

## **COUNCIL**

<b>DATE</b>	24 <sup>th</sup> July 2025
<b>REPORT OF</b>	Interim Chief Executive
<b>SUBJECT</b>	Local Government Reorganisation
<b>STATUS</b>	Open
<b>FORWARD PLAN REF NO.</b>	Not applicable

### **CONTRIBUTION TO OUR AIMS**

Good governance arrangements contribute directly to the achievement of the Council's strategic aims.

### **EXECUTIVE SUMMARY**

The Council is committed to maintaining high standards of governance as it navigates through the complexities of local government reorganisation. This report outlines the emerging position and looks to continue the collaborative working and build upon the foundations as laid out.

### **RECOMMENDATIONS**

It is recommended that Council:

1. Notes the contents of this report, including the contents of both appendices.
2. Supports the following in principle positions:
  - a. That the preference is for North East Lincolnshire to remain within its current administrative boundaries;
  - b. That this option is promoted across Greater Lincolnshire; and
  - c. Continue to explore opportunities to work closely with North Lincolnshire and Lincolnshire County Councils on any Greater Lincolnshire submissions to government.
3. In furtherance of the above Council delegates authority to the Chief Executive to oversee the continuation of the Local Government Re-organisation Working Group and to consult and collaborate with neighbouring authorities, with a view to building the requisite level of detail around the above in principle positions so as to enable submission of a coherent and compliant business case to government at the appropriate time.
4. Authorises the Chief Executive to engage with authorities across Greater Lincolnshire together with appropriate stakeholders (including residents at the appropriate time) regarding matters pertinent to Local Government Re-organisation, with a view to realising the aims of this report.
5. Instructs the Chief Executive to bring a further report to Council prior to submission of the final business case to government.

## **REASONS FOR DECISION**

Through the Local Government Reorganisation Working Group, a position is emerging as to a preferred direction to local government reorganisation.

A council using the existing footprint of North East Lincolnshire Council.

North East Lincolnshire Council has had the same strategic objectives for a number of years. These are recognised throughout the council as the main aims of the organisation - Stronger Economy. Stronger Communities.

This option assumes that a significant refresh of arrangements, governance, and opportunities, especially with the new unitaries of Lincolnshire, would be undertaken in preparation.

This report seeks in principle support from Council to that position, so as to enable continued work to develop understanding with a view to submitting a business case in the time frames expected by central government. The anticipated time frames are set out in the previous report to full council on this subject, dated 20<sup>th</sup> March 2025.

### **1. BACKGROUND AND ISSUES**

- 1.1 Following on from the report of 20<sup>th</sup> March 2025, and consistent with the delegations laid out, the Chief Executive submitted the report to central government as this council's position as to local government reorganisation. Further, the anticipated Local Government Reorganisation Working Group, comprising of the Group Leaders across the Chamber, and supported by appropriate officers has met and various workstreams are falling out of that group.
- 1.2 Universally, political groups wished to see the status quo continue with little change to North East Lincolnshire but if compelled, several other broad-brush proposals were suggested.
- 1.3 Since submission, feedback has been received from central government and this is set out at Appendix B
- 1.4 The feedback sought to capture all submissions made on a Greater Lincolnshire footprint, from all unitaries and districts, and so is by necessity diluted and non-specific to individual proposals. The feedback does not seek to discount or support any proposals at this early formative stage, but what is clear is the notion of flexibility from the stated tenets of the 'English Devolution White Paper' published on 16<sup>th</sup> December 2024. For instance, an area population density of 500,000 residents now appears to be guidance rather than a requirement.
- 1.5 Taking the position statement of 20<sup>th</sup> March 2025 as this Council's proposal, work has begun to work up data and insights with a view to formulating a business case to support the stated wish of the political groups. This appears at Appendix A and sets out various heads of terms and facets of the council's business that

are relevant to local government reorganisation and which will ultimately be considered by government.

- 1.6 At this early stage, Appendix A is to be considered an outline only, upon which further detail needs to be added, but it gives a flavour of the challenges and opportunities which present themselves. The appendix seeks to capture these key issues, but it is accepted that the exercise is incomplete and further detail and consideration is required. The appendix is shared to give all members an appreciation of the direction being taken.
- 1.7 The appendix is supported by the Local Government Reorganisation Working Group and although this is still a work in progress and may be subject to adjustments, is shared in the interests of transparency and to inform members of the range of likely aspects being impacted by proposals.
- 1.8 Council will no doubt accept that work is still at its early stages and that a further report will be forthcoming prior to final business case submission.
- 1.9 For the sake of completeness, following on from the report to Full Council of 20<sup>th</sup> March 2025, there has been no further word as to any anticipated change to our election cycle and therefore the position outlined at that time still stands, in that the 2026 local election will be by thirds.

## **2. RISKS, OPPORTUNITIES AND EQUALITY ISSUES**

- 2.1 At the moment the Council, and others across the country, have been invited to participate in preparatory stages for local government reorganisation. This is at the behest of the Minister of State for Local Government and English Devolution following publication of the English Devolution White Paper. A White Paper has no force of law but is a policy document produced by government that outlines proposals for future legislation.
- 2.2 There is a risk that if the Council does not engage and ensure that it is in a state of preparedness, then it may be “done to” than “done with” as there is no apparent bar to another authority making proposals that may affect the administrative area of the Council.

## **3. OTHER OPTIONS CONSIDERED**

- 3.1 The Council could take the view that as the White Paper has no force of law, the mobilisation of resource should wait until there is a statutory basis for engagement to enable the Council to continue to deliver on its priorities.
- 3.2 However, this stance could conceivably lead to the Council, its residents, businesses and wider stakeholders and partners positions being prejudiced.
- 3.3 It is therefore recommended that work continues along the theme as set out at Appendix A, consistent with the stated will of Council.

