal resource allocation and fears that rural needs (e.g. isolation, transport) will be overlooked.

Loss of localism and representation

- Worries about losing local identity and access to decision-makers, especially in smaller communities.
- Many believe smaller councils, or two unitary councils, would be more responsive and maintain local connections.
- Concerns about diminished community involvement, loss of local facilities and remote decision-making.

Accountability and governance

- Desire for clear, transparent governance with councillors who live in the areas they represent.
- Calls for better understanding of new structures and accountability.

Parish and town councils

- Concerns about overburdening parish councils with new responsibilities and losing their influence.
- Suggestions to empower rather than expand parish councils.

Service quality

- Fear of service decline, particularly for vulnerable populations (e.g. elderly, disabled, rural residents).
- Worries about the loss of non-statutory services (e.g. parks, libraries) and reliance on digital-only systems.

Financial concerns and cost-saving scepticism

- Many express doubts that reorganisation will save money, citing previous failed reorganisations.
- Concerns about higher council tax, service cuts and potential hidden costs.

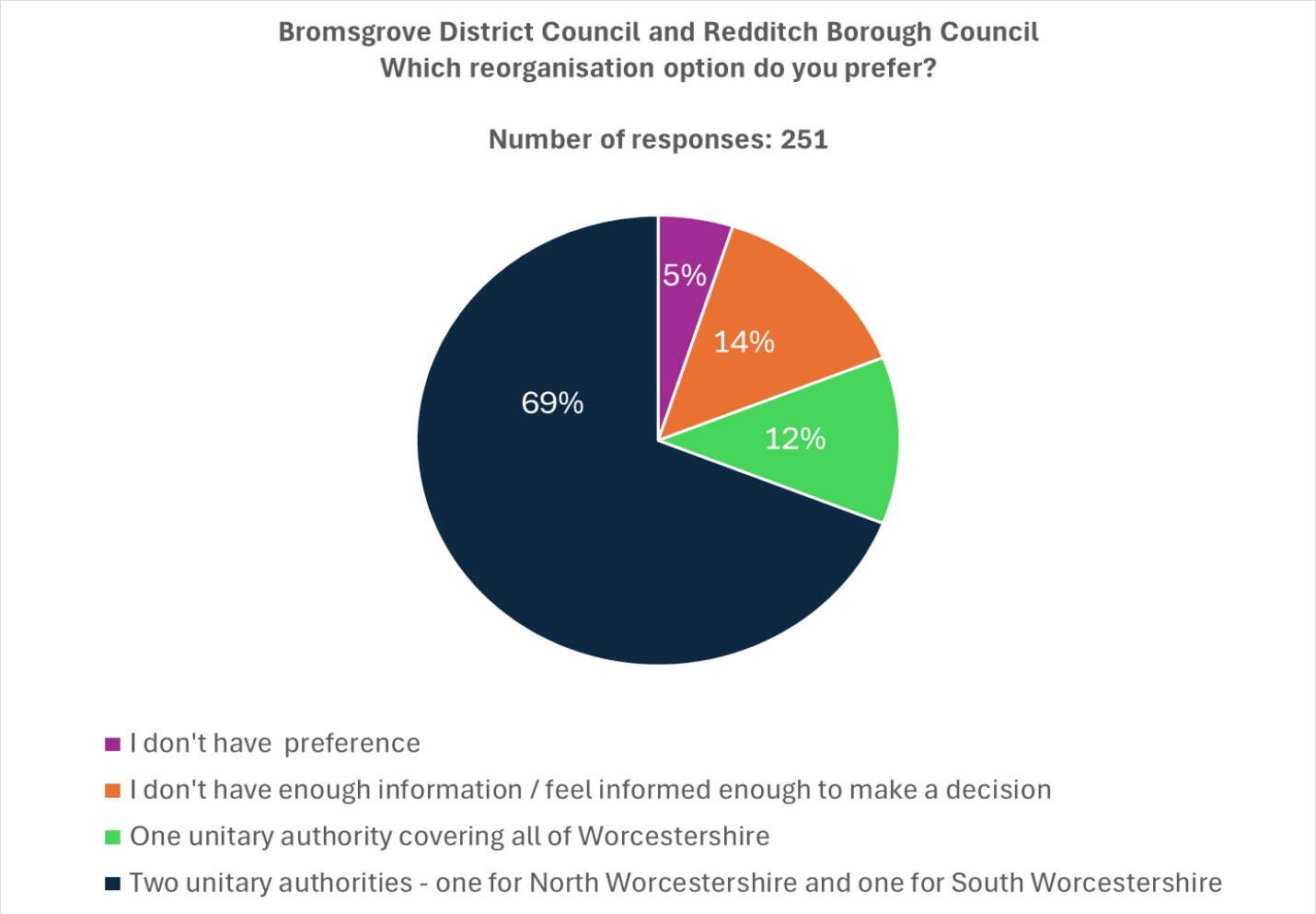
Alternative proposals and reorganisation legitimacy

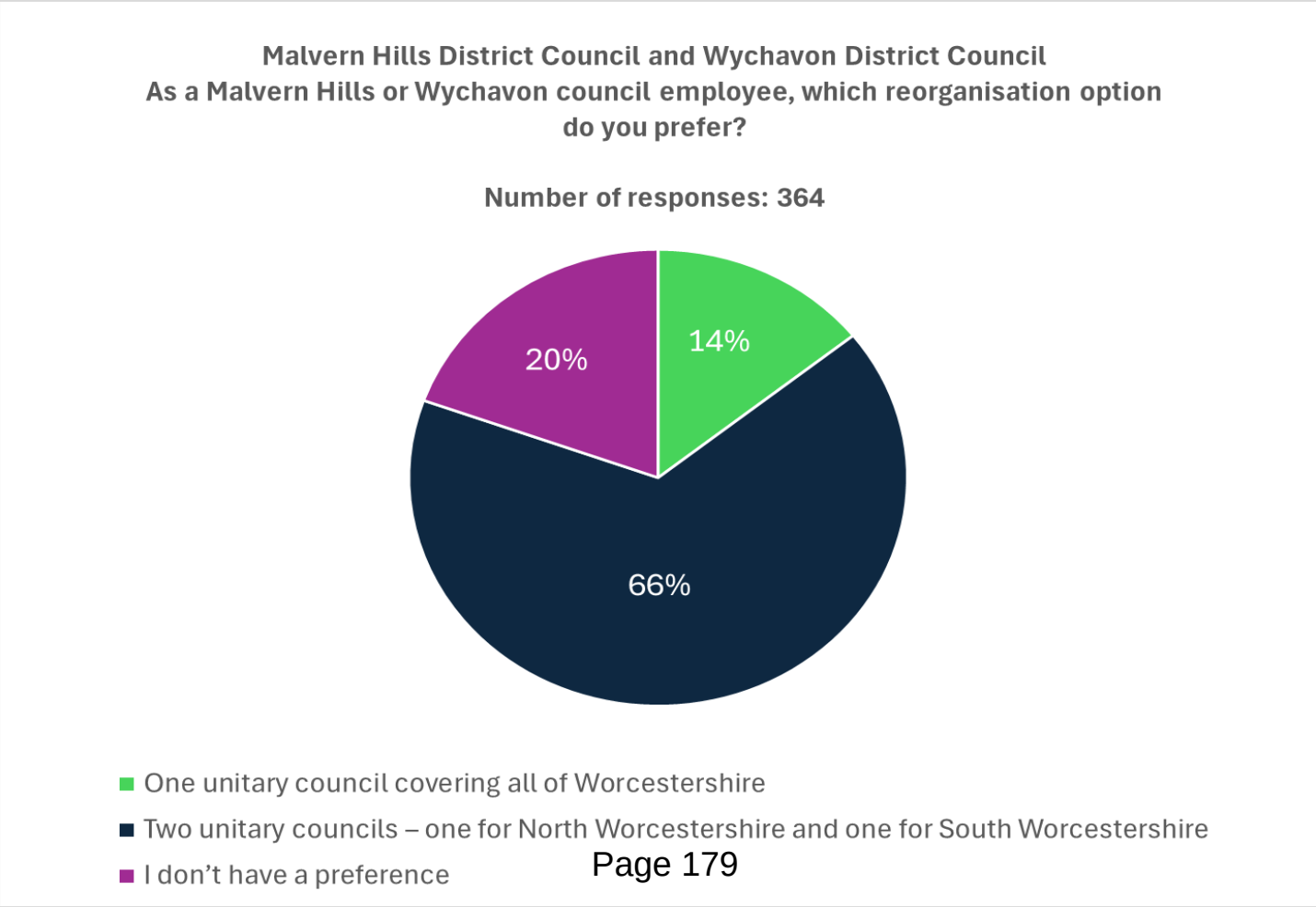
- Calls for strengthening existing councils or investing in back-office efficiencies rather than restructuring.
- Scepticism that the reorganisation is politically motivated or driven by cost-cutting, rather than improving services.
- Some suggest splitting into two unitary authorities that align with natural boundaries to better reflect local identities.

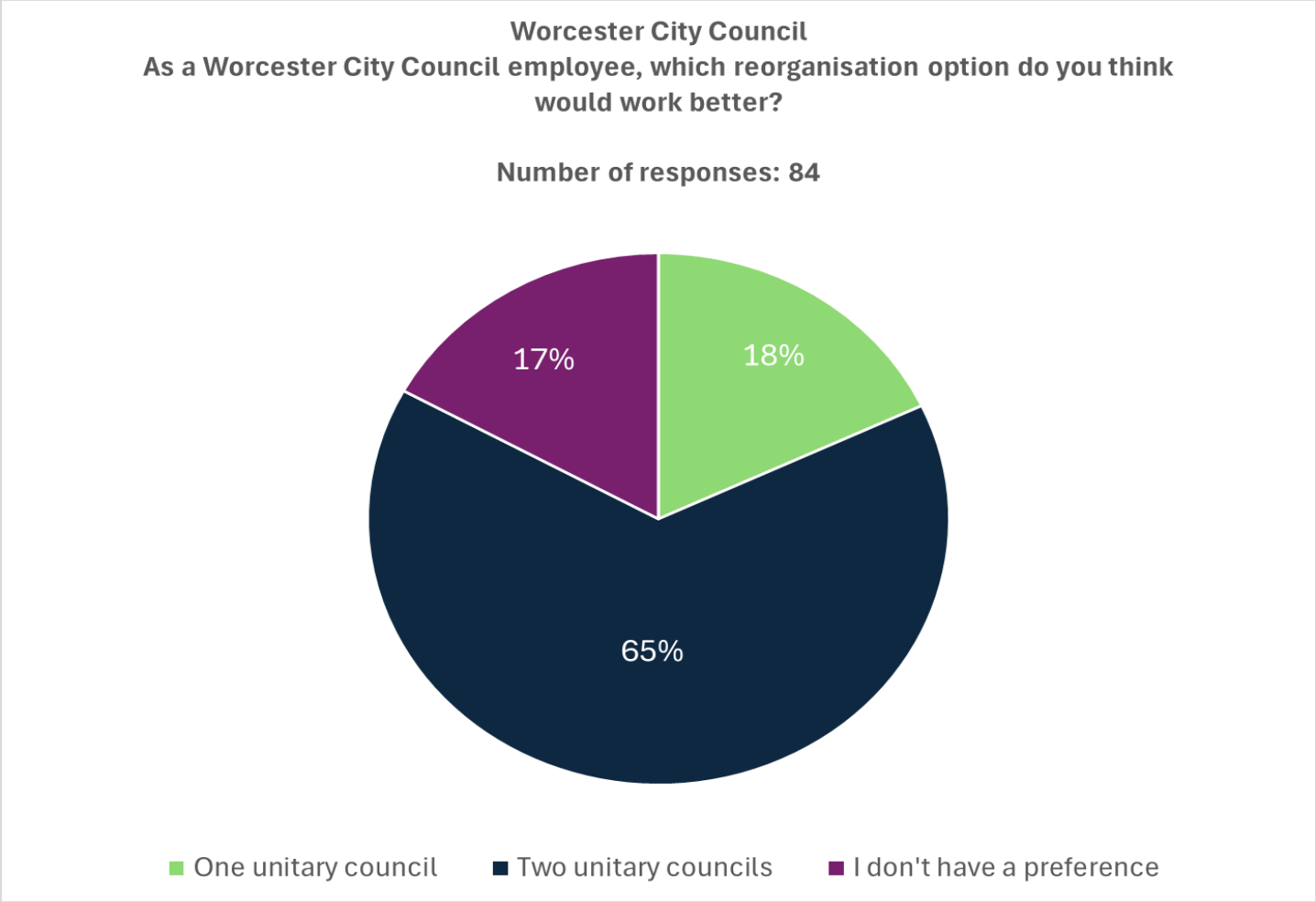
Planning, housing and environmental protections

- Concerns about overdevelopment, loss of green belt and strain on infrastructure.
- Emphasis on protecting the environment, nature reserves, and heritage sites.
- Calls for integrating climate adaptation and sustainability into planning decisions.

Staff surveys - headlines






Worcester City Council
As a Worcester City Council employee, which reorganisation option do you think would work better?
Number of responses: 84
17%
18%
65%
One unitary council
Two unitary councils
I don't have a preference

Shape Worcestershire focus groups - reports

The focus group reports are available via the following link:

https://shapeworcestershire.org/survey-results#775d8a6b-fb59-4c1f-8dc9-42909d3ba5d5

- Shape Worcestershire focus groups - overview report (pdf)
- Shape Worcestershire focus groups - all public comments (pdf)
- Shape Worcestershire focus groups - parish/town council feedback (pdf)

Appendix C

Place profiles

Place profile - Worcestershire County Council

DEMOGRAPHIC

Measure	WCC (Above / equal to / below national average)	National average
Demographics		
Area (km2)	1,741	-
Population (2023)	614,185	-
Population forecast (2032)	646,150	-
Age 0-15	17.2%	18.5%
Age 16-64	59.5%	63.0%
Age 65+	23.3%	18.3%
Population density (km2) (2021)	346.8	433.5
Proportion of pop. in rural Output Areas	23.9%	16.8%
Index of Multiple Deprivation (2019) (1 is the most deprived, 10 is the least deprived)		
Income	6	5
Employment	6	5
Skills	6	5
Health	6	5
Crime	6	5
Housing	5	5
Living env.	6	5

ECONOMIC

Measure	WCC (Above / equal to / below national average)	National average
Economy		
Claimants as a proportion of residents aged 16-64 (2025)	3.1%	4.2%
Council tax base	225,128	-
Total rateable value of all businesses	£537,957,925	-
GVA per hour	£34.3	£39.7
Gross median pay	£588.6	£618.70
Employmt. rate (16-64)	79.4%	75.7%
Economically active (16-64)	81.2%	78.9%
% pop - Level 3 skills	17.0%	16.9%
% pop - Level 4 skills	32.3%	33.9%
Estimated % of jobs earning below Living Wage Foundation rates	16.7%	15.9%
% of residents who travel less than 10km to work	33.8%	35.3%
% of residents who travel more than 10km to work	23.0%	18.7%
Housing target	663	-
5 year housing land supply (years)	3.3	-
Employment land (ha)*	70.9	-

**Required employment land as set out in each area's Local Plan or Demand Study*
Please note that figures for Housing Target, council tax base, total rateable value 5-year housing land supply and employment land are amalgamations of the 6 districts' figures in the absence of a whole County figure.

Place profile - Bromsgrove District Council

DEMOGRAPHIC

Measure	BDC (Above / equal to / below county average)	Worcestershire average
Demographics		
Area (km2)	217	1,741
Population (2023)	100,679	614,185
Pop. forecast (2032)	107,119	646,150
Age 0-15	18.4%	17.2%
Age 16-64	58.6%	59.5%
Age 65+	23.0%	23.3%
Population density (km2) (2021)	457.1	346.8
Proportion of pop. in rural Output Areas	14.4%	23.9%
Index of Multiple Deprivation (2019) (1 is the most deprived, 10 is the least deprived)		
Income	7	6
Employment	7	6
Skills	7	6
Health	7	6
Crime	6	6
Housing	6	5
Living env.	7	6

ECONOMIC

Measure	BDC (Above / equal to / below county average)	Worcestershire average
Economy		
Claimants as a proportion of residents aged 16-64 (2025)	2.5%	3.1%
Council tax base	38,663	37,521
Total rateable value of all businesses	£73,373,503	£89,659,654
GVA per hour	£42.3	£34.3
Gross median pay	£661.4	£588.6
Employmt. rate (16-64)	82.3%	79.4%
Economically active (16-64)	83.8%	81.2%
% pop - Level 3 skills	16.6%	17.0%
% pop - Level 4 skills	36.6%	32.3%
Estimated % of jobs earning below Living Wage Foundation rates	16.9%	16.7%
% of residents who travel less than 10km to work	25.7%	33.8%
% of residents who travel more than 10km to work	26.1%	23.0%
Housing target	715	663
5 year housing land supply (years)	1.98	3.3
Employment land (ha)*	28	70.9

**Required employment land as set out in each area's Local Plan or Demand Study*

Place profile - Malvern Hills District Council

DEMOGRAPHIC

Measure	MHDC (Above / equal to / below county average)	Worcestershire average
Demographics		
Area (km2)	557	1,741
Population (2023)	81,822	614,185
Pop. forecast (2032)	88,585	646,150
Age 0-15	15.4%	17.2%
Age 16-64	56.2%	59.5%
Age 65+	28.4%	23.3%
Population density (km2) (2021)	137.7	346.8
Proportion of pop. in rural Output Areas	56.2%	23.9%
Index of Multiple Deprivation (2019) (1 is the most deprived, 10 is the least deprived)		
Income	6	6
Employment	6	6
Skills	7	6
Health	8	6
Crime	7	6
Housing	4	5
Living env.	5	6

ECONOMIC

Measure	MHDC (Above / equal to / below county average)	Worcestershire average
Economy		
Claimants as a proportion of residents aged 16-64 (2025)	2.4%	3.1%
Council tax base	33,558	37,521
Total rateable value of all businesses	£47,752,897	£89,659,654
GVA per hour	£33.4	£34.3
Gross median pay	£546.9	£588.6
Employmt. rate (16-64)	74.5%	79.4%
Economically active (16-64)	74.5%	81.2%
% pop - Level 3 skills	16.1%	17.0%
% pop - Level 4 skills	38.8%	32.3%
Estimated % of jobs earning below Living Wage Foundation rates	26.6%	16.7%
% of residents who travel less than 10km to work	27.5%	33.8%
% of residents who travel more than 10km to work	23.0%	23.0%
Housing target	646	663
5 year housing land supply (years)	2.06	3.3
Employment land (ha)*	64.3	70.9

**Required employment land as set out in each area's Local Plan or Demand Study*

Place profile - Redditch Borough Council

DEMOGRAPHIC

Measure	RBC (Above / equal to / below county average)	Worcestershire average
Demographics		
Area (km2)	54	1,741
Population (2023)	87,059	614,185
Pop. forecast (2032)	88,279	646,150
Age 0-15	19.2%	17.2%
Age 16-64	61.6%	59.5%
Age 65+	19.2%	23.3%
Population density (km2) (2021)	1,604.4	346.8
Proportion of pop. in rural Output Areas	0.0%	23.9%
Index of Multiple Deprivation (2019) (1 is the most deprived, 10 is the least deprived)		
Income	6	6
Employment	5	6
Skills	4	6
Health	4	6
Crime	6	6
Housing	3	5
Living env.	8	6

ECONOMIC

Measure	RBC (Above / equal to / below county average)	Worcestershire average
Economy		
Claimants as a proportion of residents aged 16-64 (2025)	3.9%	3.1%
Council tax base	27,004	37,521
Total rateable value of all businesses	£91,182,392	£89,659,654
GVA per hour	£32.3	£34.3
Gross median pay	£586.2	£588.6
Employmt. rate (16-64)	77.1%	79.4%
Economically active (16-64)	80.1%	81.2%
% pop - Level 3 skills	17.2%	17.0%
% pop - Level 4 skills	25.9%	32.3%
Estimated % of jobs earning below Living Wage Foundation rates	14.0%	16.7%
% of residents who travel less than 10km to work	42.7%	33.8%
% of residents who travel more than 10km to work	19.8%	23.0%
Housing target	489	663
5 year housing land supply (years)	2.8	3.3
Employment land (ha)*	55	70.9

**Required employment land as set out in each area's Local Plan or Demand Study*

Place profile - Worcester City Council

DEMOGRAPHIC

Measure	WCC (Above / equal to / below county average)	Worcestershire average
Demographics		
Area (km2)	33	1,741
Population (2023)	105,143	614,185
Pop. forecast (2032)	106,090	646,150
Age 0-15	17.4%	17.2%
Age 16-64	64.4%	59.5%
Age 65+	18.2%	23.3%
Population density (km2) (2021)	3,121.4	346.8
Proportion of pop. in rural Output Areas	0.0%	23.9%
Index of Multiple Deprivation (2019) (1 is the most deprived, 10 is the least deprived)		
Income	6	6
Employment	6	6
Skills	6	6
Health	5	6
Crime	6	6
Housing	6	5
Living env.	5	6

ECONOMIC

Measure	MHDC (Above / equal to / below county average)	Worcestershire average
Economy		
Claimants as a proportion of residents aged 16-64 (2025)	3.7%	3.1%
Council tax base	36,798	37,521
Total rateable value of all businesses	£107,386,408	£89,659,654
GVA per hour	£36.6	£34.3
Gross median pay	£606.8	£588.6
Employmt. rate (16-64)	81.8%	79.4%
Economically active (16-64)	83.8%	81.2%
% pop - Level 3 skills	18.3%	17.0%
% pop - Level 4 skills	33.7%	32.3%
Estimated % of jobs earning below Living Wage Foundation rates	13.9%	16.7%
% of residents who travel less than 10km to work	41.9%	33.8%
% of residents who travel more than 10km to work	18.5%	23.0%
Housing target	559	663
5 year housing land supply (years)	2.37	3.3
Employment land (ha)*	32.2	70.9

