

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 <u>Letter: Worcestershire – GOV.UK.</u> 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

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.

Feedback

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 investto-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.

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

Relevant criteria:

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. 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.

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.

£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.

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.

Relevant criteria:

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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.	