**Required employment land as set out in each area's Local Plan or Demand Study*

Place profile - Wychavon District Council

DEMOGRAPHIC

Measure	WDC (Above / equal to / below county average)	Worcestershire average
Demographics		
Area (km2)	664	1,741
Population (2023)	136,229	614,185
Pop. forecast (2032)	151,343	646,150
Age 0-15	16.4%	17.2%
Age 16-64	58.2%	59.5%
Age 65+	25.4%	23.3%
Population density (km2) (2021)	199.7	346.8
Proportion of pop. in rural Output Areas	49.5%	23.9%
Index of Multiple Deprivation (2019) (1 is the most deprived, 10 is the least deprived)		
Income	7	6
Employment	7	6
Skills	6	6
Health	8	6
Crime	7	6
Housing	4	5
Living env.	5	6

ECONOMIC

Measure	WDC (Above / equal to / below county average)	Worcestershire average
Economy		
Claimants as a proportion of residents aged 16-64 (2025)	2.7%	3.1%
Council tax base	53,767	37,521
Total rateable value of all businesses	£138,269,434	£89,659,654
GVA per hour	£35.8	£34.3
Gross median pay	£580.0	£588.6
Employmt. rate (16-64)	73.7%	79.4%
Economically active (16-64)	76.2%	81.2%
% pop - Level 3 skills	16.6%	17.0%
% pop - Level 4 skills	33%	32.3%
Estimated % of jobs earning below Living Wage Foundation rates	16.8%	16.7%
% of residents who travel less than 10km to work	29.2%	33.8%
% of residents who travel more than 10km to work	25.9%	23.0%
Housing target	976	663
5 year housing land supply (years)	1.1	3.3
Employment land (ha)*	217.3	70.9

**Required employment land as set out in each area's Local Plan or Demand Study*

Place profile - Wyre Forest District Council

DEMOGRAPHIC

Measure	WFDC (Above / equal to / below county average)	Worcestershire average
Demographics		
Area (km2)	195	1,741
Population (2023)	103,253	614,185
Pop. forecast (2032)	104,735	646,150
Age 0-15	16.4%	17.2%
Age 16-64	58.2%	59.5%
Age 65+	25.4%	23.3%
Population density (km2) (2021)	520	346.8
Proportion of pop. in rural Output Areas	23.3%	23.9%
Index of Multiple Deprivation (2019) (1 is the most deprived, 10 is the least deprived)		
Income	6	6
Employment	5	6
Skills	5	6
Health	6	6
Crime	5	6
Housing	5	5
Living env.	5	6

ECONOMIC

Measure	WFDC (Above / equal to / below county average)	Worcestershire average
Economy		
Claimants as a proportion of residents aged 16-64 (2025)	3.3%	3.1%
Council tax base	35,338	37,521
Total rateable value of all businesses	£79,993,291	£89,659,654
GVA per hour	£25.2	£34.3
Gross median pay	£583.7	£588.6
Employmt. rate (16-64)	86.3%	79.4%
Economically active (16-64)	87.6%	81.2%
% pop - Level 3 skills	17.0%	17.0%
% pop - Level 4 skills	26.1%	32.3%
Estimated % of jobs earning below Living Wage Foundation rates	19.3%	16.7%
% of residents who travel less than 10km to work	36.0%	33.8%
% of residents who travel more than 10km to work	24.5%	23.0%
Housing target	590	663
5 year housing land supply (years)	9.28	3.3
Employment land (ha)*	29.0	70.9

**Required employment land as set out in each area's Local Plan or Demand Study*

Appendix C

Place analysis

Sectoral analysis

County-wide economy

Worcestershire boasts a diverse and resilient economy which is made up of a network of primarily micro businesses (representing 77% of all Worcestershire businesses). The economy does not rely on a key single sector or employer dominance, making the county more resilient to economic shocks.

Rural areas make up 86% of Worcestershire, housing 27% of the population and contributing to 30% of jobs. Agri-tech and construction jobs are particularly prominent in these more rural areas. The county has seen business growth in professional services but a decline in the total number enterprises since 2022, particularly in transport and storage. Specific challenges identified by the LEP include skills shortages, which are hampering economic development and growth.

The Local Economic Partnership has identified key cornerstone and opportunity sectors that govern the county's economy. These sectors, which represent large volumes of jobs across the county, include professional services, construction, and health care. Key opportunity sectors which have significant potential for high-value growth across the county have been identified as advanced manufacturing, cyber security, IT and defence, and horti/agricultural technology.

Tourism has also been identified as a key sector for Worcestershire which is worth nearly £690m per year to the Worcestershire economy.

Bromsgrove

Bromsgrove is a hub for business and professional services, with a particular strength in financial and insurance services, health, and business administration and support services.

The district has seen a healthy employment growth of 7.9% between December 2022 and December 2023 with around 52,900 residents in employment. Key employers include the NHS, AFH Independent Financial Services, and Selco Trade Centres.

Malvern Hills

Malvern Hills has a diverse local economy with key specialism including tech and cyber. It is home to the Malvern Hills Science Park where a cluster of cyber and technology-led businesses are based. The district benefits from a strong presence of high-tech SMEs, particularly in defence, electronics, and software development, supported by collaborations with QinetiQ and the UK Cyber Security Centre.

Other key sectors for the district include manufacturing and engineering, the health economy, education, and tourism, with the Malvern Hils National Landscapes supporting a vibrant hospitality and tourism economy locally.

Sectoral analysis

Redditch

Redditch's local economy is dominated by manufacturing and engineering and is a hub for advanced manufacturing and business services. Redditch has three times the national average regarding employment in the manufacturing sector, with levels of employment remaining strong in the sector whilst simultaneously declining nationally.

Key local employers include Mettis Aerospace (a leader in precision forging for aerospace) and Johnsons Cars. Other key sectors in the local economy include Health and Retail.

Whilst the local economy is dominated by micro businesses, Redditch does have a slightly larger share of small and medium-sized enterprises compared to other districts across Worcestershire due to its industrial base.

Worcester

Worcester City is the primary city economy in Worcestershire. The LEP identifies the city as having a strong manufacturing base with key opportunities for growth in the health and care and professional services sectors.

The city's economy has a strong existing presence in healthcare, driven by the Worcester Royal Hospital and a growing care sector. Education is another key sector in Worcester as it is a regional hub which is home to the University of Worcester, several colleges and schools. Retail is also a key sector, with the city centre acting as a shopping and leisure destination for the south of the county.

Wychavon

Wychavon, as a primarily rural district, is home to a large number of small and micro businesses that operate remotely across a wide breadth of sectors. Key sectors include Agriculture, Food Production and Agri-Tech, being home to major food producers such as Evesham Vale Growers. Logistics and Distribution is a key sector due to Wychavon's strategic location near the M5 corridor and proximity to Birmingham, making it attractive for distribution and logistics firms.

Manufacturing and engineering is also a key sector, with the district supporting light and advanced manufacturing in flooring, machinery and packaging. Key employers include Karndean Designflooring and Gtech, which are both headquartered in Wychavon. Tourism and Hospitality are further key sectors within the district.

Wyre Forest

Wyre Forest, centred around Kidderminster, is identified by the LEP as a hub for advanced manufacturing and business services. Key sectors include Health and Social Care, driven by the presence of Kidderminster Hospital. Retail is also a key sector, centred around Kidderminster, which is being revitalised through the ReWyre regeneration programme.

Manufacturing and engineering is also a strong sector locally, with Wyre Forest having a sizeable base in light manufacturing, including carpets, textiles and metal fabrication. Key employers include Victoria Carpets and a range of micro and small businesses based on industrial estates in Kidderminster and Stourport-on-Severn.

However, Wyre Forest has historically been among the lowest-ranked areas in the UK for GVA, particularly when measured per capita.

Housing

County wide approach to housing

Worcestershire County Council does not produce a Local Plan. Housing planning and delivery responsibilities lie with the district and borough councils within the county.

Worcestershire does not form a self-contained housing market area. Bromsgrove and Redditch are part of the Greater Birmingham Housing Market Area, whilst Wychavon, Malvern Hills and Worcester City represent the South Worcestershire Housing Market Area.

The county's long-term vision for housing is guided by the Worcestershire Housing Strategy 2023–2040, which sets out a vision for housing delivery that supports economic growth, health and wellbeing and environmental sustainability. The strategy emphasises the need to deliver affordable, energy-efficient homes while also preserving the distinct character of Worcestershire's towns, villages, and landscapes.

Local Plans are developed at the sub-county level, governing housing delivery locally:

- Wychavon, Worcester City and Malvern Hills share a Local Plan (the South Worcestershire Development Plan (SWDP), which governs housing delivery across the south of the county.
- Whilst Bromsgrove and Redditch have their own Local Plans, they share strategic housing functions and collaborate on housing delivery.

North Worcestershire

Bromsgrove

Bromsgrove faces challenges in maintaining its five-year housing land supply, triggering the 'tilted balance' in planning decisions and prompting an early Local Plan review. The district supports Redditch by accommodating 3,400 homes and contributes to Birmingham's unmet housing need through developments such as the 700-home scheme at Longbridge.

Much of the district is constrained by the Green Belt, however, with a lack of brownfield land coming forward locally, some Green Belt land will be required to be developed to meet housing need. Future growth will be shaped by ongoing green belt and Local Plan reviews, particularly in response to regional housing pressures.

Redditch

Redditch is the only district in Worcestershire that retains its own council-owned housing stock, providing social housing for residents. The council also develops its own sites for housing delivery through its housing growth programme. Despite this, the borough is unable to meet its full housing need within its boundaries and currently has only 2.8 years of deliverable housing land, well below the required five-year supply. To address this shortfall, 3,400 homes have been allocated in neighbouring Bromsgrove, helping Redditch work toward its overall target of 6,400 homes between 2011-2030.

Housing

With an urban profile, Redditch focuses on regeneration, brownfield redevelopment, and town centre renewal, guided by the Local Plan No.4. The borough prioritises affordable housing and infrastructure-led growth, supported by strategic partnerships and planning policy.

Wyre Forest

Wyre Forest plans to deliver 5,520 new homes between 2016 and 2036, as set out in its Local Plan. The district aims to deliver a mix of housing types and sizes to meet local needs, with a minimum annual target of 276 dwellings, including 90 affordable homes per year.

Housing delivery is closely linked to the regeneration of Kidderminster (ReWyre) and surrounding areas, with a focus on sustainable development, community-led schemes, and town centre regeneration.

Wyre Forest is also the only district within Worcestershire with a housing land supply that exceeds the 5-year target. The district has exceeded its housing delivery target between 2020-2023, meaning that it can demonstrate a housing land supply of 9.3 years.

South Worcestershire

Malvern Hills

Malvern Hills faces challenges in delivering affordable housing due to land constraints and high property values, particularly in its more rural areas. The district also faces a challenge of disproportionately low levels of private rental accommodation which drives up demand. The district supports housing delivery through community-led housing and exception site policies, though there is a challenge in securing Registered Providers to deliver smaller sites or sites in more rural areas.

The January 2025 Addendum to the South Worcestershire Councils' (SWDP) Five Year Housing Land Supply Report confirms that none of the South Worcestershire Councils can currently demonstrate a 5-year housing land supply, with Malvern Hills having a supply of 2.06 years.

The refreshed South Worcestershire Local Plan is due to be published in Spring 2026, which will evidence a supply of housing and employment land over the period of the Plan.

Worcester

Worcester City faces significant land constraints within its administrative boundary, relying heavily on urban extensions to meet housing and employment needs. The city experiences high and growing demand for affordable housing and a range of housing types to accommodate families, driven by population growth and limited development space.

Housing

The Housing Enabling Strategy and Delivery Plan 2023–2026 outlines a coordinated approach to increasing supply through brownfield redevelopment, urban expansion, and partnerships with registered providers, with a focus on delivering mixed-tenure and repurposed housing to meet diverse needs.

Though the January 2025 Addendum to the South Worcestershire Councils' (SWDP) Five Year Housing Land Supply Report notes that Worcester City has the highest supply of the three areas, at 2.37 years.

Wychavon

Wychavon operates under the South Worcestershire Development Plan (SWDP) and has identified strategic major growth areas for housing development, including Worcestershire Parkway and Throckmorton.

Wychavon faces a challenge in balancing its rural character with the need for affordable and family housing. The district is actively seeking to address this local challenge through seeking approval to build its first homes in decades, as part of a groundbreaking £4.5 million development with Rooftop Housing Group on land they own at Laurels Avenue in Offenham.

Despite this investment, the January 2025 Addendum to the South Worcestershire Councils' (SWDP) Five Year Housing Land Supply Report identifies that Wychavon has a very constrained supply of 1.10 years.

Employment sites

County wide approach to employment sites

As Worcestershire County Council does not produce a Local Plan, employment land delivery responsibilities are held by the district and borough councils within the county.

The LEP's Worcestershire Plan for Growth 2020-2040 sets out a county-wide ambition to deliver 20,000 new homes and 25,000 jobs, supported by strategic employment land allocations.

The LEP currently plays a central role in identifying and promoting key employment sites, particularly those linked to infrastructure investments.

Despite this, the GJS Dillon Worcestershire Commercial Property Market Report 2024 reported that across the county, key employment land is being lost to residential development.

Bromsgrove

Bromsgrove's employment land strategy is shaped by green belt constraints, but the district delivers employment space through strategic employment sites such as Bromsgrove Enterprise Park and Aston Fields.

Bromsgrove also provides employment land for Redditch, highlighting the strong cross-boundary planning efforts that occur across the north of the county.

The Local Plan Review is exploring land allocations to support business growth and inward investment, particularly in areas with strong transport links.

Malvern Hills

Employment land is allocated through the SWDP, with delivery focused on Malvern, Tenbury Wells, and Upton-upon-Severn. Key sites include Malvern Hills Science Park, Enigma Business Park, and Tenbury Wells Business Park. Whilst these employment sites provide for larger employers in the technology sector, a lack of smaller units (between 5-10k sq ft) has been recognised as a constraint to economic growth.

The district is also directly investing in employment land delivery at Malvern Hills Science Park.

Redditch

Redditch is unable to meet employment needs within its administrative boundary due to land constraints. The district therefore collaborates with neighbouring Local Authorities to identify land which is capable of accommodating Redditch's land supply shortfall, including Stratford-on Avon and Bromsgrove.

Key employment areas within the district include Ravensbank Business Park, North Moons Moat, and Washford Industrial Estate, which provide space for businesses in the advanced manufacturing, logistics, and business services sectors.

The Eastern Gateway site, shared with Stratford-on-Avon, is a major strategic allocation progressing to meet regional employment needs.

Employment sites

Worcester City

Worcester has limited capacity for large-scale employment land due to constraints on land availability and therefore has a shortfall of delivery against its target in the SWDP. Worcester does however collaborate on employment land delivery with Wychavon at the Worcester Six site.

The council pursues delivering employment land through regeneration-led delivery at Shrub Hill and the Canal Quarter. These sites are delivering mixed-use space, though overall employment land delivery is constrained. The city relies on urban extensions and cross-boundary sites to meet demand.

Wychavon

Wychavon has demonstrated strong performance in delivering employment land within the district. The district has some of the largest employment land allocations in the county and actively collaborates with other districts in the SWDP for employment land delivery.

Key allocations include Worcestershire Parkway, Throckmorton New Settlement, and Vale Park in Evesham, supported by infrastructure investment and planning consents. The district has also directly invested in employment land delivery at Vale Park.

Sites are designed to deliver employment-led growth, with strong transport connectivity and capacity for logistics, advanced manufacturing, and office space.

Wyre Forest

Wyre Forest's Local Plan (2016 – 2036) allocates 29 hectares of employment land, primarily around Kidderminster and Stourport-on-Severn. The district aims to support a mix of employment types, including light industrial, logistics, and office space.

Wyre Forest is delivering its employment land allocation through sites like Lea Castle Village and mixed-use regeneration in Kidderminster. The district is on track to meet Local Plan targets by balancing town centre regeneration with new employment zones.

Transport

Regional approach to transport

Transport in Worcestershire is primarily the responsibility of Worcestershire County Council. The council oversees a wide range of transport-related services including public transport planning, road maintenance and improvement projects, sustainable and active travel initiatives and transport planning and strategy (including the Worcestershire Local Transport Plan).

The Local Transport Plan sets out the long-term vision for reducing congestion, improving access to key economic centres, and promoting sustainable travel, ensuring that transport infrastructure aligns with housing and employment growth whilst also supporting shared environmental goals.

Strategic infrastructure projects play a central role in this delivery, including major schemes such as the development of Worcestershire Parkway Station, which aims to improve regional connectivity whilst simultaneously unlocking new housing and employment land.

Public transport is also a key county priority. The Worcestershire Bus Service Improvement Plan and the Rail Investment Strategy aim to modernise services, improve station facilities, and promote low-carbon travel options. These initiatives are designed to make public transport more reliable, accessible, and attractive to residents and visitors alike.

Each district also benefits from tailored transport investment that reflects specific needs and geography.

Bromsgrove

Strategic transport investment in Bromsgrove focuses on managing congestion and improving connectivity to the West Midlands conurbation through key investments of highway upgrades and improvements to Bromsgrove Railway Station.

A major investment program (A38 Bromsgrove Route Enhancement Programme), led by Worcestershire County Council, focuses on improving the A38 between M5 Junction 4 and Hanbury Turn and aims to reduce congestion, support economic growth, and provide improvements for pedestrians, cyclists, and bus infrastructure.

Malvern Hills

Malvern Hills faces unique challenges due to its rural geography and environmental constraints, which impact transport investment decisions locally.

Transport investment aims to support rural accessibility, with a focus on community transport, bus service enhancements and rail connectivity to Worcester and Hereford. The district also actively promotes walking and cycling through its Active Travel Strategy, which supports healthier, low-carbon transport options and aims to reduce car dependency in smaller settlements.

Transport

Redditch

Redditch is located on major corridors (A435, A441, A448, M42) and is investing in station improvements, bus infrastructure, and active travel routes to support its urban regeneration goals. The borough's draft Local Cycling and Walking Infrastructure Plan (LCWIP) outlines a long-term strategy to improve walking, cycling, and wheeling routes across the borough through cycle network enhancements and walking and wheeling routes.

The Eastern Gateway development also includes transport upgrades to support employment growth.

Worcester City

Worcester is a key focus for transport investment due to its role as the county's urban and economic centre which has some strain on its local transport network as evidenced by the transport modelling undertaken as part of the SWDP review.

Major projects include the Southern Link Road dualling (A4440) and the Broomhall Way Footbridge, both aimed at easing congestion and improving east-west connectivity.

The city also benefits from regeneration-led transport upgrades at Shrub Hill and the Canal Quarter, integrating rail, bus, and active travel. However, land constraints and high traffic volumes continue to pose challenges, requiring ongoing investment in sustainable transport modes.

The Worcester City Centre Transport Strategy (2023) aims to improve the city's transport system by reducing car dependence and promoting sustainable travel options, with a focus on four key areas: Cornmarket, Foregate Street North, Copenhagen Street and Riverside. However, whilst this strategy was highlighted in LTP4, it failed to be acknowledged by the previous county administration.

Wychavon

Wychavon's transport priorities focus on improving access to local transport and improving links between places, focusing on strategic growth areas such as Worcestershire Parkway and Throckmorton New Settlement. Strategic investment is focused on improving rail access, rural mobility, and road infrastructure to support housing and employment growth.

The district's strategy focuses on increasing the range of community-based transport options available across the district, including the Worcestershire On Demand pilot.

Wyre Forest

Wyre Forest's transport investment centres on the regeneration of Kidderminster town centre, including improvements to public realm, bus access, and walking and cycling routes.

The district also benefits from infrastructure upgrades linked to the Lea Castle Village development and the Stourport Road Corridor, supporting both housing and employment delivery.

Live and work patterns

County wide patterns

Worcestershire is characterised by a commuter-based economy, with significant daily flows of residents travelling both within and outside the county for work. Data from the 2021 Census shows that 23% of residents across the county travel more than 10km to work, which is larger than the national average of 18.7%.

There are estimated to be nearly 22,000 more working residents than there are jobs in the county, meaning the county is a net out commuter of labour. Workplace earnings in Worcestershire are lower than resident earnings, particularly in Bromsgrove, resulting in out-commuting to higher wage areas such as the Birmingham conurbation. Within the county, Worcester City and Redditch act as employment hubs, attracting workers from surrounding rural areas.

Initiatives such as town centre regeneration, local employment land delivery, and transport investment aim to retain more economic activity within Worcestershire by encouraging more residents to live and work locally.

Bromsgrove

Bromsgrove has the highest level of out-commuting in the county, with around 68% of residents leaving the borough for work, primarily to Birmingham and Solihull. The district's rail and road links make it a popular commuter base to the West Midlands, with limited travel to the south of Worcestershire due to a lack of public transport infrastructure.

While local employment exists in business services and light industries, the high proportion of workers commuting out of the district suggests that a significant proportion of the income earned is spent outside the district.

Malvern Hills

Malvern Hills is largely rural, with a correspondingly large proportion of the population commuting out of the area for work (approximately 55%), with many residents commuting to Worcester, Hereford, and Birmingham.

The district does, however, support a niche local economy in technology and defence, centred around the Malvern Hills Science Park which does attract workers from neighbouring areas.

Redditch

Data from the 2021 Census shows that approximately 47% of residents in Redditch commute out of the borough to work. Redditch's location on the edge of the Birmingham conurbation and role as a commuter town means that a large proportion of those who commute out of the area to work do so to Birmingham.

A significant proportion of residents who work within the borough do so in key local sectors of manufacturing, retail, and public services. The town's regeneration efforts aim to retain more economic activity, but income leakage remains a challenge due to proximity to larger urban centres.

Live and work patterns

Worcester City

Worcester functions as a key employment centre within the county, drawing in commuters from surrounding southern districts such as Wychavon and Malvern Hills. Many residents also work locally, with approximately 56% of residents working in the city in key sectors such as public services, retail, and education. The city's compact geography and transport links support a high level of local economic activity.

Wychavon

Wychavon has a strong commuter profile, with approximately 52% of residents commuting out of the district for work, typically to Worcester, Birmingham, and Cheltenham. While the district has a growing employment base in logistics and agri-tech, a significant share of income earned by residents is spent outside the district, reflecting its role as a residential base for professionals working in nearby urban centres.

Wyre Forest

Wyre Forest, centred around Kidderminster, has a mixed live-work pattern. While many residents work locally in retail, healthcare, and manufacturing, approximately 47% of residents commute out of the district to work, primarily to Wychavon, Birmingham, Worcester, and Dudley.

Local identity, culture and heritage

Culture and heritage

Worcestershire is shaped by its rich historical legacy and diverse geography; encompassing market towns, rural villages, and urban centres that reflect centuries of cultural development. Its deep historical identity is rooted in the area's pivotal role during the English Civil War, and this legacy is preserved in numerous listed buildings, heritage sites, and museums.

The county's cultural landscape is further enriched by the natural beauty of the Malvern Hills, designated an Area of Outstanding Natural Beauty, and the artistic legacy of Sir Edward Elgar. These elements continue to inspire a strong sense of place and pride among local communities within the county.

Worcestershire's identity is actively celebrated and promoted through strategic partnerships such as Museums Worcestershire and Visit Worcestershire, which showcase the county's historic architecture, cultural events, and natural attractions. Museums such as the Avoncroft Museum of Historic Buildings, Bewdley Museum, and the Forge Mill Needle Museum offer experiences that enable visitors and residents alike to connect to Worcestershire's industrial, artistic, and rural heritage.

Across the county, there is a shared commitment to preserving Worcestershire's historic character and community values, particularly through place-sensitive housing development and regeneration initiatives.

Local identity

The 'Shape Worcestershire' public engagement exercise (June 2025) highlighted differing views regarding local identity. Two main cohorts of respondents were highlighted:

Preservation of Worcestershire's identity - 20.3% of respondents identified the single unitary option (option A) as best supporting local identity. A thematic analysis of responses identified:

- A strong emotional and practical support for retaining the county as a whole.
- References to Worcestershire's historical and cultural coherence.
- A desire for "One Worcestershire" as a way of avoiding unnecessary geographic or administrative splits.
- A reflection of how most residents already see themselves - as part of "Worcestershire," not as "North" or "South".

Preservation of local identity, local knowledge and localism - An alternative view was provided by 45.7% of respondents who identified a two unitary model (option B) as best supporting local identity. A thematic analysis of responses identified the following main reasons for their position:

- Respondents value local identity, local knowledge and community character, which they see as being a strength of a two unitary model. Some fear that this might be eroded in a large one unitary.
- Some responses stress the importance of decision-makers having direct knowledge of local communities, including living in those

Local identity, culture and heritage

communities, which they believe will be stronger in a two unitary model.

- A two-council model is seen as maintaining local pride and cohesion better than a centralised, “one-size-fits-all” model.

This diversity of views is informed by the local characteristics of the cities, towns and rural communities that make up Worcestershire:

Bromsgrove

Bromsgrove’s culture and heritage are influenced by both its location in Worcestershire and its proximity to Birmingham. It is an area with significant industrial heritage, particularly in nail-making and engineering.

The council’s Leisure and Culture Strategy integrates parks, arts, sports, and events into a cohesive vision for community wellbeing, and its Playing Pitch Strategy includes priorities of upgrading sports pitches, supporting local clubs, and enhancing cultural venues to meet growing demand.

Malvern Hills

The district contains the Malvern Hills, which are nationally recognised for their natural beauty and cultural significance. The district’s identity is also closely tied to its spa town history and landscape conservation efforts, supported by local and county heritage services.

The Council’s vision includes a commitment to create a local vibrant culture and arts community that delivers social, economic and health benefits for residents through improving assets such as Malvern Theatres and supporting community-led arts and culture across the district.

Redditch

Historically a centre for needle manufacturing, Redditch’s industrial legacy is preserved through museums and cultural initiatives. The borough’s diverse population, green spaces and key locations like the Palace Theatre contribute to its evolving identity.

Redditch’s Leisure and Culture Strategy outlines a comprehensive approach to sport, arts, and open spaces, with a focus on health, inclusion, and regeneration. The Built Facility Strategy also includes cultural development as a priority, focusing on arts access and community engagement.

Worcester

Worcester’s identity is rooted in over 2,000 years of history, with landmarks like the Cathedral, the Commandery, and the site of the final Civil War battle reflecting its rich heritage. The city is a hub for education, with a student population of over 10,000 and institutions including the University of Worcester. Its cultural life is seen through museums, which celebrate a range of local history and Royal Worcester porcelain.

The City Plan 2025-30 and draft Arts and Culture Strategy highlight ambitions to be a “city of festivals,” with events such as the Worcester Festival and

Local identity, culture and heritage

Three Choirs Festival drawing national attention. Worcester City Council also supports community sport, including football clubs and the new International Hockey Centre.

Wychavon

Known for its agricultural heritage and market towns, Wychavon celebrates local produce through events such as the Pershore Plum Festival and Evesham's asparagus celebrations.

These traditions are supported by community-led initiatives and council-backed cultural programming, which includes celebrating local residents through Wychavon Community Stars and previously hosting an annual Village of Culture competition.

Wychavon have also historically invested significantly in community infrastructure and facilities, including Number 8, The Regal and new community halls.

Wyre Forest

Wyre Forest is distinguished by its rich and varied heritage, encompassing Kidderminster's renowned carpet manufacturing industry, the mix of medieval and Georgian architecture of Bewdley, and the historic canal networks of Stourport-on-Severn, alongside the historical Wyre Forest itself.

This cultural legacy is preserved and celebrated through dedicated institutions such as Bewdley Museum, the Museum of Carpet in Kidderminster, and the Stourport Heritage Rooms. The varied identities across the district reflect the rich blend of industrial and architectural heritage locally, which is supported by local tourism and conservation efforts.

Existing public sector collaboration

County wide strategic partnerships

Worcestershire benefits from a well-established network of county-wide strategic partnerships that enable coordinated action across a range of key public service areas.

Leisure, culture and the economy

In the areas of leisure, culture, and the local economy, organisations such as Museums Worcestershire, Visit Worcestershire, and the Worcestershire Local Enterprise Partnership work collaboratively to promote the county's cultural heritage, attract tourism, and drive economic development.

In the field of health and wellbeing, the Worcestershire Health and Wellbeing Board and the Integrated Care Board Assembly bring together health services, local authorities, and community organisations to improve population health and deliver more integrated, person-centred care.

Community safety is supported through partnerships such as the West Mercia Local Resilience Forum and the Safer Communities Board, which coordinate efforts in emergency planning, crime prevention, and public protection across the county.

Additionally, several service delivery partnerships—including the Strategic Waste Board, Lead Local Flood Response, and the Worcestershire Housing Board—ensure effective collaboration across the district level geography.

Strategic partnerships between District Councils

County-wide strategic partnerships are complemented by district-level strategic partnerships which often reflect a natural division between the northern and southern areas of Worcestershire.

There are two separate shared leadership functions which exist between neighbouring districts within the county:

- Bromsgrove District Council and Redditch Borough Council share a Chief Executive, Deputy, Executive Director and seven joint Heads of Service.
- Malvern Hills District Council and Wychavon District Council share a Chief Executive and leadership team, as well as HR, legal, housing, planning, community safety and emergency planning services.

Strategic partnerships between districts also occur within community safety, with two separate Community Safety Partnerships existing beneath the Safer Communities Board (North Worcestershire (Bromsgrove, Redditch and Wyre Forest councils) and South Worcestershire (Malvern Hills, Worcester City and Wychavon councils).

There is a further strategic partnership between Malvern Hills, Worcester City and Wychavon through the South Worcestershire Development Plan, which sets out the spatial ambitions for the south of the county.

Existing public sector collaboration

Shared services

In addition to its strategic partnerships, Worcestershire benefits from a range of shared service arrangements that enhance efficiency and collaboration across the county.

County-wide shared services

Several services operate at a county-wide level:

- All district councils participate in Worcestershire Regulatory Services (WRS), a joint committee model hosted by Bromsgrove District Council. WRS delivers key regulatory functions including environmental health, licensing, and trading standards.
- The Worcestershire Growth Hub is jointly funded by the county council and all district councils, supporting business development and economic growth.
- Worcestershire County Council is responsible for waste disposal and shares this service with Herefordshire Council, extending collaboration beyond the county boundary.

Shared services between district councils

District councils across Worcestershire also engage in shared service arrangements at varying scales. The Internal Audit Partnership includes all districts except Wyre Forest, providing coordinated internal audit functions.

Several services in Worcestershire are shared between neighbouring districts, reflecting the county's north–south division.

In North Worcestershire, the councils of Bromsgrove, Redditch, and Wyre Forest collaborate on a range of services, including:

- Emergency Planning North (Applied Resilience)
- Water Management
- Land Drainage
- Building Control

Redditch and Bromsgrove also share all council services except for Redditch's housing stock and associated Housing Revenue Account, which remains independently managed.

In South Worcestershire, Malvern Hills, Worcester City, and Wychavon councils jointly deliver services, including:

- Procurement
- ICT
- Building Control
- Land Drainage
- Revenues and Benefits

Additionally, Malvern Hills and Worcester City share a creditors and debtors service. These shared arrangements enhance service efficiency and consistency across the county, while allowing for tailored delivery at the local level.

Existing public sector collaboration

District council services delivered through contractual arrangements

In addition to formal shared service arrangements, several services across Worcestershire are delivered through contractual agreements between the county and district councils.

Parking services are a key example of this, with collaborative contractual arrangements varying across the county. For example, Wychavon District Council provides parking services on behalf of Redditch and Bromsgrove (in addition to other councils), demonstrating joint working between councils across the north and south of the county.

The county council also commissions services from districts in areas such as the Starting Well Partnership and the development of Family Hubs, enabling local delivery of early help and family support services through established district-level infrastructure.

Existing community engagement and neighbourhood empowerment structures

County wide

Significant community engagement and neighbourhood empowerment structures already are in place across the county:

Town and Parish Councils

Worcestershire benefits from a network of 180 Town and Parish Councils who are represented by Worcestershire County Association of Local Councils (CALC). These Town and Parish Councils support their communities, businesses, and local voluntary groups to maintain and champion the special characteristics of their localities.

Partnerships with local community, voluntary and charitable organisations

A range of voluntary and community sector (VCS) infrastructure organisations exists across the county to strengthen and support the sector. Key partners include the Worcestershire VCSE Alliance, the Worcestershire Community Action Network (WeCAN), and the Worcestershire Advice Network.

At the county level, several VCS-led partnerships focus on health and wellbeing, and on children and young people. These include the Health and Wellbeing Board, and its sub-groups—the Being Well Strategic Group and the Children and Young People Strategic Group—as well as an active Schools Forum.

The county's commitment to community-led innovation is exemplified by its role in the We Are Westlands project, which aims to reduce health inequalities through local collaboration and recently received national recognition with an LGC Award.

The Worcestershire VCSE Alliance, supported by Worcestershire County Council, plays a central role in helping local VCS organisations engage with the Integrated Care System (ICS). Its goal is to improve health and wellbeing outcomes through stronger cross-sector collaboration. Each district hosts a District Collaborative, which brings together local partners from the community, health, and education sectors to set shared priorities.

WeCAN provides infrastructure support to small charities and grassroots organisations, helping with fundraising, governance, and volunteer coordination. Meanwhile, the Worcestershire Advice Network delivers free, confidential, and accessible advice to residents on issues such as housing, benefits, debt, and legal matters, with funding and commissioning support from the County Council.

Existing community engagement and neighbourhood empowerment structures

Community Safety

The Safer Communities Board oversees two Safer Community Partnerships (SCP), North Worcestershire and South Worcestershire, who work toward addressing the four strategic priority areas across Worcestershire: reducing re-offending, harm reduction, domestic and sexual abuse, and drugs and alcohol.

District based operational groups support the delivery of the SCP's priorities at a local level.

At a District Council level, the following arrangements are in place:

Bromsgrove

Bromsgrove has 19 Parish and Town Councils that represent their communities' voices locally and set priorities through Neighbourhood Plans. These Parish and Town Councils form part of the Bromsgrove and Redditch County Association of Local Councils (CALC).

Bromsgrove also convenes the Bromsgrove Partnership, which is a local strategic partnership and district collaborative that has a Strategic Board and themed sub-groups. This sits below the county VCS Alliance and sets priorities in partnership with a range of local stakeholders. Key themes for the Partnership include creating a better environment, ensuring residents can age well, and improving community wellbeing.

Bromsgrove forms part of the North Worcestershire Community Safety Partnership.

Malvern Hills

Malvern Hills has a network of 53 Town and Parish Councils (including three Town Councils) representing their communities and forms part of the South Worcestershire Community Safety Partnership.

The Malvern Hills District Collaborative, which sits below the VCS Alliance at county level, sets local priorities in partnership with a range of local stakeholders. Malvern Hills have also published a Connected Communities Strategy 2021-2041, which clearly demonstrates the Council's commitment in supporting communities to become strong, resilient, and sustainable.

At a place-based level, Malvern Hills' focus on communities is governed by the South Worcestershire Development Plan and Neighbourhood Plans. The council's Connected Community Strategy forms part of a five-year plan commitment to 'develop and implement an asset-based community development strategy which supports the building of strong, resilient and sustainable communities'.

Redditch

Redditch has one Parish Council which forms part of the Bromsgrove and Redditch County Association of Local Councils (CALC).

Redditch also hosts a Community Wellbeing Partnership and the Redditch District Collaborative, which sits below the VCS Alliance and sets local priorities in partnership with a range of local stakeholders, including a significant number from the Primary Care Network.

Existing community engagement and neighbourhood empowerment structures

As a council that retains control of its own housing stock, Redditch is also developing a Tenant Participation Network to strengthen resident engagement. Uniquely within the county, Redditch has a Town Deal Board, which brings together representatives from public services, the voluntary and community sector, and the business community to guide local regeneration and investment.

Redditch forms part of the North Worcestershire Community Safety Partnership.

Worcester City

Worcester City has two Town and Parish Councils.

The Worcester City District Collaborative, which sits below the VCS Alliance, meets quarterly and includes representation from culture and leisure partners (Museums Worcestershire and Freedom Leisure).

The Worcester City District Collaborative, which operates under the Worcestershire VCSE Alliance, meets quarterly and brings together partners from across sectors, including representatives from Museums Worcestershire and Freedom Leisure, reflecting the city's strong cultural and leisure presence.

The city is home to eight community centres, which serve as key hubs for local engagement and service delivery. Six of these centres are operated in partnership with Worcester Community Trust, which delivers a range of services and programmes from these sites.

Worcester City also works closely with the Voluntary Organisations of Worcester (VOW), a local network convened by Worcester Community Action. VOW brings together a wide range of voluntary and community sector organisations to share information, strengthen collaboration, and represent the sector in strategic discussions.

Worcester City forms part of the South Worcestershire Community Safety Partnership.

Wychavon

Wychavon is fully parished, with 70 Town and Parish Councils. As well as the Wychavon City District Collaborative which sits below the VCS Alliance, Wychavon has several VCS networks which cover the towns od Droitwich, Pershore and Evesham, as well as the surrounding rural areas. Furthermore, there is also a dedicated Children and Young Person's Network in operation.

Place-based communities and Town Officers support communities to develop across the area. The council also hosts a Communities and Funding Advisory Panel, Rural Matters Advisory Panel, and Town Centres Advisory Panel who provide their Executive Board with advice and policy development, representing the community voice.

Wychavon forms part of the South Worcestershire Community Safety Partnership.

Existing community engagement and neighbourhood empowerment structures

Wyre Forest

Wyre Forest has 12 Town Parish Councils, with several outlining their local priorities and spatial ambitions through Neighbourhood Plans.

The Wyre Forest District Collaborative, part of the Worcestershire VCSE Alliance structure, has a strong focus on improving health outcomes. It works closely with partners including the Primary Care Network and West Mercia Police, reflecting a joined-up approach to community wellbeing and safety.

In addition, the district hosts a monthly Multi-Agency Group, coordinated by Simply Limitless, which brings together a wide range of local organisations to foster collaboration and share intelligence. There is also a dedicated Children and Young People's Network, which supports joined-up working around youth services and safeguarding.

Wyre Forest forms part of the North Worcestershire Community Safety Partnership.

Data sources

Section	Data sources
Place Profile	• Census (2021) • ONS Population estimates - local authority based by single year of age (2024) • Population projections - local authority based by single year of age (2018) • ONS 2021 Rural Urban Classification (2021) • English Indices of Deprivation (2019)
Place Profile	• ONS Claimant count by sex and age (2025) • ONS Subregional Productivity (June 2024) • Annual Survey of Hours and Earnings (2024) • Annual Population Survey (2025) • Census (2021) • Council tax base (provided by each authority, 2025) • Rateable value (provided by each authority, 2025) • Housing target (provided by each authority, 2025) • 5-year housing land supply (available from each council's website) • Employment land (provided by each authority, 2025)
Sectoral analysis	• Worcestershire Plan for Growth 2020–2040 (LEP) • Worcestershire's Employment Market Key Growth Sectors (Skills 4 Worcestershire) • Worcestershire's Employment and Labour Market Information (LMI) (Skills 4 Worcestershire) • ONS Labour Market profiles (2024) • ONS Local Indicators (2025) • ONS UK Business Counts (2024)

Data sources

Section	Data sources
Housing	• Local Plans (SWDP, Bromsgrove, Redditch, Wyre Forest) • Housing Land Supply Reports • Planning Monitoring Reports
Employment Sites	• Worcestershire Plan for Growth 2020-2040 (LEP) • GJS Dillon Worcestershire Commercial Property Market Report 2024 • Local Plans (SWDP, Bromsgrove, Redditch, Wyre Forest) • Cross-boundary planning agreements
Transport	• Worcestershire Local Transport Plan 4 • Worcestershire Bus Service Improvement Plan • Worcestershire Rail Investment Strategy • Worcester City Centre Transport Strategy (2023) • South Worcestershire Development Plan Review (SWDPR)
Live and Work Patterns	• Census (2021) • Worcestershire Plan for Growth 2020–2040 (LEP) • Worcestershire County Economic Summary • ONS Nomis labour market profiles

Data sources

Section	Data sources
Local identity, culture and heritage	• ‘Shape Worcestershire’ public engagement exercise (June 2025) • Museums Worcestershire website • Visit Worcestershire website • Bromsgrove Leisure and Culture Strategy • Redditch Leisure and Culture Strategy • Redditch Built Facility Strategy • Worcester City Plan 2025-30 • Worcester City draft Arts and Culture Strategy (2025)

APPENDIX A

Financial modelling and assumptions

Purpose - To summarise the assumptions and outputs from the financial modelling undertaken to inform the Local Government Reorganisation in Worcestershire options appraisal.

Assumptions - All options were modelled on Revenue Outturns 2023/24, with all figures inflated so that the total Council Tax requirement for all Worcestershire councils was equal to the Council Tax requirements agreed by each council as part of the 2025/26 budget setting processes.

Within this report, 5 options are considered. The first three are those being considered within the options appraisal (options A, B1 and B2). The final two (Ref 1 LA and Ref 2 LA) refer to the options and associated calculations provided within the Future Worcestershire - Local Government Reorganisation in Worcestershire Options Appraisal and Draft Interim Plan (considered by Worcestershire County Council Cabinet on 20th March 2025). The full list of options referred to in this report are as follows:

- Option A - A new unitary council for the whole county of Worcestershire.
- Option B1- Two new unitary councils (North Worcestershire and South Worcestershire) with full disaggregation of services.
- Option B2 - Two new unitary councils (North Worcestershire and South Worcestershire) with a shared service/hybrid model (adult social care, children's services, education, adult learning, transport).
- Ref 1 LA - Future Worcestershire model - single new unitary council (adjusted for redundancy, please see below for detail); considered by Worcestershire County Council Cabinet on 20th March 2025
- Ref 2 LA - Future Worcestershire model - two new unitary councils (adjusted for redundancy); considered by Worcestershire County Council Cabinet on 20th March 2025.

Throughout this options appraisal, all savings are considered against a 'stand-still' position. Savings are projected against current needs, current costs and current allocations of grants. None of the options considered include assumptions relating to changes in levels of future needs or changes to resource allocation; these factors are assumed to have the same impact on each option. This approach is required to demonstrate the varying performance of each option to generate efficiencies and realise savings. Similarly, this options appraisal is focussed on appraising structural proposition, rather than appraising detailed system wide, organisational and service level designs. As such, broad but evidence-based assumptions have been used to inform the financial models for each option, including findings from previous LGR programmes, projections from successful recent LGR proposals and Interim LGR Plan proposals for other two-tier areas.

General efficiencies - Areas for savings were as categories of service department expenditure where there is an overlap of spending between Districts councils and the County Council, split between staffing, other expenditure and fees and charges income and other income. The following table sets out the modelled saving targets for each option:

	A	B1	B2	Ref 1 LA	Ref 2 LAs
Staff saving	3.25%	3.05%	3.05%	4.50%	4.00%
Non-staff saving	3.25%	3.05%	3.05%	4.70%	2.90%
Fees & Charges Income	1.00%	1.00%	1.00%	0.00%	0.00%

Ongoing additional costs / savings - The next consideration was to look at whether the specifics of any individual option gives rise to ongoing additional costs (such as costs for more members) or leads to ongoing savings (for example through prevention). The following table sets out the net ongoing costs

and savings (£m's) assumed in each option. These are taken to adjust the general level of savings as suggested above.

	A	B1	B2	Ref 1 LA	Ref 2 LAs
Ongoing disaggregation costs	0	5.370	4.620	0	5.370
Existing efficiencies - shared services	3.000	3.000	3.000	0	0
Democratic services	0	0	0	0.445	0.890
Management teams *	(1.000)	2.000	1.750	(1.000)	3.180
Members	(0.633)	(0.633)	(0.633)	(0.633)	(0.633)
Enhancing local democracy	0.500	0.500	0.500	0	0
TOTAL additional costs / (savings)	1.867	10.237	9.237	(1.188)	8.807

* These are costs / (savings) over and above the general %age staff savings based upon streamlining the executive levels of staff

Long-term impact of these savings combined - Combining the impact of these two sets of savings shows the potential long-term savings from each of these models, based upon these over the various categories of income and expenditure – at this stage in the process, figures are presented for all new Councils combined; for the purposes of this analysis no attempt is made to apportion costs and savings to specific newly formed councils.

Option A - A new unitary council for the whole county of Worcestershire

Category	2023/4 Outturn inflated (£m)	General efficiency (£m)	Further specific costs / (savings) (£m)	Projected expenditure / (Income) (£m)	Ongoing saving (£m)
Employee Costs	403.581	(4.734)	(0.633)	398.214	5.367
Running Expenses	1,017.006	(8.889)	2.500	1,010.617	6.389
Fees & Charges	(174.497)	(0.953)	0.000	(175.449)	0.953
Other Income	(177.308)	0.000	0.000	(177.308)	0.000
Non-Dept (Inc) / Exp *	(655.136)	0.000	0.000	(655.136)	0.000
Council Tax Req	413.649	(14.575)	1.867	400.939	**12.710**

Option B1- Two new unitary councils (North Worcestershire and South Worcestershire) with full disaggregation of services

Category	2023/4 Outturn inflated (£m)	General efficiency (£m)	Further specific costs / (savings) (£m)	Projected expenditure / (Income) (£m)	Ongoing saving (£m)
Employee Costs	403.581	(4.443)	5.052	404.191	(0.609)
Running Expenses	1,017.006	(8.342)	5.185	1,013.849	3.157
Fees & Charges	(174.497)	(0.953)	0.000	(175.449)	0.953
Other Income	(177.308)	0.000	0.000	(177.308)	0.000
Non-Dept (Inc) / Exp *	(655.136)	0.000	0.000	(655.136)	0.000
Council Tax Req	413.649	(13.737)	10.237	410.147	**3.501**

Option B2 - Two new unitary councils (North Worcestershire and South Worcestershire) with a shared service/hybrid model (adult social care, children's services, education, adult learning, transport).

Category	2023/4 Outturn inflated (£m)	General efficiency (£m)	Further specific costs / (savings) (£m)	Projected expenditure / (Income) (£m)	Ongoing saving (£m)
Employee Costs	403.581	(4.443)	4.552	403.691	(0.109)
Running Expenses	1,017.006	(8.342)	4.685	1,013.349	3.657
Fees & Charges	(174.497)	(0.953)	0.000	(175.449)	0.953
Other Income	(177.308)	0.000	0.000	(177.308)	0.000
Non-Dept (Inc) / Exp *	(655.136)	0.000	0.000	(655.136)	0.000
Council Tax Req	413.649	(13.737)	9.237	409.147	**4.501**

Ref 1 LA - Future Worcestershire model - single new unitary council

Category	2023/4 Outturn inflated (£m)	General efficiency (£m)	Further specific costs / (savings) (£m)	Projected expenditure / (Income) (£m)	Ongoing saving (£m)
Employee Costs	403.581	(6.555)	(1.633)	395.394	8.188
Running Expenses	1,017.006	(12.717)	0.455	1,004.733	12.272
Fees & Charges	(174.497)	0.000	0.000	(174.497)	0.000
Other Income	(177.308)	0.000	0.000	(177.308)	0.000
Non-Dept (Inc) / Exp *	(655.136)	0.000	0.000	(655.136)	0.000
Council Tax Req	413.649	(19.272)	(1.188)	393.187	**20.461**

Ref 2 LA - Future Worcestershire model - two new unitary councils

Category	2023/4 Outturn inflated (£m)	General efficiency (£m)	Further specific costs / (savings) (£m)	Projected expenditure / (Income) (£m)	Ongoing saving (£m)
Employee Costs	403.581	(5,826)	5.232	402.987	0.594
Running Expenses	1,017.006	(7.795)	3.575	1,012.786	4.220
Fees & Charges	(174.497)	0.000	0.000	(174.497)	0.000
Other Income	(177.308)	0.000	0.000	(177.308)	0.000
Non-Dept (Inc) / Exp *	(655.136)	0.000	0.000	(655.136)	0.000
Council Tax Req	413.649	(13.621)	8.807	408.833	**4.814**

* This includes all other elements of Council Income and Expenditure, including Housing Benefits, Levies, Capital Financing, Non-service grants and appropriations / use of reserves (elements considered outside service reporting on Government – Revenue Outturn forms)

The following table sets out the ongoing savings as a percentage. This is calculated in three ways:

- As a percentage of gross service costs (i.e. employee costs and running expenses)
- As a percentage of net service costs (i.e. employee costs and running expenses less service income)
- As a percentage of Council Tax requirement (i.e. all costs including non-service specific grants, financing costs, precepts and use of reserves)

Category	A (£m)	B1 (£m)	B2 (£m)	Ref 1 LA (£m)	Ref 2 LAs (£m)
Ongoing saving	12.710	3.501	4.501	20.461	4.814
Savings as a percentage of:					
Gross Service Cost (£1,420.587m)	0.9%	0.2%	0.3%	1.4%	0.3%
Net Service Cost (£1,068.785m)	1.2%	0.3%	0.4%	1.9%	0.5%
Council Tax Requirement (£413.649m)	3.1%	0.8%	1.1%	4.9%	1.2%

One-off costs and time to realise savings Each option was considered for one-off costs and how quickly savings could be achieved. The breakdown of these costs varies from option to option and can be seen within the model. For most costs these were given a direct cost. The exception was redundancy costs that were calculated as a percentage of employee costs saved (this forecast includes both the direct costs and any pension strain). A summary of these one-off costs per model are as follows.

	A	B1	B2	Ref 1 LA	Ref 2 LAs
Redundancy (%age of employee costs saved)	120%	120%	120%	120%*	120%*
Other one-off cost (£m)	16.900	23.100	17.500	9.815	14.026

Although an indicative breakdown of transition costs is given, it is considered that the overall quantum is more important that the specific categories. Local decisions will determine how much is of this work is carried out in-house compared to with external support, which in turn may adjust the allocation of these budgets. These costs are broken down as follows:

Category	A (£m)	B1 (£m)	B2 (£m)	Ref 1 LA (£m)	Ref 2 LAs (£m)
Redundancy Costs	5.681	5.331	5.331	7.865	6.992
Rebranding / Comms	0.500	0.750	0.500		
Public consultation	0.400	0.600	0.400	0.275	0.412
Transition support / remodelling costs	4.000	6.000	4.500	4.640	6.950
Programme Management	2.000	3.000	2.000	1.900	2.859
Legal costs (contract novation, new constitutions)	0.500	0.750	0.600		
ICT costs	3.000	4.000	3.000	2.140	2.390
Contingency	4.000	5.000	4.000	0.244	0.488
Shadow operations	1.000	1.500	1.000	0.311	0.622
Additional agency year 1	0.750	0.750	0.750		
HR Support for transition / TUPE etc	0.750	0.750	0.750		
Closedown				0.305	0.305
Sub-Total Non-Redundancy Costs	16.900	23.100	17.500	9.815	14.026
Total One-off Costs	22.581	28.431	22.831	17.680	21.018

Consideration was also given to how quickly expected savings would be realised. Greater disaggregation of existing county-level services results in a longer projected time to fully realise savings, with the assumptions and impact on early-year savings projected below:

	A	B1	B2	Ref 1 LA	Ref 2 LAs
%age saved - Year 1	40%	30%	40%	50%	50%
%age saved - Year 2	20%	30%	20%	25%	25%
%age saved - Year 3	20%	20%	20%	25%	25%
%age saved - Year 4	20%	10%	20%		
%age saved - Year 5		10%			
Saving before one-off costs	£m	£m	£m	£m	£m
Ongoing saving - Year 1	5.084	1.051	1.801	10.231	2.408
Ongoing saving - Year 2	7.626	2.101	2.701	15.347	3.612
Ongoing saving - Year 3	10.168	2.802	3.601	20.461	4.814
Ongoing saving - Year 4	12.710	3.152	4.501	20.461	4.814
Ongoing saving - Year 5 (and ongoing)	12.710	3.501	4.501	20.461	4.814

* These were calculated at approximately 30% in the initial alternative modelling carried out on behalf of Worcestershire County Council - based upon recent examples of costs elsewhere and assumptions used in other current proposals we believe that this would significantly understate redundancy costs.

Summary of financial modelling - The following table sets out the key metrics from each of the options:

	A	B1	B2	Ref 1 LA	Ref 2 Las
One-off costs (£m)	22.581	28.431	22.831	17.680	21.018
Ongoing annual savings (£m)	12.710	3.501	4.501	20.461	4.814
10 Year Savings (£m)	89.269	1.685	16.786	171.595	23.531
Payback period (years)	3	10	7	2	6 *

* This was presented as 11+ years in the actual report, however the savings and costs did not appear to support this calculation

Differences between models - The key differences between assumptions in this modelling compared to Worcestershire County Council's modelling are summarised below:

- Redundancy costs are much greater within this model for all options (120% of employment costs saved compared to c30% in the county's modelling) - our assumption is based upon experience at previously combined councils and includes pension strain for people taking redundancy.
- Lower additional ongoing costs for social care following disaggregation – informed by the findings of the Impower report commissioned by DCN (https://www.districtcouncils.info/wp-content/uploads/Impower-DCN-ASC-LGR-Report-2025-FINAL-compressed-version.pdf) – which states "*There are no economies of scale in delivering social care, and in some cases, there is evidence that larger systems introduce diseconomies*"; allowances have still been made for additional leadership roles and ICT relating to running an additional ICT system.
- Lower ongoing savings modelled across all options and a longer time to realise these – informed by findings in previous merged councils showing that savings took longer to achieve than anticipated and were overestimated. As an example: https://www.westmorlandandfurness.gov.uk/your-council/finance/westmorland-and-furness-council-productivity-plan is projecting £1.293m of unitary specific efficiencies after 4 years of operations (this being one of two new unitary councils formed in Cumbria).
- This model includes a modest increase in income based upon reviewing and aligning fees & charges; this increase is consistent with previous reviews of fees & charges in single authority situations (there should be a greater ability to raise income as there is already differential in fees charged across the existing councils).

- This model makes explicit adjustments for savings already realised in terms of shared services and makes an expenditure allowance for enhanced localised democracy across all options; the county council's model does not make such allowances.
- This model assumes greater transition costs across all options than the county council model, again based upon experience of costs from previous reorganisation; although the split of these costs is different between models, this split is highly dependent upon how the new organisation(s), choose to resource the required transformation and the reliance on internal versus external support (Westmorland and Furness, as one of two new councils in the region were themselves allocated £10m to facilitate transformation in Cumbria as referenced in the same report as linked above). Grant Thornton referenced an example of transformation costs reaching over £50m (see box 1 below):

Box 1: Example of under-estimation and transformation costs associated with LGR

> Transformation needs to be fully costed and those costs kept under control. For example, in one council the estimated transformation programme costs increased significantly from £29.5 million in November 2019 to £52.12 million by February 2024. Transformation programmes need effective programme management and regular progress reporting in public to elected members is essential. Elected members need enough evidence to challenge delivery and ensure officers are taking corrective action if needed.

Source: https://www.grantthornton.co.uk/globalassets/1.-member-firms/united-kingdom/pdf/publication/2024/report---learning-from-the-new-unitary-councils_v08.pdf

Conclusion - When consistent and more realistic cost saving assumptions are applied to each option, we believe that there is a c£8-9m per annum additional saving by having a single new unitary council, compared to options associated with two new unitary councils. These savings should however be considered alongside wider economic benefits and disbenefits to the region (such as changes to health, investment, job creation / retention, culture and tourism) to get a fairer overall reflection of the impact of changes to the region. Initial analysis suggests that Option B1 has the potential to realise the greatest level of wider economic benefits. Further development of these outcomes and the anticipated economic benefits is required during the development of the full LGR proposal.

Shaping Worcestershire - Council changes survey 2025

County wide headline results

The initial Shaping Worcestershire public engagement campaign and survey was carried out for a month from 1st June to 29th June 2025. All borough, city and districts were involved, but not the county council.

The following report sets out the headline results for the whole of the county. It does not currently include any free text analysis and has only one table of results by individual council area. A thematic analysis of free text comments and summary reports for each borough/city/district council and will be available by Friday 11th July 2025. Individual files of raw data will be provided to each borough/city/district after this date for continued / further analysis locally.

4,249 responses in total were received from across the county. The majority (94%) were from residents. Small numbers of businesses, parish and town councils, and voluntary and community sector organisations also responded. The 'other' category of responses included police, church groups, housing associations, colleges, GPs, and some council employees and councillors.

In what capacity are you responding? (If you would like to respond in more than one capacity, please complete a separate survey for each.)

Answer Choices		Response Percent	Response Total
1	Resident	94.4%	4009
2	Business	1.5%	65
3	Parish/Town council	1.2%	52
4	Voluntary or community sector organisation	1.5%	63
5	Other, for example, school, health provider, police, housing association etc (please specify):	1.4%	60
		answered	4249

The total number of responses for each borough/city/district (all types of respondents combined) were as follows:

Number of respondents:						
	Bromsgrove DC	Malvern Hills DC	Redditch BC	Worcester CC	Wychavon DC	Wyre Forest DC
Responses	560	633	759	502	1,073	722

AWARENESS OF LOCAL GOVERNMENT REORGANISATION PLANS:

How aware are you of plans for reorganising local councils in Worcestershire?

Answer Choices		Response Percent	Response Total
1	Very aware	40.2%	1697
2	Somewhat aware	47.9%	2023
3	Not aware	11.8%	500
		answered	4220
		skipped	29

How well do you understand each of the two proposed options for Worcestershire? (For more details on the proposed options, see the main Shape Worcestershire website (opens in a new window))

Answer Choices	Very well	Somewhat	Not well	Response Total
One unitary council covering all of Worcestershire	47.6% 1984	40.8% 1700	11.7% 486	4170
Two unitary councils - one for North Worcestershire and one for South Worcestershire	46.0% 1930	41.8% 1751	12.2% 511	4192
			answered	4238
			skipped	11

RESPONDENTS' PREFERENCES FOR LOCAL GOVERNMENT REORGANISATION:

Based on the information provided, which option do you currently prefer?			
Answer Choices		**Response Percent**	**Response Total**
1	One unitary council covering all of Worcestershire	28.7%	1215
2	Two unitary councils - one for North Worcestershire and one for South Worcestershire	47.8%	2026
3	I don't have a preference	4.2%	176
4	I don't support reorganisation of local councils in Worcestershire	18.9%	799
5	I'm not interested	0.5%	20
		answered	4236
		skipped	13
Please tell us the main reason/s for your choice: (3179)			

3,179 respondents shared the main reason/s for their preference. These responses are currently being analysed and a headline thematic analysis will be provided by 11th July 2025.

Despite the overall pattern of views across the county showing two unitary authorities as the most popular preference, there is some variation in responses by borough/city/districts. This is shown in the table below.

By local area - Based on the information provided, which option do you currently prefer?						
	Bromsgrove DC	**Malvern Hills DC**	**Redditch BC**	**Worcester CC**	**Wychavon DC**	**Wyre Forest DC**
One unitary authority	34%	24%	15%	46%	22%	40%
Two unitary authorities	46%	58%	41%	42%	57%	39%
I don't have a preference	2%	4%	6%	4%	3%	6%
I don't support reorganisation	18%	14%	37%	8%	17%	15%
I'm not interested	<0.2%	<0.5%	<1%	0	<1%	<0.5%

Respondents were asked to identify which restructure arrangement would best deliver a range of outcomes, with the responses shown in the table below.

In summary, the one unitary authority option was rated as best for 'saving money and delivering value', and 'making local government simpler', and the two unitary authority option was thought to be better for 'improving local services', 'supporting local identity', and 'stronger community engagement'.

Thinking of the outcomes the Government expects us to consider when deciding how we restructure councils in Worcestershire, which of the potential options do you think would best deliver each? Choose one option for each of the outcomes

Answer Choices	One unitary authority	Two unitary authorities	Both options	Neither option	Don't know	Response Total
Improving local services	24.6%	44.8%	5.0%	20.9%	4.7%	4192
Saving money and delivering value	36.2%	30.8%	8.5%	18.5%	6.0%	4210
Making local government simpler	35.8%	32.5%	9.7%	17.9%	4.1%	4205
Supporting local identity	20.3%	45.7%	5.1%	25.3%	3.6%	4211
Stronger community engagement	18.7%	43.7%	5.2%	27.4%	4.9%	4206
					answered	4235

The three things delivered by local councils that mattered most to the respondents were 'infrastructure planning' (64%), 'maintaining or improving local services and council-owned facilities' (59%), and 'how much Council Tax I pay' (45%). 'Impact on the local community and local identity' was a very close fourth choice (44%).

Thinking about how your local councils are currently organised, which three things from the list below matter most to you? Choose up to three

	Answer Choices	Response Percent	Response Total
1	Access to local representation/councillors to get my voice heard	35.1%	1485
2	Availability of business support	4.1%	172
3	Funding and other support for voluntary and community organisations	16.1%	681
4	How much Council Tax I pay	44.7%	1894
5	Impact on the local community and local identity	43.8%	1856
6	Infrastructure planning (e.g. roads, schools, health)	63.8%	2701

Thinking about how your local councils are currently organised, which three things from the list below matter most to you? Choose up to three				
7	Knowing who to contact when I have a query or complaint		21.3%	903
8	Maintaining or improving local services and council-owned facilities, such as community centres, sports grounds, arts centres, museums etc-		59.0%	2498
9	Other (please specify):		6.0%	253
			answered	4236

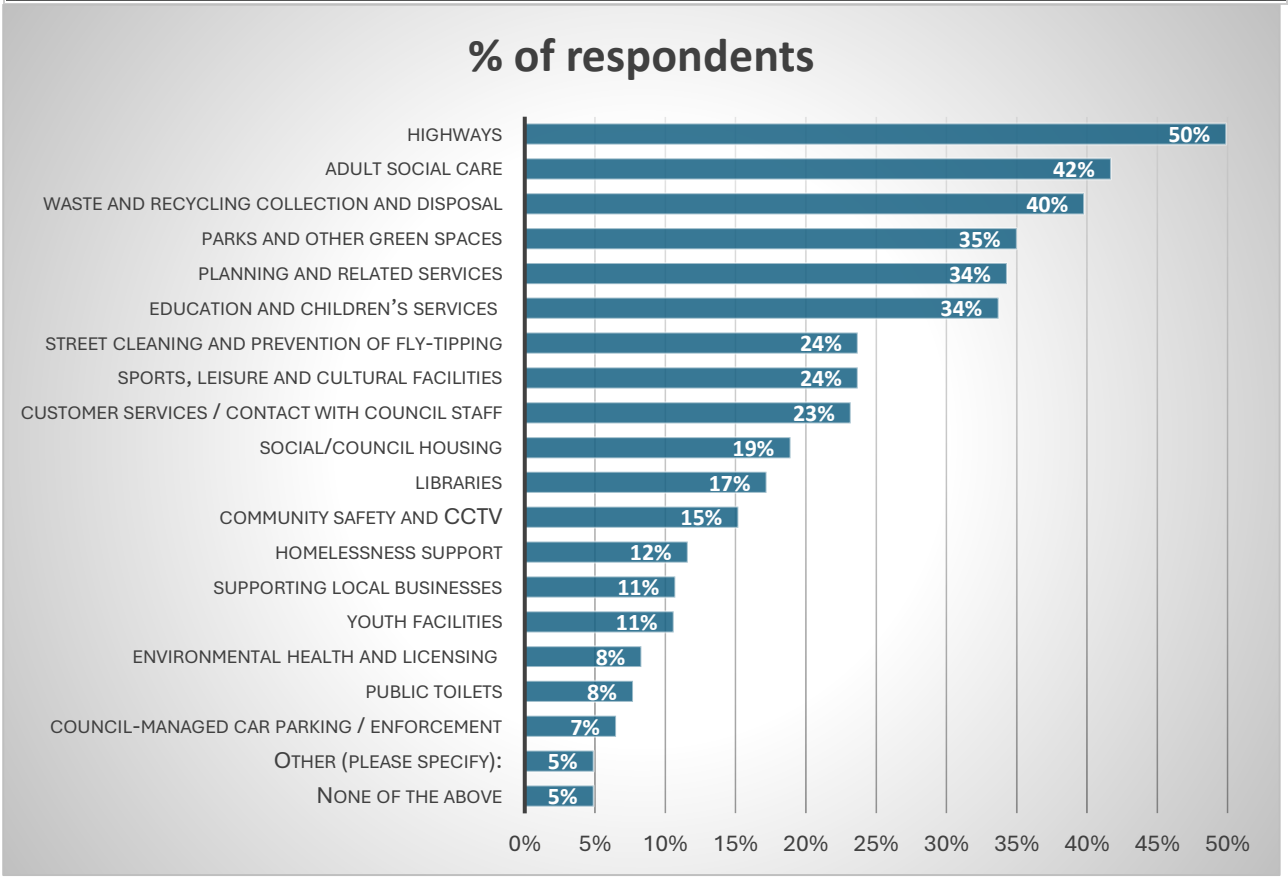
Of the services currently delivered by the county and borough/city/district councils, the top five that respondents were most concerned about being affected by local government reorganisation were:

1. Highways (potholes, footpaths, drainage, street lighting etc) **– 49.9%**
2. Adult social care, such as support for people with disabilities, or care for the elderly **– 41.7%**
3. Waste and recycling collection and disposal **– 39.8%**
4. Parks and other green spaces **– 35.0%**
5. Planning and related services **– 34.3%**

Education and children's services such as looked-after children, those with special educational needs or disability (SEND), fostering and adoption was a very close sixth choice, with 33.7% of respondents selecting it in their top five.

The full ranking is shown in the table on the next page.

County and district/borough/city councils are responsible for a number of services. Which, if any, local services are you concerned about being affected by reorganisation? Choose up to a maximum of five services.



The final question in the survey asked if respondents had any other comments, suggestions or concerns about the proposed reorganisation. 1,563 respondents shared a view, and these text responses are currently being analysed.

Shape Worcestershire - Council changes survey 2025

Executive summary of the thematic analysis

The Shape Worcestershire – Council Changes Survey 2025 included two free text questions. These elicited a total of 4,742 responses, providing insight into respondents' views and concerns about the future of local councils in Worcestershire.

This executive summary provides an overview of the main themes and key points covered in the free text responses. A more detailed analysis can be found in the 'County wide headline results thematic analysis' report.

Survey respondents were invited to choose their **preferred option for reorganising local councils in Worcestershire**. A total of 4,236 respondents gave a preference and 3,179 of them shared the main reason/s for their preference

Of the 1,215 respondents (29%) who selected **'one unitary council'**, 924 gave a reason for their choice.

The prevailing argument for one council is respondents believe this option would deliver greater efficiency and cost savings, reduce duplication, streamline services, cut costs, provide fairness for all irrespective of where they live and maintain a coherent, historic county identity.

Respondents also felt this option would provide strategic coherence, including negating the need to split strategic services currently delivered on a county wide-basis if a two unitary model were chosen.

These respondents broadly reject the idea of splitting the county into two smaller units, which is seen as inefficient, unsustainable, unnecessary and inconsistent with both local needs and national policy direction.

Of the 2,026 respondents (48%) who selected '**two unitary councils',** 1,570 gave a reason for their choice.

Supporters believe the two-council model provides a balanced approach enabling shared efficiencies where appropriate, while still maintaining local focus, democratic accountability and community connection.

The existing cooperation between councils, suitable infrastructure and natural boundaries are also cited as logical reasons for the north/south option. Many feel this is the least disruptive and most effective solution, which is more reflective of local needs, identities

and priorities. Respondents believe that two councils could cooperate successfully on county-wide services, while tailoring delivery more effectively at a local level.

Generally, these respondents strongly oppose the creation of a single county-wide unitary council, which is seen as too large, remote and unrepresentative. Concerns centre on losing local identity, reduced democratic accountability and worsened service delivery, particularly for rural areas.

Of the 176 respondents (4%) who selected '**I don't have a preference'**, 89 gave a reason for their choice.

Most felt ill-equipped to make an informed choice due to the lack of concrete information about the proposed council reorganisation. They expressed frustration, confusion and a strong desire for more transparency and detailed explanations.

While many can see theoretical benefits to reorganisation, such as cost savings or simplified governance, they also express concern about losing local representation, increasing bureaucracy or creating geographical inequality.

There is a prevailing sense of scepticism and distrust toward government processes throughout the responses, with many doubting that any change, regardless of the structure, will result in tangible improvements for residents.

Whilst the survey made it clear that not reorganising is not an option, 799 respondents (19%) chose '**I don't support reorganisation of local councils in Worcestershire'.** 573 gave a reason for their choice.

These responses reveal strong opposition to proposals for merging local councils into one or two larger unitary authorities. They see the existing councils as effective, locally responsive and better equipped than unitary authorities to serve diverse communities across the county.

Among these respondents there is significant concern that larger, more centralised bodies would diminish local democracy and local representation, fearing that the distinct needs and identities of individual towns will be overshadowed by broader, less responsive administrations.

There is anxiety that service quality will decline due to stretched budgets, staff shortages and increased bureaucracy, alongside a belief that financial resources may be unfairly redistributed to more indebted or affluent areas at the expense of others, particularly in rural areas.

Critically, many feel the engagement process has been rushed and lacks transparency, leading to distrust in the motives behind the changes, which are viewed largely as political cost-cutting moves rather than efforts to improve governance.

Overall, these respondents value the current local council structure for its accessibility and local knowledge and worry that merging councils will diminish democratic engagement, weaken community identity and worsen public services. The dominant feeling among

those who selected this preference is that reorganisation is unnecessary, risky and not supported by evidence.

Just 20 respondents (0.5%) selected '**I am not interested'**. 13 gave a reason for their choice.

The issue most often raised by this small number of respondents was a lack of trust that structural reorganisation will lead to any real improvement in services or governance. There is scepticism that changing structures will not solve the current underlying problems of perceived inefficiency, poor decision-making and wasting public money.

At the end of the survey respondents were given the opportunity to add '**any other comments, suggestions, or concerns about the proposed reorganisation'**. Of the 4,249 survey respondents, 1,563 (37%) provided some further views indicating the strength of feeling about local government reorganisation in Worcestershire.

A summary of the key themes and points made is provided below, many are similar to those already expressed.

Urban vs rural differences

- Some support a single unitary council for efficiency, but many prefer two to reflect the diverse needs of urban and rural areas.
- Concerns include potential marginalisation of rural areas, unequal resource allocation and fears that rural needs (e.g. isolation, transport) will be overlooked.

Loss of localism and representation

- Worries about losing local identity and access to decision-makers, especially in smaller communities.
- Many believe smaller councils, or two unitary councils, would be more responsive and maintain local connections.
- Concerns about diminished community involvement, loss of local facilities and remote decision-making.

Accountability and governance

- Desire for clear, transparent governance with councillors who live in the areas they represent.
- Calls for better understanding of new structures and accountability.

Parish and town councils

- Concerns about overburdening parish councils with new responsibilities and losing their influence.
- Suggestions to empower rather than expand parish councils.

Service quality

- Fear of service decline, particularly for vulnerable populations (e.g. elderly, disabled, rural residents).
- Worries about the loss of non-statutory services (e.g. parks, libraries) and reliance on digital-only systems.

Financial concerns and cost-saving scepticism

- Many express doubts that reorganisation will save money, citing previous failed reorganisations.
- Concerns about higher council tax, service cuts and potential hidden costs.

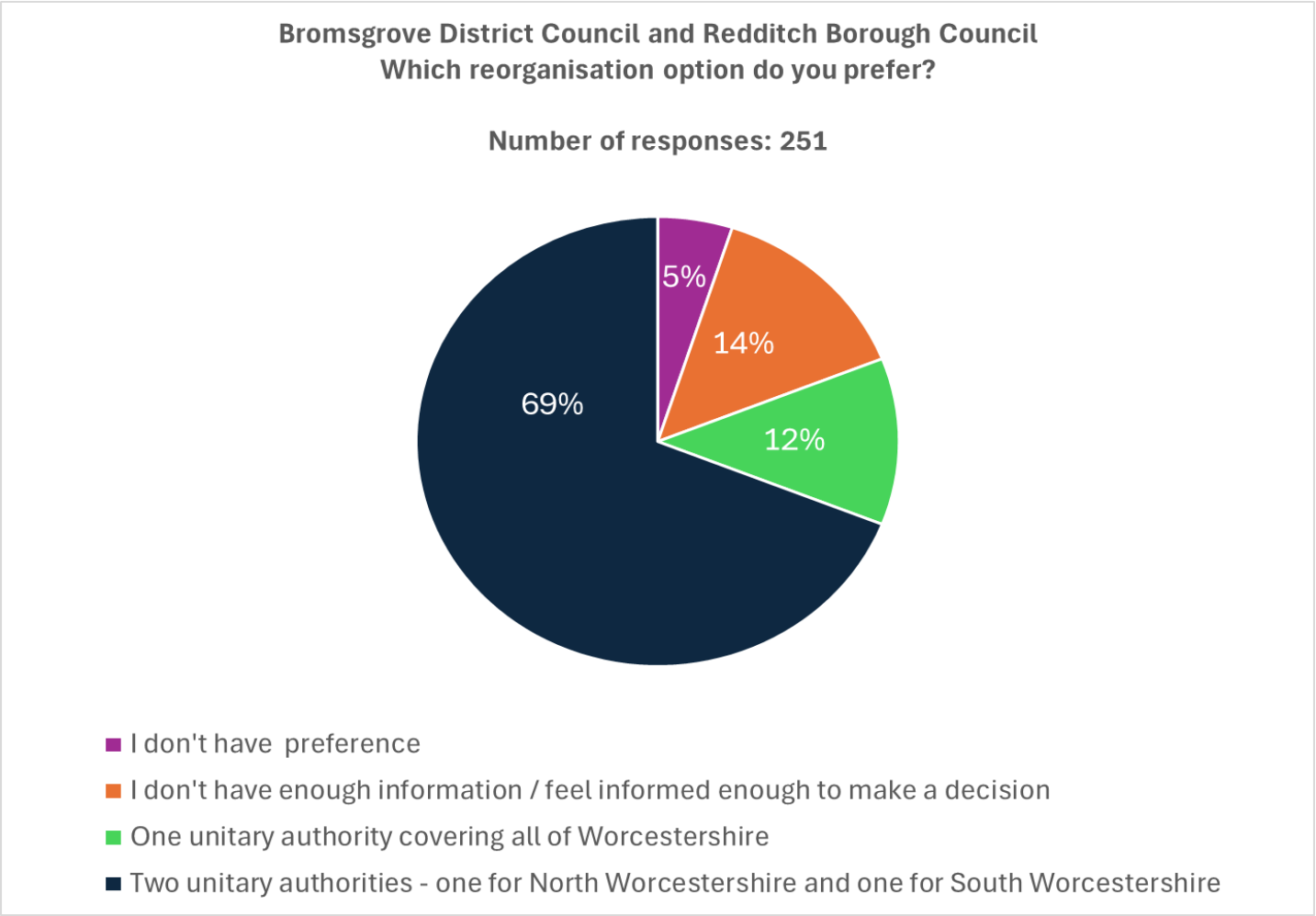
Alternative proposals and reorganisation legitimacy

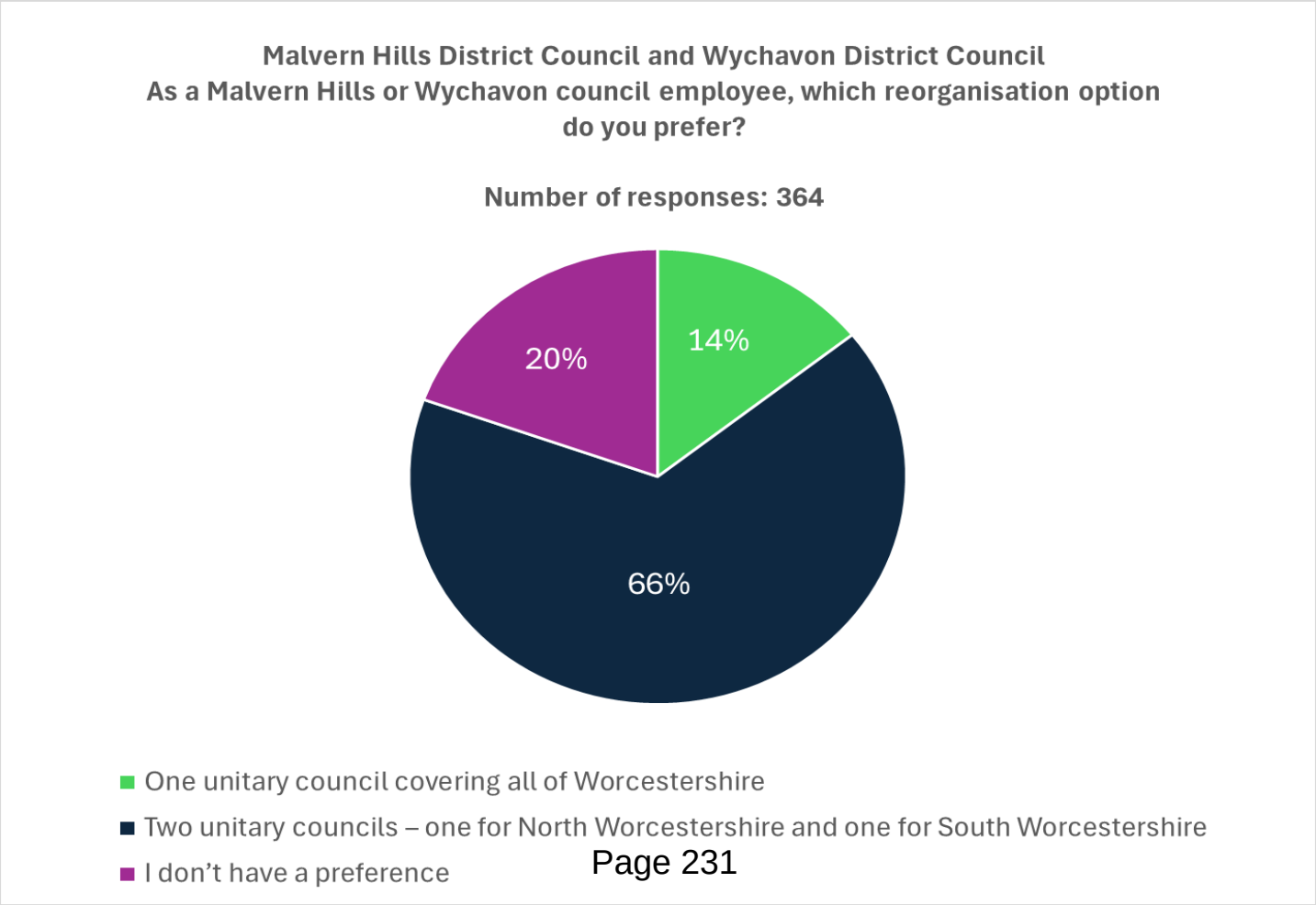
- Calls for strengthening existing councils or investing in back-office efficiencies rather than restructuring.
- Scepticism that the reorganisation is politically motivated or driven by cost-cutting, rather than improving services.
- Some suggest splitting into two unitary authorities that align with natural boundaries to better reflect local identities.

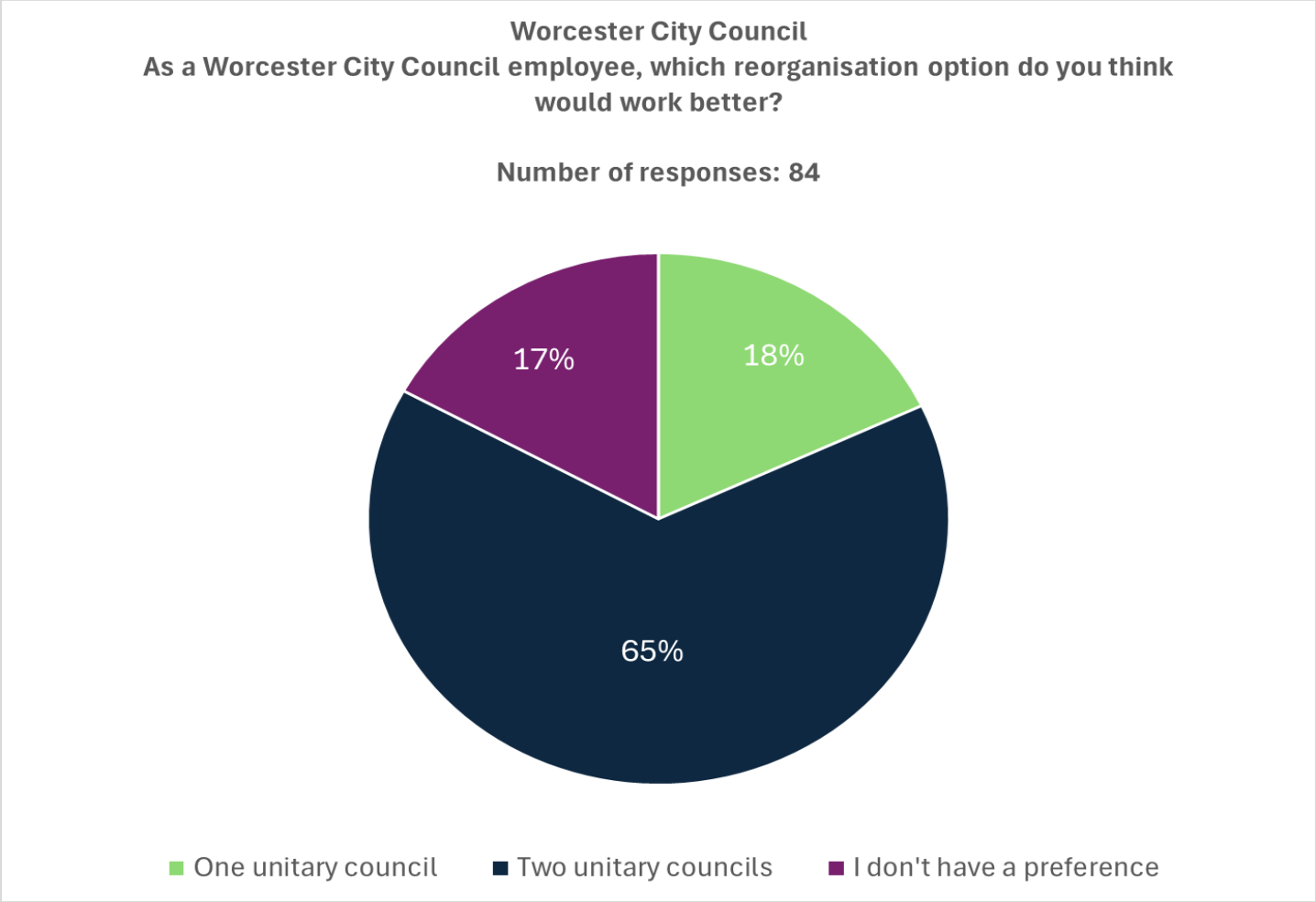
Planning, housing and environmental protections

- Concerns about overdevelopment, loss of green belt and strain on infrastructure.
- Emphasis on protecting the environment, nature reserves, and heritage sites.
- Calls for integrating climate adaptation and sustainability into planning decisions.

Staff surveys - headlines






Worcester City Council
As a Worcester City Council employee, which reorganisation option do you think would work better?
Number of responses: 84
17%
18%
65%
One unitary council
Two unitary councils
I don't have a preference

Shape Worcestershire focus groups - reports

The focus group reports are available via the following link:

https://shapeworcestershire.org/survey-results#775d8a6b-fb59-4c1f-8dc9-42909d3ba5d5

- Shape Worcestershire focus groups - overview report (pdf)
- Shape Worcestershire focus groups - all public comments (pdf)
- Shape Worcestershire focus groups - parish/town council feedback (pdf)

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Appendix C

Place profiles

Place profile - Worcestershire County Council

DEMOGRAPHIC

Measure	WCC (Above / equal to / below national average)	National average
Demographics		
Area (km2)	1,741	-
Population (2023)	614,185	-
Population forecast (2032)	646,150	-
Age 0-15	17.2%	18.5%
Age 16-64	59.5%	63.0%
Age 65+	23.3%	18.3%
Population density (km2) (2021)	346.8	433.5
Proportion of pop. in rural Output Areas	23.9%	16.8%
Index of Multiple Deprivation (2019) (1 is the most deprived, 10 is the least deprived)		
Income	6	5
Employment	6	5
Skills	6	5
Health	6	5
Crime	6	5
Housing	5	5
Living env.	6	5

ECONOMIC

Measure	WCC (Above / equal to / below national average)	National average
Economy		
Claimants as a proportion of residents aged 16-64 (2025)	3.1%	4.2%
Council tax base	225,128	-
Total rateable value of all businesses	£537,957,925	-
GVA per hour	£34.3	£39.7
Gross median pay	£588.6	£618.70
Employmt. rate (16-64)	79.4%	75.7%
Economically active (16-64)	81.2%	78.9%
% pop - Level 3 skills	17.0%	16.9%
% pop - Level 4 skills	32.3%	33.9%
Estimated % of jobs earning below Living Wage Foundation rates	16.7%	15.9%
% of residents who travel less than 10km to work	33.8%	35.3%
% of residents who travel more than 10km to work	23.0%	18.7%
Housing target	663	-
5 year housing land supply (years)	3.3	-
Employment land (ha)*	70.9	-

**Required employment land as set out in each area's Local Plan or Demand Study*
Please note that figures for Housing Target, council tax base, total rateable value 5-year housing land supply and employment land are amalgamations of the 6 districts' figures in the absence of a whole County figure.

Place profile - Bromsgrove District Council

DEMOGRAPHIC

Measure	BDC (Above / equal to / below county average)	Worcestershire average
Demographics		
Area (km2)	217	1,741
Population (2023)	100,679	614,185
Pop. forecast (2032)	107,119	646,150
Age 0-15	18.4%	17.2%
Age 16-64	58.6%	59.5%
Age 65+	23.0%	23.3%
Population density (km2) (2021)	457.1	346.8
Proportion of pop. in rural Output Areas	14.4%	23.9%
Index of Multiple Deprivation (2019) (1 is the most deprived, 10 is the least deprived)		
Income	7	6
Employment	7	6
Skills	7	6
Health	7	6
Crime	6	6
Housing	6	5
Living env.	7	6

ECONOMIC

Measure	BDC (Above / equal to / below county average)	Worcestershire average
Economy		
Claimants as a proportion of residents aged 16-64 (2025)	2.5%	3.1%
Council tax base	38,663	37,521
Total rateable value of all businesses	£73,373,503	£89,659,654
GVA per hour	£42.3	£34.3
Gross median pay	£661.4	£588.6
Employmt. rate (16-64)	82.3%	79.4%
Economically active (16-64)	83.8%	81.2%
% pop - Level 3 skills	16.6%	17.0%
% pop - Level 4 skills	36.6%	32.3%
Estimated % of jobs earning below Living Wage Foundation rates	16.9%	16.7%
% of residents who travel less than 10km to work	25.7%	33.8%
% of residents who travel more than 10km to work	26.1%	23.0%
Housing target	715	663
5 year housing land supply (years)	1.98	3.3
Employment land (ha)*	28	70.9

**Required employment land as set out in each area's Local Plan or Demand Study*

Place profile - Malvern Hills District Council

DEMOGRAPHIC

Measure	MHDC (Above / equal to / below county average)	Worcestershire average
Demographics		
Area (km2)	557	1,741
Population (2023)	81,822	614,185
Pop. forecast (2032)	88,585	646,150
Age 0-15	15.4%	17.2%
Age 16-64	56.2%	59.5%
Age 65+	28.4%	23.3%
Population density (km2) (2021)	137.7	346.8
Proportion of pop. in rural Output Areas	56.2%	23.9%
Index of Multiple Deprivation (2019) (1 is the most deprived, 10 is the least deprived)		
Income	6	6
Employment	6	6
Skills	7	6
Health	8	6
Crime	7	6
Housing	4	5
Living env.	5	6

ECONOMIC

Measure	MHDC (Above / equal to / below county average)	Worcestershire average
Economy		
Claimants as a proportion of residents aged 16-64 (2025)	2.4%	3.1%
Council tax base	33,558	37,521
Total rateable value of all businesses	£47,752,897	£89,659,654
GVA per hour	£33.4	£34.3
Gross median pay	£546.9	£588.6
Employmt. rate (16-64)	74.5%	79.4%
Economically active (16-64)	74.5%	81.2%
% pop - Level 3 skills	16.1%	17.0%
% pop - Level 4 skills	38.8%	32.3%
Estimated % of jobs earning below Living Wage Foundation rates	26.6%	16.7%
% of residents who travel less than 10km to work	27.5%	33.8%
% of residents who travel more than 10km to work	23.0%	23.0%
Housing target	646	663
5 year housing land supply (years)	2.06	3.3
Employment land (ha)*	64.3	70.9

**Required employment land as set out in each area's Local Plan or Demand Study*

Place profile - Redditch Borough Council

DEMOGRAPHIC

Measure	RBC (Above / equal to / below county average)	Worcestershire average
Demographics		
Area (km2)	54	1,741
Population (2023)	87,059	614,185
Pop. forecast (2032)	88,279	646,150
Age 0-15	19.2%	17.2%
Age 16-64	61.6%	59.5%
Age 65+	19.2%	23.3%
Population density (km2) (2021)	1,604.4	346.8
Proportion of pop. in rural Output Areas	0.0%	23.9%
Index of Multiple Deprivation (2019) (1 is the most deprived, 10 is the least deprived)		
Income	6	6
Employment	5	6
Skills	4	6
Health	4	6
Crime	6	6
Housing	3	5
Living env.	8	6

ECONOMIC

Measure	RBC (Above / equal to / below county average)	Worcestershire average
Economy		
Claimants as a proportion of residents aged 16-64 (2025)	3.9%	3.1%
Council tax base	27,004	37,521
Total rateable value of all businesses	£91,182,392	£89,659,654
GVA per hour	£32.3	£34.3
Gross median pay	£586.2	£588.6
Employmt. rate (16-64)	77.1%	79.4%
Economically active (16-64)	80.1%	81.2%
% pop - Level 3 skills	17.2%	17.0%
% pop - Level 4 skills	25.9%	32.3%
Estimated % of jobs earning below Living Wage Foundation rates	14.0%	16.7%
% of residents who travel less than 10km to work	42.7%	33.8%
% of residents who travel more than 10km to work	19.8%	23.0%
Housing target	489	663
5 year housing land supply (years)	2.8	3.3
Employment land (ha)*	55	70.9

**Required employment land as set out in each area's Local Plan or Demand Study*

Place profile - Worcester City Council

DEMOGRAPHIC

Measure	WCC (Above / equal to / below county average)	Worcestershire average
Demographics		
Area (km2)	33	1,741
Population (2023)	105,143	614,185
Pop. forecast (2032)	106,090	646,150
Age 0-15	17.4%	17.2%
Age 16-64	64.4%	59.5%
Age 65+	18.2%	23.3%
Population density (km2) (2021)	3,121.4	346.8
Proportion of pop. in rural Output Areas	0.0%	23.9%
Index of Multiple Deprivation (2019) (1 is the most deprived, 10 is the least deprived)		
Income	6	6
Employment	6	6
Skills	6	6
Health	5	6
Crime	6	6
Housing	6	5
Living env.	5	6

ECONOMIC

Measure	MHDC (Above / equal to / below county average)	Worcestershire average
Economy		
Claimants as a proportion of residents aged 16-64 (2025)	3.7%	3.1%
Council tax base	36,798	37,521
Total rateable value of all businesses	£107,386,408	£89,659,654
GVA per hour	£36.6	£34.3
Gross median pay	£606.8	£588.6
Employmt. rate (16-64)	81.8%	79.4%
Economically active (16-64)	83.8%	81.2%
% pop - Level 3 skills	18.3%	17.0%
% pop - Level 4 skills	33.7%	32.3%
Estimated % of jobs earning below Living Wage Foundation rates	13.9%	16.7%
% of residents who travel less than 10km to work	41.9%	33.8%
% of residents who travel more than 10km to work	18.5%	23.0%
Housing target	559	663
5 year housing land supply (years)	2.37	3.3
Employment land (ha)*	32.2	70.9

**Required employment land as set out in each area's Local Plan or Demand Study*

Place profile - Wychavon District Council

DEMOGRAPHIC

Measure	WDC (Above / equal to / below county average)	Worcestershire average
Demographics		
Area (km2)	664	1,741
Population (2023)	136,229	614,185
Pop. forecast (2032)	151,343	646,150
Age 0-15	16.4%	17.2%
Age 16-64	58.2%	59.5%
Age 65+	25.4%	23.3%
Population density (km2) (2021)	199.7	346.8
Proportion of pop. in rural Output Areas	49.5%	23.9%
Index of Multiple Deprivation (2019) (1 is the most deprived, 10 is the least deprived)		
Income	7	6
Employment	7	6
Skills	6	6
Health	8	6
Crime	7	6
Housing	4	5
Living env.	5	6

ECONOMIC

Measure	WDC (Above / equal to / below county average)	Worcestershire average
Economy		
Claimants as a proportion of residents aged 16-64 (2025)	2.7%	3.1%
Council tax base	53,767	37,521
Total rateable value of all businesses	£138,269,434	£89,659,654
GVA per hour	£35.8	£34.3
Gross median pay	£580.0	£588.6
Employmt. rate (16-64)	73.7%	79.4%
Economically active (16-64)	76.2%	81.2%
% pop - Level 3 skills	16.6%	17.0%
% pop - Level 4 skills	33%	32.3%
Estimated % of jobs earning below Living Wage Foundation rates	16.8%	16.7%
% of residents who travel less than 10km to work	29.2%	33.8%
% of residents who travel more than 10km to work	25.9%	23.0%
Housing target	976	663
5 year housing land supply (years)	1.1	3.3
Employment land (ha)*	217.3	70.9

**Required employment land as set out in each area's Local Plan or Demand Study*

Place profile - Wyre Forest District Council

DEMOGRAPHIC

Measure	WFDC (Above / equal to / below county average)	Worcestershire average
Demographics		
Area (km2)	195	1,741
Population (2023)	103,253	614,185
Pop. forecast (2032)	104,735	646,150
Age 0-15	16.4%	17.2%
Age 16-64	58.2%	59.5%
Age 65+	25.4%	23.3%
Population density (km2) (2021)	520	346.8
Proportion of pop. in rural Output Areas	23.3%	23.9%
Index of Multiple Deprivation (2019) (1 is the most deprived, 10 is the least deprived)		
Income	6	6
Employment	5	6
Skills	5	6
Health	6	6
Crime	5	6
Housing	5	5
Living env.	5	6

ECONOMIC

Measure	WFDC (Above / equal to / below county average)	Worcestershire average
Economy		
Claimants as a proportion of residents aged 16-64 (2025)	3.3%	3.1%
Council tax base	35,338	37,521
Total rateable value of all businesses	£79,993,291	£89,659,654
GVA per hour	£25.2	£34.3
Gross median pay	£583.7	£588.6
Employmt. rate (16-64)	86.3%	79.4%
Economically active (16-64)	87.6%	81.2%
% pop - Level 3 skills	17.0%	17.0%
% pop - Level 4 skills	26.1%	32.3%
Estimated % of jobs earning below Living Wage Foundation rates	19.3%	16.7%
% of residents who travel less than 10km to work	36.0%	33.8%
% of residents who travel more than 10km to work	24.5%	23.0%
Housing target	590	663
5 year housing land supply (years)	9.28	3.3
Employment land (ha)*	29.0	70.9

**Required employment land as set out in each area's Local Plan or Demand Study*

Appendix C

Place analysis

Sectoral analysis

County-wide economy

Worcestershire boasts a diverse and resilient economy which is made up of a network of primarily micro businesses (representing 77% of all Worcestershire businesses). The economy does not rely on a key single sector or employer dominance, making the county more resilient to economic shocks.

Rural areas make up 86% of Worcestershire, housing 27% of the population and contributing to 30% of jobs. Agri-tech and construction jobs are particularly prominent in these more rural areas. The county has seen business growth in professional services but a decline in the total number enterprises since 2022, particularly in transport and storage. Specific challenges identified by the LEP include skills shortages, which are hampering economic development and growth.

The Local Economic Partnership has identified key cornerstone and opportunity sectors that govern the county's economy. These sectors, which represent large volumes of jobs across the county, include professional services, construction, and health care. Key opportunity sectors which have significant potential for high-value growth across the county have been identified as advanced manufacturing, cyber security, IT and defence, and horti/agricultural technology.

Tourism has also been identified as a key sector for Worcestershire which is worth nearly £690m per year to the Worcestershire economy.

Bromsgrove

Bromsgrove is a hub for business and professional services, with a particular strength in financial and insurance services, health, and business administration and support services.

The district has seen a healthy employment growth of 7.9% between December 2022 and December 2023 with around 52,900 residents in employment. Key employers include the NHS, AFH Independent Financial Services, and Selco Trade Centres.

Malvern Hills

Malvern Hills has a diverse local economy with key specialism including tech and cyber. It is home to the Malvern Hills Science Park where a cluster of cyber and technology-led businesses are based. The district benefits from a strong presence of high-tech SMEs, particularly in defence, electronics, and software development, supported by collaborations with QinetiQ and the UK Cyber Security Centre.

Other key sectors for the district include manufacturing and engineering, the health economy, education, and tourism, with the Malvern Hils National Landscapes supporting a vibrant hospitality and tourism economy locally.

Sectoral analysis

Redditch

Redditch's local economy is dominated by manufacturing and engineering and is a hub for advanced manufacturing and business services. Redditch has three times the national average regarding employment in the manufacturing sector, with levels of employment remaining strong in the sector whilst simultaneously declining nationally.

Key local employers include Mettis Aerospace (a leader in precision forging for aerospace) and Johnsons Cars. Other key sectors in the local economy include Health and Retail.

Whilst the local economy is dominated by micro businesses, Redditch does have a slightly larger share of small and medium-sized enterprises compared to other districts across Worcestershire due to its industrial base.

Worcester

Worcester City is the primary city economy in Worcestershire. The LEP identifies the city as having a strong manufacturing base with key opportunities for growth in the health and care and professional services sectors.

The city's economy has a strong existing presence in healthcare, driven by the Worcester Royal Hospital and a growing care sector. Education is another key sector in Worcester as it is a regional hub which is home to the University of Worcester, several colleges and schools. Retail is also a key sector, with the city centre acting as a shopping and leisure destination for the south of the county.

Wychavon

Wychavon, as a primarily rural district, is home to a large number of small and micro businesses that operate remotely across a wide breadth of sectors. Key sectors include Agriculture, Food Production and Agri-Tech, being home to major food producers such as Evesham Vale Growers. Logistics and Distribution is a key sector due to Wychavon's strategic location near the M5 corridor and proximity to Birmingham, making it attractive for distribution and logistics firms.

Manufacturing and engineering is also a key sector, with the district supporting light and advanced manufacturing in flooring, machinery and packaging. Key employers include Karndean Designflooring and Gtech, which are both headquartered in Wychavon. Tourism and Hospitality are further key sectors within the district.

Wyre Forest

Wyre Forest, centred around Kidderminster, is identified by the LEP as a hub for advanced manufacturing and business services. Key sectors include Health and Social Care, driven by the presence of Kidderminster Hospital. Retail is also a key sector, centred around Kidderminster, which is being revitalised through the ReWyre regeneration programme.

Manufacturing and engineering is also a strong sector locally, with Wyre Forest having a sizeable base in light manufacturing, including carpets, textiles and metal fabrication. Key employers include Victoria Carpets and a range of micro and small businesses based on industrial estates in Kidderminster and Stourport-on-Severn.

However, Wyre Forest has historically been among the lowest-ranked areas in the UK for GVA, particularly when measured per capita.

Housing

County wide approach to housing

Worcestershire County Council does not produce a Local Plan. Housing planning and delivery responsibilities lie with the district and borough councils within the county.

Worcestershire does not form a self-contained housing market area. Bromsgrove and Redditch are part of the Greater Birmingham Housing Market Area, whilst Wychavon, Malvern Hills and Worcester City represent the South Worcestershire Housing Market Area.

The county's long-term vision for housing is guided by the Worcestershire Housing Strategy 2023–2040, which sets out a vision for housing delivery that supports economic growth, health and wellbeing and environmental sustainability. The strategy emphasises the need to deliver affordable, energy-efficient homes while also preserving the distinct character of Worcestershire's towns, villages, and landscapes.

Local Plans are developed at the sub-county level, governing housing delivery locally:

- Wychavon, Worcester City and Malvern Hills share a Local Plan (the South Worcestershire Development Plan (SWDP), which governs housing delivery across the south of the county.
- Whilst Bromsgrove and Redditch have their own Local Plans, they share strategic housing functions and collaborate on housing delivery.

North Worcestershire

Bromsgrove

Bromsgrove faces challenges in maintaining its five-year housing land supply, triggering the 'tilted balance' in planning decisions and prompting an early Local Plan review. The district supports Redditch by accommodating 3,400 homes and contributes to Birmingham's unmet housing need through developments such as the 700-home scheme at Longbridge.

Much of the district is constrained by the Green Belt, however, with a lack of brownfield land coming forward locally, some Green Belt land will be required to be developed to meet housing need. Future growth will be shaped by ongoing green belt and Local Plan reviews, particularly in response to regional housing pressures.

Redditch

Redditch is the only district in Worcestershire that retains its own council-owned housing stock, providing social housing for residents. The council also develops its own sites for housing delivery through its housing growth programme. Despite this, the borough is unable to meet its full housing need within its boundaries and currently has only 2.8 years of deliverable housing land, well below the required five-year supply. To address this shortfall, 3,400 homes have been allocated in neighbouring Bromsgrove, helping Redditch work toward its overall target of 6,400 homes between 2011-2030.

Housing

With an urban profile, Redditch focuses on regeneration, brownfield redevelopment, and town centre renewal, guided by the Local Plan No.4. The borough prioritises affordable housing and infrastructure-led growth, supported by strategic partnerships and planning policy.

Wyre Forest

Wyre Forest plans to deliver 5,520 new homes between 2016 and 2036, as set out in its Local Plan. The district aims to deliver a mix of housing types and sizes to meet local needs, with a minimum annual target of 276 dwellings, including 90 affordable homes per year.

Housing delivery is closely linked to the regeneration of Kidderminster (ReWyre) and surrounding areas, with a focus on sustainable development, community-led schemes, and town centre regeneration.

Wyre Forest is also the only district within Worcestershire with a housing land supply that exceeds the 5-year target. The district has exceeded its housing delivery target between 2020-2023, meaning that it can demonstrate a housing land supply of 9.3 years.

South Worcestershire

Malvern Hills

Malvern Hills faces challenges in delivering affordable housing due to land constraints and high property values, particularly in its more rural areas. The district also faces a challenge of disproportionately low levels of private rental accommodation which drives up demand. The district supports housing delivery through community-led housing and exception site policies, though there is a challenge in securing Registered Providers to deliver smaller sites or sites in more rural areas.

The January 2025 Addendum to the South Worcestershire Councils' (SWDP) Five Year Housing Land Supply Report confirms that none of the South Worcestershire Councils can currently demonstrate a 5-year housing land supply, with Malvern Hills having a supply of 2.06 years.

The refreshed South Worcestershire Local Plan is due to be published in Spring 2026, which will evidence a supply of housing and employment land over the period of the Plan.

Worcester

Worcester City faces significant land constraints within its administrative boundary, relying heavily on urban extensions to meet housing and employment needs. The city experiences high and growing demand for affordable housing and a range of housing types to accommodate families, driven by population growth and limited development space.

Housing

The Housing Enabling Strategy and Delivery Plan 2023–2026 outlines a coordinated approach to increasing supply through brownfield redevelopment, urban expansion, and partnerships with registered providers, with a focus on delivering mixed-tenure and repurposed housing to meet diverse needs.

Though the January 2025 Addendum to the South Worcestershire Councils' (SWDP) Five Year Housing Land Supply Report notes that Worcester City has the highest supply of the three areas, at 2.37 years.

Wychavon

Wychavon operates under the South Worcestershire Development Plan (SWDP) and has identified strategic major growth areas for housing development, including Worcestershire Parkway and Throckmorton.

Wychavon faces a challenge in balancing its rural character with the need for affordable and family housing. The district is actively seeking to address this local challenge through seeking approval to build its first homes in decades, as part of a groundbreaking £4.5 million development with Rooftop Housing Group on land they own at Laurels Avenue in Offenham.

Despite this investment, the January 2025 Addendum to the South Worcestershire Councils' (SWDP) Five Year Housing Land Supply Report identifies that Wychavon has a very constrained supply of 1.10 years.

Employment sites

County wide approach to employment sites

As Worcestershire County Council does not produce a Local Plan, employment land delivery responsibilities are held by the district and borough councils within the county.

The LEP's Worcestershire Plan for Growth 2020-2040 sets out a county-wide ambition to deliver 20,000 new homes and 25,000 jobs, supported by strategic employment land allocations.

The LEP currently plays a central role in identifying and promoting key employment sites, particularly those linked to infrastructure investments.

Despite this, the GJS Dillon Worcestershire Commercial Property Market Report 2024 reported that across the county, key employment land is being lost to residential development.

Bromsgrove

Bromsgrove's employment land strategy is shaped by green belt constraints, but the district delivers employment space through strategic employment sites such as Bromsgrove Enterprise Park and Aston Fields.

Bromsgrove also provides employment land for Redditch, highlighting the strong cross-boundary planning efforts that occur across the north of the county.

The Local Plan Review is exploring land allocations to support business growth and inward investment, particularly in areas with strong transport links.

Malvern Hills

Employment land is allocated through the SWDP, with delivery focused on Malvern, Tenbury Wells, and Upton-upon-Severn. Key sites include Malvern Hills Science Park, Enigma Business Park, and Tenbury Wells Business Park. Whilst these employment sites provide for larger employers in the technology sector, a lack of smaller units (between 5-10k sq ft) has been recognised as a constraint to economic growth.

The district is also directly investing in employment land delivery at Malvern Hills Science Park.

Redditch

Redditch is unable to meet employment needs within its administrative boundary due to land constraints. The district therefore collaborates with neighbouring Local Authorities to identify land which is capable of accommodating Redditch's land supply shortfall, including Stratford-on Avon and Bromsgrove.

Key employment areas within the district include Ravensbank Business Park, North Moons Moat, and Washford Industrial Estate, which provide space for businesses in the advanced manufacturing, logistics, and business services sectors.

The Eastern Gateway site, shared with Stratford-on-Avon, is a major strategic allocation progressing to meet regional employment needs.

Employment sites

Worcester City

Worcester has limited capacity for large-scale employment land due to constraints on land availability and therefore has a shortfall of delivery against its target in the SWDP. Worcester does however collaborate on employment land delivery with Wychavon at the Worcester Six site.

The council pursues delivering employment land through regeneration-led delivery at Shrub Hill and the Canal Quarter. These sites are delivering mixed-use space, though overall employment land delivery is constrained. The city relies on urban extensions and cross-boundary sites to meet demand.

Wychavon

Wychavon has demonstrated strong performance in delivering employment land within the district. The district has some of the largest employment land allocations in the county and actively collaborates with other districts in the SWDP for employment land delivery.

Key allocations include Worcestershire Parkway, Throckmorton New Settlement, and Vale Park in Evesham, supported by infrastructure investment and planning consents. The district has also directly invested in employment land delivery at Vale Park.

Sites are designed to deliver employment-led growth, with strong transport connectivity and capacity for logistics, advanced manufacturing, and office space.

Wyre Forest

Wyre Forest's Local Plan (2016 – 2036) allocates 29 hectares of employment land, primarily around Kidderminster and Stourport-on-Severn. The district aims to support a mix of employment types, including light industrial, logistics, and office space.

Wyre Forest is delivering its employment land allocation through sites like Lea Castle Village and mixed-use regeneration in Kidderminster. The district is on track to meet Local Plan targets by balancing town centre regeneration with new employment zones.

Transport

Regional approach to transport

Transport in Worcestershire is primarily the responsibility of Worcestershire County Council. The council oversees a wide range of transport-related services including public transport planning, road maintenance and improvement projects, sustainable and active travel initiatives and transport planning and strategy (including the Worcestershire Local Transport Plan).

The Local Transport Plan sets out the long-term vision for reducing congestion, improving access to key economic centres, and promoting sustainable travel, ensuring that transport infrastructure aligns with housing and employment growth whilst also supporting shared environmental goals.

Strategic infrastructure projects play a central role in this delivery, including major schemes such as the development of Worcestershire Parkway Station, which aims to improve regional connectivity whilst simultaneously unlocking new housing and employment land.

Public transport is also a key county priority. The Worcestershire Bus Service Improvement Plan and the Rail Investment Strategy aim to modernise services, improve station facilities, and promote low-carbon travel options. These initiatives are designed to make public transport more reliable, accessible, and attractive to residents and visitors alike.

Each district also benefits from tailored transport investment that reflects specific needs and geography.

Bromsgrove

Strategic transport investment in Bromsgrove focuses on managing congestion and improving connectivity to the West Midlands conurbation through key investments of highway upgrades and improvements to Bromsgrove Railway Station.

A major investment program (A38 Bromsgrove Route Enhancement Programme), led by Worcestershire County Council, focuses on improving the A38 between M5 Junction 4 and Hanbury Turn and aims to reduce congestion, support economic growth, and provide improvements for pedestrians, cyclists, and bus infrastructure.

Malvern Hills

Malvern Hills faces unique challenges due to its rural geography and environmental constraints, which impact transport investment decisions locally.

Transport investment aims to support rural accessibility, with a focus on community transport, bus service enhancements and rail connectivity to Worcester and Hereford. The district also actively promotes walking and cycling through its Active Travel Strategy, which supports healthier, low-carbon transport options and aims to reduce car dependency in smaller settlements.

Transport

Redditch

Redditch is located on major corridors (A435, A441, A448, M42) and is investing in station improvements, bus infrastructure, and active travel routes to support its urban regeneration goals. The borough's draft Local Cycling and Walking Infrastructure Plan (LCWIP) outlines a long-term strategy to improve walking, cycling, and wheeling routes across the borough through cycle network enhancements and walking and wheeling routes.

The Eastern Gateway development also includes transport upgrades to support employment growth.

Worcester City

Worcester is a key focus for transport investment due to its role as the county's urban and economic centre which has some strain on its local transport network as evidenced by the transport modelling undertaken as part of the SWDP review.

Major projects include the Southern Link Road dualling (A4440) and the Broomhall Way Footbridge, both aimed at easing congestion and improving east-west connectivity.

The city also benefits from regeneration-led transport upgrades at Shrub Hill and the Canal Quarter, integrating rail, bus, and active travel. However, land constraints and high traffic volumes continue to pose challenges, requiring ongoing investment in sustainable transport modes.

The Worcester City Centre Transport Strategy (2023) aims to improve the city's transport system by reducing car dependence and promoting sustainable travel options, with a focus on four key areas: Cornmarket, Foregate Street North, Copenhagen Street and Riverside. However, whilst this strategy was highlighted in LTP4, it failed to be acknowledged by the previous county administration.

Wychavon

Wychavon's transport priorities focus on improving access to local transport and improving links between places, focusing on strategic growth areas such as Worcestershire Parkway and Throckmorton New Settlement. Strategic investment is focused on improving rail access, rural mobility, and road infrastructure to support housing and employment growth.

The district's strategy focuses on increasing the range of community-based transport options available across the district, including the Worcestershire On Demand pilot.

Wyre Forest

Wyre Forest's transport investment centres on the regeneration of Kidderminster town centre, including improvements to public realm, bus access, and walking and cycling routes.

The district also benefits from infrastructure upgrades linked to the Lea Castle Village development and the Stourport Road Corridor, supporting both housing and employment delivery.

Live and work patterns

County wide patterns

Worcestershire is characterised by a commuter-based economy, with significant daily flows of residents travelling both within and outside the county for work. Data from the 2021 Census shows that 23% of residents across the county travel more than 10km to work, which is larger than the national average of 18.7%.

There are estimated to be nearly 22,000 more working residents than there are jobs in the county, meaning the county is a net out commuter of labour. Workplace earnings in Worcestershire are lower than resident earnings, particularly in Bromsgrove, resulting in out-commuting to higher wage areas such as the Birmingham conurbation. Within the county, Worcester City and Redditch act as employment hubs, attracting workers from surrounding rural areas.

Initiatives such as town centre regeneration, local employment land delivery, and transport investment aim to retain more economic activity within Worcestershire by encouraging more residents to live and work locally.

Bromsgrove

Bromsgrove has the highest level of out-commuting in the county, with around 68% of residents leaving the borough for work, primarily to Birmingham and Solihull. The district's rail and road links make it a popular commuter base to the West Midlands, with limited travel to the south of Worcestershire due to a lack of public transport infrastructure.

While local employment exists in business services and light industries, the high proportion of workers commuting out of the district suggests that a significant proportion of the income earned is spent outside the district.

Malvern Hills

Malvern Hills is largely rural, with a correspondingly large proportion of the population commuting out of the area for work (approximately 55%), with many residents commuting to Worcester, Hereford, and Birmingham.

The district does, however, support a niche local economy in technology and defence, centred around the Malvern Hills Science Park which does attract workers from neighbouring areas.

Redditch

Data from the 2021 Census shows that approximately 47% of residents in Redditch commute out of the borough to work. Redditch's location on the edge of the Birmingham conurbation and role as a commuter town means that a large proportion of those who commute out of the area to work do so to Birmingham.

A significant proportion of residents who work within the borough do so in key local sectors of manufacturing, retail, and public services. The town regeneration efforts aim to retain more economic activity, but income leakage remains a challenge due to proximity to larger urban centres.

Live and work patterns

Worcester City

Worcester functions as a key employment centre within the county, drawing in commuters from surrounding southern districts such as Wychavon and Malvern Hills. Many residents also work locally, with approximately 56% of residents working in the city in key sectors such as public services, retail, and education. The city's compact geography and transport links support a high level of local economic activity.

Wychavon

Wychavon has a strong commuter profile, with approximately 52% of residents commuting out of the district for work, typically to Worcester, Birmingham, and Cheltenham. While the district has a growing employment base in logistics and agri-tech, a significant share of income earned by residents is spent outside the district, reflecting its role as a residential base for professionals working in nearby urban centres.

Wyre Forest

Wyre Forest, centred around Kidderminster, has a mixed live-work pattern. While many residents work locally in retail, healthcare, and manufacturing, approximately 47% of residents commute out of the district to work, primarily to Wychavon, Birmingham, Worcester, and Dudley.

Local identity, culture and heritage

Culture and heritage

Worcestershire is shaped by its rich historical legacy and diverse geography; encompassing market towns, rural villages, and urban centres that reflect centuries of cultural development. Its deep historical identity is rooted in the area's pivotal role during the English Civil War, and this legacy is preserved in numerous listed buildings, heritage sites, and museums.

The county's cultural landscape is further enriched by the natural beauty of the Malvern Hills, designated an Area of Outstanding Natural Beauty, and the artistic legacy of Sir Edward Elgar. These elements continue to inspire a strong sense of place and pride among local communities within the county.

Worcestershire's identity is actively celebrated and promoted through strategic partnerships such as Museums Worcestershire and Visit Worcestershire, which showcase the county's historic architecture, cultural events, and natural attractions. Museums such as the Avoncroft Museum of Historic Buildings, Bewdley Museum, and the Forge Mill Needle Museum offer experiences that enable visitors and residents alike to connect to Worcestershire's industrial, artistic, and rural heritage.

Across the county, there is a shared commitment to preserving Worcestershire's historic character and community values, particularly through place-sensitive housing development and regeneration initiatives.

Local identity

The 'Shape Worcestershire' public engagement exercise (June 2025) highlighted differing views regarding local identity. Two main cohorts of respondents were highlighted:

Preservation of Worcestershire's identity - 20.3% of respondents identified the single unitary option (option A) as best supporting local identity. A thematic analysis of responses identified:

- A strong emotional and practical support for retaining the county as a whole.
- References to Worcestershire's historical and cultural coherence.
- A desire for "One Worcestershire" as a way of avoiding unnecessary geographic or administrative splits.
- A reflection of how most residents already see themselves - as part of "Worcestershire," not as "North" or "South".

Preservation of local identity, local knowledge and localism - An alternative view was provided by 45.7% of respondents who identified a two unitary model (option B) as best supporting local identity. A thematic analysis of responses identified the following main reasons for their position:

- Respondents value local identity, local knowledge and community character, which they see as being a strength of a two unitary model. Some fear that this might be eroded in a large one unitary.
- Some responses stress the importance of decision-makers having direct knowledge of local communities, including living in those

Local identity, culture and heritage

communities, which they believe will be stronger in a two unitary model.

- A two-council model is seen as maintaining local pride and cohesion better than a centralised, “one-size-fits-all” model.

This diversity of views is informed by the local characteristics of the cities, towns and rural communities that make up Worcestershire:

Bromsgrove

Bromsgrove’s culture and heritage are influenced by both its location in Worcestershire and its proximity to Birmingham. It is an area with significant industrial heritage, particularly in nail-making and engineering.

The Council’s Leisure and Culture Strategy integrates parks, arts, sports, and events into a cohesive vision for community wellbeing, and its Playing Pitch Strategy includes priorities of upgrading sports pitches, supporting local clubs, and enhancing cultural venues to meet growing demand.

Malvern Hills

The district contains the Malvern Hills, which are nationally recognised for their natural beauty and cultural significance. The district’s identity is also closely tied to its spa town history and landscape conservation efforts, supported by local and county heritage services.

The Council’s vision includes a commitment to create a local vibrant culture and arts community that delivers social, economic and health benefits for residents through improving assets such as Malvern Theatres and supporting community-led arts and culture across the district.

Redditch

Historically a centre for needle manufacturing, Redditch’s industrial legacy is preserved through museums and cultural initiatives. The borough’s diverse population, green spaces and key locations like the Palace Theatre contribute to its evolving identity.

Redditch’s Leisure and Culture Strategy outlines a comprehensive approach to sport, arts, and open spaces, with a focus on health, inclusion, and regeneration. The Built Facility Strategy also includes cultural development as a priority, focusing on arts access and community engagement.

Worcester

Worcester’s identity is rooted in over 2,000 years of history, with landmarks like the Cathedral, the Commandery, and the site of the final Civil War battle reflecting its rich heritage. The city is a hub for education, with a student population of over 10,000 and institutions including the University of Worcester. Its cultural life is seen through museums, which celebrate a range of local history and Royal Worcester porcelain.

The City Plan 2025-30 and draft Arts and Culture Strategy highlight ambitions to be a “city of festivals,” with events such as the Worcester Festival and

Local identity, culture and heritage

Three Choirs Festival drawing national attention. Worcester City Council also supports community sport, including football clubs and the new International Hockey Centre.

Wychavon

Known for its agricultural heritage and market towns, Wychavon celebrates local produce through events such as the Pershore Plum Festival and Evesham's asparagus celebrations.

These traditions are supported by community-led initiatives and council-backed cultural programming, which includes celebrating local residents through Wychavon Community Stars and previously hosting an annual Village of Culture competition.

Wychavon have also historically invested significantly in community infrastructure and facilities, including Number 8, The Regal and new community halls.

Wyre Forest

Wyre Forest is distinguished by its rich and varied heritage, encompassing Kidderminster's renowned carpet manufacturing industry, the mix of medieval and Georgian architecture of Bewdley, and the historic canal networks of Stourport-on-Severn, alongside the historical Wyre Forest itself.

This cultural legacy is preserved and celebrated through dedicated institutions such as Bewdley Museum, the Museum of Carpet in Kidderminster, and the Stourport Heritage Rooms. The varied identities across the district reflect the rich blend of industrial and architectural heritage locally, which is supported by local tourism and conservation efforts.

Existing public sector collaboration

County wide strategic partnerships

Worcestershire benefits from a well-established network of county-wide strategic partnerships that enable coordinated action across a range of key public service areas.

Leisure, culture and the economy

In the areas of leisure, culture, and the local economy, organisations such as Museums Worcestershire, Visit Worcestershire, and the Worcestershire Local Enterprise Partnership work collaboratively to promote the county's cultural heritage, attract tourism, and drive economic development.

In the field of health and wellbeing, the Worcestershire Health and Wellbeing Board and the Integrated Care Board Assembly bring together health services, local authorities, and community organisations to improve population health and deliver more integrated, person-centred care.

Community safety is supported through partnerships such as the West Mercia Local Resilience Forum and the Safer Communities Board, which coordinate efforts in emergency planning, crime prevention, and public protection across the county.

Additionally, several service delivery partnerships—including the Strategic Waste Board, Lead Local Flood Response, and the Worcestershire Housing Board—ensure effective collaboration across the district level geography.

Strategic partnerships between District Councils

County-wide strategic partnerships are complemented by district-level strategic partnerships which often reflect a natural division between the northern and southern areas of Worcestershire.

There are two separate shared leadership functions which exist between neighbouring districts within the county:

- Bromsgrove District Council and Redditch Borough Council share a Chief Executive, Deputy, Executive Director and seven joint Heads of Service.
- Malvern Hills District Council and Wychavon District Council share a Chief Executive and leadership team, as well as HR, legal, housing, planning, community safety and emergency planning services.

Strategic partnerships between districts also occur within community safety, with two separate Community Safety Partnerships existing beneath the Safer Communities Board (North Worcestershire (Bromsgrove, Redditch and Wyre Forest councils) and South Worcestershire (Malvern Hills, Worcester City and Wychavon councils).

There is a further strategic partnership between Malvern Hills, Worcester City and Wychavon through the South Worcestershire Development Plan, which sets out the spatial ambitions for the south of the county.

Existing public sector collaboration

Shared services

In addition to its strategic partnerships, Worcestershire benefits from a range of shared service arrangements that enhance efficiency and collaboration across the county.

County-wide shared services

Several services operate at a county-wide level:

- All district councils participate in Worcestershire Regulatory Services (WRS), a joint committee model hosted by Bromsgrove District Council. WRS delivers key regulatory functions including environmental health, licensing, and trading standards.
- The Worcestershire Growth Hub is jointly funded by the county council and all district councils, supporting business development and economic growth.
- Worcestershire County Council is responsible for waste disposal and shares this service with Herefordshire Council, extending collaboration beyond the county boundary.

Shared services between district councils

District councils across Worcestershire also engage in shared service arrangements at varying scales. The Internal Audit Partnership includes all districts except Wyre Forest, providing coordinated internal audit functions.

Several services in Worcestershire are shared between neighbouring districts, reflecting the county's north–south division.

In North Worcestershire, the councils of Bromsgrove, Redditch, and Wyre Forest collaborate on a range of services, including:

- Emergency Planning North (Applied Resilience)
- Water Management
- Land Drainage
- Building Control

Redditch and Bromsgrove also share all council services except for Redditch's housing stock and associated Housing Revenue Account, which remains independently managed.

In South Worcestershire, Malvern Hills, Worcester City, and Wychavon councils jointly deliver services, including:

- Procurement
- ICT
- Building Control
- Land Drainage
- Revenues and Benefits

Additionally, Malvern Hills and Worcester City share a creditors and debtors service. These shared arrangements enhance service efficiency and consistency across the county, while allowing for tailored delivery at the local level.

Existing public sector collaboration

District council services delivered through contractual arrangements

In addition to formal shared service arrangements, several services across Worcestershire are delivered through contractual agreements between the county and district councils.

Parking services are a key example of this, with collaborative contractual arrangements varying across the county. For example, Wychavon District Council provides parking services on behalf of Redditch and Bromsgrove (in addition to other councils), demonstrating joint working between councils across the north and south of the county.

The county council also commissions services from districts in areas such as the Starting Well Partnership and the development of Family Hubs, enabling local delivery of early help and family support services through established district-level infrastructure.

Existing community engagement and neighbourhood empowerment structures

County wide

Significant community engagement and neighbourhood empowerment structures already are in place across the county:

Town and Parish Councils

Worcestershire benefits from a network of 180 Town and Parish Councils who are represented by Worcestershire County Association of Local Councils (CALC). These Town and Parish Councils support their communities, businesses, and local voluntary groups to maintain and champion the special characteristics of their localities.

Partnerships with local community, voluntary and charitable organisations

A range of voluntary and community sector (VCS) infrastructure organisations exists across the county to strengthen and support the sector. Key partners include the Worcestershire VCSE Alliance, the Worcestershire Community Action Network (WeCAN), and the Worcestershire Advice Network.

At the county level, several VCS-led partnerships focus on health and wellbeing, and on children and young people. These include the Health and Wellbeing Board, and its sub-groups—the Being Well Strategic Group and the Children and Young People Strategic Group—as well as an active Schools Forum.

The county's commitment to community-led innovation is exemplified by its role in the We Are Westlands project, which aims to reduce health inequalities through local collaboration and recently received national recognition with an LGC Award.

The Worcestershire VCSE Alliance, supported by Worcestershire County Council, plays a central role in helping local VCS organisations engage with the Integrated Care System (ICS). Its goal is to improve health and wellbeing outcomes through stronger cross-sector collaboration. Each district hosts a District Collaborative, which brings together local partners from the community, health, and education sectors to set shared priorities.

WeCAN provides infrastructure support to small charities and grassroots organisations, helping with fundraising, governance, and volunteer coordination. Meanwhile, the Worcestershire Advice Network delivers free, confidential, and accessible advice to residents on issues such as housing, benefits, debt, and legal matters, with funding and commissioning support from the County Council.

Existing community engagement and neighbourhood empowerment structures

Community Safety

The Safer Communities Board oversees two Safer Community Partnerships (SCP), North Worcestershire and South Worcestershire, who work toward addressing the four strategic priority areas across Worcestershire: reducing re-offending, harm reduction, domestic and sexual abuse, and drugs and alcohol.

District based operational groups support the delivery of the SCP's priorities at a local level.

At a District Council level, the following arrangements are in place:

Bromsgrove

Bromsgrove has 19 Parish and Town Councils that represent their communities' voices locally and set priorities through Neighbourhood Plans. These Parish and Town Councils form part of the Bromsgrove and Redditch County Association of Local Councils (CALC).

Bromsgrove also convenes the Bromsgrove Partnership, which is a local strategic partnership and district collaborative that has a Strategic Board and themed sub-groups. This sits below the county VCS Alliance and sets priorities in partnership with a range of local stakeholders. Key themes for the Partnership include creating a better environment, ensuring residents can age well, and improving community wellbeing.

Bromsgrove forms part of the North Worcestershire Community Safety Partnership.

Malvern Hills

Malvern Hills has a network of 53 Town and Parish Councils (including three Town Councils) representing their communities and forms part of the South Worcestershire Community Safety Partnership.

The Malvern Hills District Collaborative, which sits below the VCS Alliance at county level, sets local priorities in partnership with a range of local stakeholders. Malvern Hills have also published a Connected Communities Strategy 2021-2041, which clearly demonstrates the Council's commitment in supporting communities to become strong, resilient, and sustainable.

At a place-based level, Malvern Hills' focus on communities is governed by the South Worcestershire Development Plan and Neighbourhood Plans. The council's Connected Community Strategy forms part of a five-year plan commitment to 'develop and implement an asset-based community development strategy which supports the building of strong, resilient and sustainable communities'.

Redditch

Redditch has one Parish Council which forms part of the Bromsgrove and Redditch County Association of Local Councils (CALC).

Redditch also hosts a Community Wellbeing Partnership and the Redditch District Collaborative, which sits below the VCS Alliance and sets local priorities in partnership with a range of local stakeholders, including a significant number from the Primary Care Network.

Existing community engagement and neighbourhood empowerment structures

As a council that retains control of its own housing stock, Redditch is also developing a Tenant Participation Network to strengthen resident engagement. Uniquely within the county, Redditch has a Town Deal Board, which brings together representatives from public services, the voluntary and community sector, and the business community to guide local regeneration and investment.

Redditch forms part of the North Worcestershire Community Safety Partnership.

Worcester City

Worcester City has two Town and Parish Councils.

The Worcester City District Collaborative, which sits below the VCS Alliance, meets quarterly and includes representation from culture and leisure partners (Museums Worcestershire and Freedom Leisure).

The Worcester City District Collaborative, which operates under the Worcestershire VCSE Alliance, meets quarterly and brings together partners from across sectors, including representatives from Museums Worcestershire and Freedom Leisure, reflecting the city's strong cultural and leisure presence.

The city is home to eight community centres, which serve as key hubs for local engagement and service delivery. Six of these centres are operated in partnership with Worcester Community Trust, which delivers a range of services and programmes from these sites.

Worcester City also works closely with the Voluntary Organisations of Worcester (VOW), a local network convened by Worcester Community Action. VOW brings together a wide range of voluntary and community sector organisations to share information, strengthen collaboration, and represent the sector in strategic discussions.

Worcester City forms part of the South Worcestershire Community Safety Partnership.

Wychavon

Wychavon is fully parished, with 70 Town and Parish Councils. As well as the Wychavon City District Collaborative which sits below the VCS Alliance, Wychavon has several VCS networks which cover the towns od Droitwich, Pershore and Evesham, as well as the surrounding rural areas. Furthermore, there is also a dedicated Children and Young Person's Network in operation.

Place-based communities and Town Officers support communities to develop across the area. The council also hosts a Communities and Funding Advisory Panel, Rural Matters Advisory Panel, and Town Centres Advisory Panel who provide their Executive Board with advice and policy development, representing the community voice.

Wychavon forms part of the South Worcestershire Community Safety Partnership.

Existing community engagement and neighbourhood empowerment structures

Wyre Forest

Wyre Forest has 12 Town Parish Councils, with several outlining their local priorities and spatial ambitions through Neighbourhood Plans.

The Wyre Forest District Collaborative, part of the Worcestershire VCSE Alliance structure, has a strong focus on improving health outcomes. It works closely with partners including the Primary Care Network and West Mercia Police, reflecting a joined-up approach to community wellbeing and safety.

In addition, the district hosts a monthly Multi-Agency Group, coordinated by Simply Limitless, which brings together a wide range of local organisations to foster collaboration and share intelligence. There is also a dedicated Children and Young People's Network, which supports joined-up working around youth services and safeguarding.

Wyre Forest forms part of the North Worcestershire Community Safety Partnership.

Data sources

Section	Data sources
Place Profile	• Census (2021) • ONS Population estimates - local authority based by single year of age (2024) • Population projections - local authority based by single year of age (2018) • ONS 2021 Rural Urban Classification (2021) • English Indices of Deprivation (2019)
Place Profile	• ONS Claimant count by sex and age (2025) • ONS Subregional Productivity (June 2024) • Annual Survey of Hours and Earnings (2024) • Annual Population Survey (2025) • Census (2021) • Council tax base (provided by each authority, 2025) • Rateable value (provided by each authority, 2025) • Housing target (provided by each authority, 2025) • 5-year housing land supply (available from each council's website) • Employment land (provided by each authority, 2025)
Sectoral analysis	• Worcestershire Plan for Growth 2020–2040 (LEP) • Worcestershire's Employment Market Key Growth Sectors (Skills 4 Worcestershire) • Worcestershire's Employment and Labour Market Information (LMI) (Skills 4 Worcestershire) • ONS Labour Market profiles (2024) • ONS Local Indicators (2025) • ONS UK Business Counts (2024)

Data sources

Section	Data sources
Housing	• Local Plans (SWDP, Bromsgrove, Redditch, Wyre Forest) • Housing Land Supply Reports • Planning Monitoring Reports
Employment Sites	• Worcestershire Plan for Growth 2020-2040 (LEP) • GJS Dillon Worcestershire Commercial Property Market Report 2024 • Local Plans (SWDP, Bromsgrove, Redditch, Wyre Forest) • Cross-boundary planning agreements
Transport	• Worcestershire Local Transport Plan 4 • Worcestershire Bus Service Improvement Plan • Worcestershire Rail Investment Strategy • Worcester City Centre Transport Strategy (2023) • South Worcestershire Development Plan Review (SWDPR)
Live and Work Patterns	• Census (2021) • Worcestershire Plan for Growth 2020–2040 (LEP) • Worcestershire County Economic Summary • ONS Nomis labour market profiles

Data sources

Section	Data sources
Local identity, culture and heritage	• ‘Shape Worcestershire’ public engagement exercise (June 2025) • Museums Worcestershire website • Visit Worcestershire website • Bromsgrove Leisure and Culture Strategy • Redditch Leisure and Culture Strategy • Redditch Built Facility Strategy • Worcester City Plan 2025-30 • Worcester City draft Arts and Culture Strategy (2025)

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Interim plan for local government reorganisation in Worcestershire

1 Worcestershire: an introduction

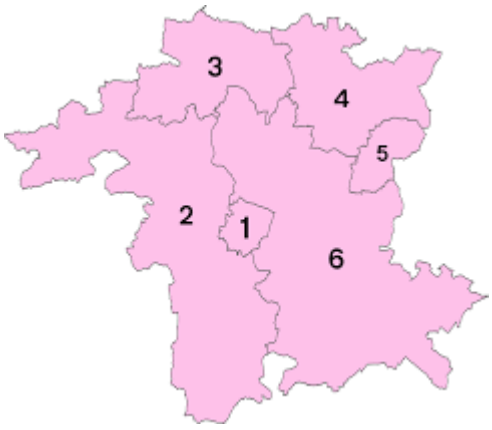
Worcestershire is one of the historic counties of England formed in the Anglo-Saxon period. It is located in the West Midlands and is bounded to the north by the southern tip of the county of Staffordshire as well as the metropolitan districts of Dudley, Birmingham and Solihull; to the east by the county 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
Sub-total: North Worcestershire	*290,991*	*316,020*
Malvern Hills	81,822	92,799
Worcester	105,143	106,719
Wychavon	136,229	163,042
Sub-total: South Worcestershire	*323,194*	*362,560*
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

	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	Resolution of 12 March: “the Interim Plan which identifies two options for a unitary structure in Worcestershire (that of a single unitary authority for Worcestershire and two unitary authorities for North Worcestershire and South Worcestershire) be adopted as the Council's position on local government reorganisation”.
Redditch	Resolution of 17 March: “the Interim Plan which identifies two options for a unitary structure in Worcestershire (that of a single unitary authority for Worcestershire and two unitary authorities for North Worcestershire and South Worcestershire) be adopted as the

	Council's interim plan response on local government reorganisation".
Worcestershire	Cabinet resolution of 20 March: "Authorises the Chief Executive to submit the County Council's Options Appraisal and Interim Plan [prepared by PwC] to MHCLG on the basis that a single unitary council for Worcestershire is the preferred option…notes the Draft Interim Plan produced by the Worcestershire Leaders Board and authorises the Chief Executive to also submit this to MHCLG".

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.**

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	To be identified as part of final proposals

professional and consultancy support e.g. valuations of properties, legal advice, HR support in period to March 2028	
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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Ministry of Housing, Communities & Local Government

3 June 2025

LOCAL GOVERNMENT REORGANISATION

INTERIM PLAN FEEDBACK: WORCESTERSHIRE

To the Chief Executives of:

Bromsgrove District Council
Malvern Hills District Council
Redditch Borough Council
Worcester City Council
Worcestershire County Council
Wychavon District Council
Wyre Forest District Council

Overview

Thank you for submitting your interim plans. The amount of work from all councils is clear to see across the options being considered. For the final proposal(s), each council can submit a single proposal for which there must be a clear single option and geography and, as set out in the guidance, we expect this to be for the area as a whole; that is, the whole of the area to which the 5 February invitation was issued, not partial coverage.

Our aim for the feedback on interim plans is to support areas to develop final proposals. This stage is not a decision-making point, and our feedback does not seek to approve or reject any option being considered.

The feedback provided relates to the:

- Interim plan developed under oversight of the Worcestershire Leaders' Board and formally endorsed by all seven councils for both single and two unitary options.
- Interim plan sent on behalf of Worcestershire County Council for a single unitary for the area.

We have provided feedback on behalf of central government. It takes the form of:

1. A summary of the main feedback points,
2. Our response to the specific barriers and challenges raised in your plans,
3. An annex with more detailed feedback against each of the interim plan asks.

We reference the guidance criteria included in the invitation letter throughout, a copy can be found at Letter: Worcestershire – GOV.UK. Our central message is to build on your initial work and ensure that the final proposal(s) address the criteria and are supported by data and evidence. We recommend that final proposal(s) should use the same assumptions and data sets or be clear where and why there is a difference.

We welcome the work that has been undertaken to develop local government reorganisation interim plans for Worcestershire. This feedback does not seek to approve or discount any options or proposals, but provide some feedback designed to assist in the development of final proposal(s). We will assess final proposal(s) against the guidance criteria provided in the invitation letter and have tailored this feedback to identify where additional information may be helpful in enabling that assessment. Please note that this feedback is not exhaustive and should not preclude the inclusion of additional materials or evidence in the final proposal(s). In addition, your named area lead**,** Jon Scanlan, will be able to provide support and help address any further questions or queries.

Summary of the Feedback:

We have summarised the key elements of the feedback below, with further detail provided in the Annex.

1. In the plan options, you are considering populations that would be above or below 500,000. As set out in the Statutory Invitation guidance and in the English Devolution White Paper, we outlined a population size of 500,000 or more. This is a guiding principle, not a hard target – we understand that there should be flexibility, especially given our ambition to build out devolution and take account of housing growth, alongside local government reorganisation. **All proposals, whether they are at the guided level, above it, or below it, should set out the rationale for the proposed approach clearly**.
2. The criteria ask that consideration should be given to the impacts for crucial services such as social care, children's services, SEND and homelessness, and for wider public services including for public safety (see criterion 3). **For any options where there is disaggregation, further detail will be helpful on how the different options might impact on these services and how risks can be mitigated.**
3. We welcome the steps taken to come together to prepare interim plans, as per criterion 4:
   a. **Effective collaboration between all councils will be crucial; we would encourage you to continue to build strong relationships and agree ways of working, including around effective data sharing. This will support the development of a robust shared evidence base to underpin final proposal(s).**
   b. **It would be helpful if final proposal(s) use the same assumptions and data sets or be clear where and why there is a difference.**

c. **It would be helpful if your final proposal(s) set out how the data and evidence supports all the outcomes you have included and how well they meet the assessment criteria in the invitation letter.**
d. **You may wish to consider an options appraisal that will help demonstrate why your proposed approach in the round best meets the assessment criteria in the invitation letter compared to any alternatives.**

4. In final proposal(s) it would be helpful to outline how each option would interact with a Strategic Authority and best benefit the local community, including meeting devolution statutory tests.

Response to specific barriers and challenges raised

Please see below our response to the specific barriers and challenges that were raised in your interim plans.

1. Early written feedback on area proposals

You asked for early written feedback from Government on the interim plans. This is our feedback to support you to develop your final proposal(s), we are open to providing ongoing support to your work to progress your final plan. Jon Scanlan is your MHCLG lead contact and is ready to engage with the whole area on issues you wish to discuss further.

2. Funding for costs of preparing a proposal

You asked for early confirmation of the level of funding available for the costs of preparing proposals and how this will be allocated.

We are committed to continuing to work in partnership with the sector to ensure councils receive the necessary support as we work together to deliver this ambitious agenda. £7.6 million will be made available in the form of local government reorganisation proposal development contributions, to be split across the 21 areas. Further information will be provided on this funding shortly.

As we said in the invitation letter, officials are available to discuss how reorganisation proposals can be developed to meet the assessment criteria and what support areas think they might need to proceed. Jon Scanlan has been appointed as your MHCLG point person and is ready to engage with the whole area on issues you wish to discuss further.

3. Splitting areas of other public service providers

You requested confirmation of the Government's policy position on splitting areas of police, fire, and integrated care boards across Strategic Authorities.

The English Devolution White Paper sets out the principles that will be considered when agreeing devolution geographies. This includes a clear emphasis on alignment of devolution boundaries with other public sector boundaries such as police services

as a key consideration, alongside other principles, including scale, and ensuring that resulting Strategic Authorities cover sensible economic geographies.

We expect new geographies to be contiguous across constituent councils, to allow the effective delivery of key functions and lead to the alignment of public sector boundaries wherever possible. However, alignment of public service boundaries may also be achieved, over the medium term, by changing existing public service boundaries to match devolution geographies.

Where Strategic Authorities do not currently align with these boundaries, or where alignment is not appropriate for new devolution areas, we will take steps to ensure alignment over the longer term.

This Government wants to deliver new devolution arrangements in partnership with local areas wherever possible. You will continue to discuss this with your MHCLG point person as you develop your final proposal(s), which will be assessed against the English Devolution White Paper criteria.

4. Devolution timetable

We welcome the consideration areas have given to how new local government structures could support devolution ambitions, and we recognise that pursuing local government reorganisation alongside our ambition to see universal coverage of Strategic Authorities in England presents both challenges and opportunities. We are clear that reorganisation should not delay devolution and plans for both should be complementary. We are open to thinking practically about how to limit scenarios in which we are disaggregating services to support local government reorganisation only to reaggregate them at the point that a strategic authority is established.

ANNEX: Detailed feedback on criteria for interim plan

Ask – Interim Plan Criteria	Feedback
Identify the likely options for the size and boundaries of new councils that will offer the best structures for delivery of high-quality and sustainable public services across the area, along with indicative efficiency saving opportunities. Relevant criteria: 1c) Proposals should be supported by robust evidence and analysis and include an explanation of the outcomes it is expected to achieve, including evidence of estimated costs/benefits and local engagement. and 2a-f) Unitary local government must be the right size to achieve efficiencies, improve capacity and withstand financial shocks. and 3a-c) Unitary structures must prioritise the delivery of high quality and sustainable public services to citizens.	We welcome the initial thinking on the options for local government reorganisation in Worcestershire and recognise that this is subject to further work. We note the local context and challenges outlined in the plans and the potential benefits that have been identified for the options put forward. Your plans set out your intention to undertake further analysis, and this further detail and evidence on the outcomes that are expected to be achieved for the whole area of any preferred model would be welcomed. Effective collaboration between all Worcestershire councils will be crucial to reaching final proposal(s). We would encourage you to continue to build strong relationships and agree ways of working, including around effective data sharing. For the final proposal(s), each council can submit a single proposal for which there should be a clear single option and geography and, as set out in the guidance, we expect this to be for the area as a whole; that is, the whole of the area to which the 5 February invitation was issued, not partial coverage. You may wish to consider an options appraisal against the criteria set out in the letter to provide a rationale for the preferred model against alternatives. Proposals should be for a sensible geography which will help to increase housing supply and meet local needs, including future housing growth plans. All proposals should set out the rationale for the proposed approach. We recognise that the options outlined in the interim plans are subject to further development. In final proposal(s) it would be helpful to include a high-level financial assessment which covers transition costs and overall forecast operating costs of the new unitary councils. We will assess final proposals against the criteria in the invitation letter. Referencing criterion 1 and 2, you may wish to consider the following bullets: • high level breakdowns for where any efficiency savings will be made, with clarity of assumptions on how estimates have been reached and the data sources used, including differences in assumptions between proposals

	• how efficiency savings have been considered alongside a sense of local place and identity • information on the counterfactual against which efficiency savings are estimated, with values provided for current levels of spending • a clear statement of what assumptions have been made and if the impacts of inflation are taken into account • a summary covering sources of uncertainty or risks, with modelling, as well as predicted magnitude and impact of any unquantifiable costs or benefits • where possible, quantified impacts on service provision, as well as wider impacts. We recognise that financial assessments are subject to further work. Referencing criteria 1 and 2, the bullets below indicate where further information would be helpful across all options: • data and evidence to set out how your final proposal(s) would enable financially viable councils, including identifying which option best delivers value for money for council taxpayers • detail on potential finances of new unitaries, for example, funding, operational budgets, potential budget surpluses/shortfalls, total borrowing (General Fund), and debt servicing costs (interest and MRP); and what options may be available for rationalisation of potentially surplus operational assets • clarity on the underlying assumptions underpinning any modelling e.g. assumptions of future funding, demographic growth and pressures, interest costs, Council Tax, savings earmarked in existing councils' MTFS • financial sustainability both through the period to the creation of new unitary councils as well as afterwards • As criterion 2e states and recognising that Worcestershire County Council has received exceptional financial support, proposals must additionally demonstrate how reorganisation may contribute to putting local government in the area on a more sustainable footing, and any assumptions around what arrangements may be necessary to make new structures viable. For proposals that would involve disaggregation of services, we would welcome further details on how services can be maintained, for example, for social

	care, children's services, SEND, homelessness, and for wider public services including public safety.
	
	Under criterion 3c you may wish to consider:
	
	• how each option would deliver high-quality and sustainable public services or efficiency saving opportunities
	• what are the potential impacts of disaggregating services?
	• what would the different options mean for local services provision, for example:
	  • do different options have a different impact on SEND services and distribution of funding and sufficiency planning to ensure children can access appropriate support, and how will services be maintained?
	  • what is the impact on adult and children's care services? Is there a differential impact on the number of care users and infrastructure to support them from the different options?
	  • what partnership options have you considered for joint working across the new unitaries for the delivery of social care services?
	  • do different options have variable impacts as you transition to the new unitaries, and how will risks to safeguarding be managed?
	  • do different options have variable impacts on schools, support and funding allocation, and sufficiency of places, and how will impacts on schools be managed?
	  • what impact will there be on highway services across the area under the different approaches suggested?
	  • what are the implications for public health, including consideration of socio-demographic challenges and health inequalities within any new boundaries and their implications for current and future health service needs. What are the implications for how residents access services and service delivery for populations most at risk?
	
	We would encourage you to provide further details on how your proposals would maximise opportunities for public service reform, so that we can explore how best to support your efforts.

Include indicative costs and arrangements in relation to any options including planning for future service transformation opportunities. Relevant criteria 2d) Proposals should set out how an area will seek to manage transition costs, including planning for future service transformation opportunities from existing budgets, including from the flexible use of capital receipts that can support authorities in taking forward transformation and invest-to-save projects.	As per criterion 2, the final proposal(s) should set out how an area will seek to manage transition costs, including planning for future service transformation opportunities from existing budgets, including from the flexible use of capital receipts that can support authorities in taking forward transformation and invest-to-save projects. • within this it would be helpful to provide detailed analysis on expected transition and/or disaggregation costs and potential efficiencies of proposal(s). This could include clarity on methodology, assumptions, data used, what year these may apply and why these are appropriate • detail on the potential service transformation opportunities and invest-to-save projects from unitarisation across a range of services e.g. consolidation of waste collection and disposal services, and whether different options provide different opportunities for back-office efficiency savings • where it has not been possible to monetise or quantify impacts, you may wish to provide an estimated magnitude and likelihood of impact • summarise any sources of risks, uncertainty and key dependencies related to the modelling and analysis • detail on the estimated financial sustainability of proposed reorganisation and how debt could be managed locally We note the references to the financial challenges that councils are facing. It would be helpful if detail on the councils' financial positions and further modelling is set out in detail in the final proposal(s). We welcome the joint work you have done to date and recommend that all options and proposals should use the same assumptions and data sets or be clear where and why there is a difference (linked to criterion 1c).
Include early views as to the councillor numbers that will ensure both effective democratic representation for all parts of the area, and also effective governance and decision-making arrangements which will	We note that Worcestershire County Council has recently been the subject of an electoral review by the LGBCE and new arrangements have been used for the local elections on 1 May 2025 and that the new arrangements could be used as the basis for elections to both a new single unitary or for two unitary councils. We welcome your early thinking about how elections to shadow authorities and possible mayoral elections

balance the unique needs of your cities, towns, rural and coastal areas, in line with the Local Government Boundary Commission for England guidance. Relevant criteria: 6) New unitary structures should enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment. 6a) Proposals will need to explain plans to make sure that communities are engaged.	might best be scheduled in the future and look forward to further details in the final proposals. We welcome the early view you have provided of councillor numbers, which we will be sharing with the LGBCE. There are no set limits on the number of councillors although the LGBCE guidance indicates that a compelling case would be needed for a council size of more than 100 members. New unitary structures should enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment. Additional details on how the community will be engaged, specifically how the governance, participation and local voice will be addressed to strengthen local engagement and democratic decision-making would be helpful. In your final proposal(s) we would welcome detail on your plans for neighbourhood-based governance, the impact on parish councils, and the role of formal neighbourhood partnerships and neighbourhood Area Committees.
Include early views on how new structures will support devolution ambitions. Relevant criteria: 5a-c) New unitary structures must support devolution arrangements. Specifically 5b) Where no CA or CCA is already established or agreed then the proposal should set out how it will help unlock devolution.	We note you are considering different devolution options and are discussing with wider stakeholders how to develop a clear roadmap for devolution for Worcestershire. MHCLG officials are working with you on these matters separately. Across all proposal(s), looking towards a potential future Strategic Authority, it would be helpful to provide an assessment that outlines if there are benefits and disadvantages in how each option would interact with a Strategic Authority and best benefit the local community, including meeting the criteria for sensible geography in the White Paper and devolution statutory tests. We cannot pre-judge the result or timelines of any future devolution discussions, but we will work with you to progress your ambitions where possible in due course.
Include a summary of local engagement that has been undertaken and any views expressed, along with your further plans for wide local engagement to help shape your developing proposals. Relevant criteria:	We welcome your interim update against criterion 6, and recognise the limitations on local engagement that it has been possible to undertake to date. It is for you to decide how best to engage locally in a meaningful and constructive way with residents, the voluntary sector, local community groups, public

6a-b) new unitary structures should enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment.	sector providers such as health, police and fire, and local businesses to inform your final proposal(s). For the proposal that involves disaggregation of services, you may wish to engage in particular with those residents who could be affected. It would be helpful to see detail that demonstrates how local ideas and views have been incorporated into your final proposal(s).
Set out indicative costs of preparing proposals and standing up an implementation team as well as any arrangements proposed to coordinate potential capacity funding across the area. Relevant criteria: Linked to 2d) Proposals should set out how an area will seek to manage transition costs, including planning for future service transformation opportunities from existing budgets, including from the flexible use of capital receipts that can support authorities in taking forward transformation and invest-to-save projects.	We note the initial estimate of preparatory costs included in the interim plans. We recognise these are an early estimate and will need to be updated as the process goes forward. £7.6 million will be made available in the form of local government reorganisation proposal development contributions, to be split across the 21 areas. Further information will be provided on this funding shortly. We would welcome further detail in your final proposal(s) over the level of cost and the extent to which the costs are for delivery of the unitary structures or for transformation activity that delivers additional benefits.
Set out any voluntary arrangements that have been agreed to keep all councils involved in discussions as this work moves forward and to help balance the decisions needed now to maintain service delivery and ensure value for money for council taxpayers, with those key decisions that will affect the future success of any new councils in the area. Relevant criteria:	We welcome the information around ways of working together outlined in the interim plans (see criterion 4) and the collaborative approach taken to date. Continuing such collaborative working between all seven councils, including agreeing principles for working together, such as the memorandum of understanding on collaboration that is currently being drafted, and sharing data, resources and expertise, will be crucial in developing robust final proposals (see criterion 1c). We recommend that final proposal(s) should use the same assumptions and data sets or be clear where and why there is a difference.

4 a-c) Proposals should show how councils in the area have sought to work together in coming to a view that meets local needs and is informed by local views.	

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