#### **4. REPUTATION AND COMMUNICATIONS CONSIDERATIONS**

There are both positive and negative reputational issues generally arising out of local government reorganisation agenda. The Council is taking an incremental approach and at each waypoint, such issues will be considered and appropriately acted upon.

#### **5. FINANCIAL CONSIDERATIONS**

The financial impacts of local government reorganisation are significant and wide reaching. At this stage it is not possible to quantify or estimate either the costs or benefits. As the proposal is developed, there will be detailed analysis and due diligence carried out to better enable all to understand the financial implications.

As this work is still ongoing, it is suggested that Council receives a further report prior to submission of a final business case.

#### **6. CHILDREN AND YOUNG PEOPLE IMPLICATIONS**

There are no such implications arising at this early stage however it is important to note that Children's Services is on a significant improvement journey and a statutory direction remains in place. The place-based approach remains critical to the continue transformation.

#### **7. CLIMATE CHANGE, NATURE RECOVERY AND ENVIRONMENTAL IMPLICATIONS**

There are no such implications arising at this early stage.

#### **8. CONSULTATION WITH SCRUTINY**

There has been no consultation with scrutiny at this stage.

#### **9. FINANCIAL IMPLICATIONS**

Whilst there are no financial implications arising directly from this report, should local government reorganisation proposals go forward, they will be significant and long term. Any proposal would need to ensure the financial resilience and sustainability. Careful consideration should be given as to the value for money implications of new proposals to the local tax payer.

#### **10. LEGAL IMPLICATIONS**

10.1 Whilst the White Paper referenced in the report does not have the force of law, the statutory powers enabling local government reorganisation are set out in the Local Government and Public Involvement in Health Act 2007.

10.2 At the moment there are no significant legal implications arising. We are very much at a preparatory stage of formulation of a business case in response to an invitation. There is nothing binding on the Council at this stage.

#### **11. HUMAN RESOURCES IMPLICATIONS**

Whilst there are no people implications arising directly from this report, should local government reorganisation proposals go forward, there will be significant

people implications. Early engagement of the HR function would be essential to be able to provide specific HR advice on the proposals in respect of policy and procedure, and processes, as well as on employment law and contractual obligations.

**12. WARD IMPLICATIONS**

Local government reorganisation would affect all wards within the borough

**13. BACKGROUND PAPERS**

Report to Full Council 20<sup>th</sup> March 2025.

**14. CONTACT OFFICER(S)**

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**SHARON WROOT**

**INTERIM CHIEF EXECUTIVE**

NO RESTRICTIONS

## **APPENDIX A**

### **Local Government Review – an option for North East Lincolnshire**

#### **Executive Summary**

Since 1974, North East Lincolnshire has been aligned directly with both the north and south banks of the Humber. All existing economic activity and future plans, and significant investment, are directly related to this partnership. Local Government Reorganisation (LGR) could destabilise long established strong and effective partnership working across and within the Humber region. Significantly, agreed investment and long-term financial stability are predicated on remaining a viable 'Humber' partner organisation and being an intrinsic part of pan-Humber initiatives, such as Humber Freeport.

This document sets out a statement of current and future plans for the existing borough of North East Lincolnshire. This appendix is designed to support the debate about a new model for local government unitary councils in Lincolnshire, highlighting achievements, challenges and opportunities.

Whilst set out in more detail in the body of this appendix, the following is of particular note.

North East Lincolnshire has significant deprivation indices and health inequalities. Progress is underway to create greater focus through the adoption of Marmot Principles and the development of Marmot Town. The specific nature of the inequalities present means that any widening of the existing boundaries will dilute this work, losing effectiveness.

Adult Social Care services are run in partnership across several organisations and are seen as a national exemplar of collaborative working. Any widening of the boundary may mean the dissolution of this award-winning partnership approach.

Children's Services are on a journey to improvement and any widening of the boundaries would mean that it is harder to concentrate on putting children first.

Community engagement is a beacon of partnership working. Changes to the boundaries would reduce the number of councillors and dilute the direct relationship with these communities. This would likely have a detrimental effect in terms of community isolation and disparate local evidence-based decision making.

North East Lincolnshire Council has two embedded strategic objectives. This document uses these objectives as headings. The document also highlights the potential risks associated with other unitary models that might be preferred across Lincolnshire.

This document assumes that, if a continuing authority model for NEL, NL and Lincolnshire County be supported, NELC would require a significant refresh of arrangements, touching upon governance, democracy, and opportunities, especially with the new unitaries of Lincolnshire and North Lincolnshire, would be undertaken. The significant progress being made in relation to economic development and health objectives would be progressed at pace. Activity, which has been paused, such as the review to be conducted by the Boundary Commission of England, would be completed.

## **Stronger Economy**

### **Close working across the Humber for economic benefits**

North East Lincolnshire is a nationally and internationally important area for industry and our employment sectors are historically different in range and nature to the surrounding count of Lincolnshire and North Lincolnshire.

North East Lincolnshire has 94,800 working age residents, 70,700 are in employment. Of the 69,000 jobs (ONS: Business Register and Employment Survey 2021), over half of the employment base is in the three largest sectors of Manufacturing, Wholesale and Retail trade. The proportion of the jobs in manufacturing, wholesale and retail trades as well as the transport and storage sector are larger than the GB averages in terms of percentage of the total jobs share. In manufacturing that proportion is almost double the GB averages.

Immingham is the UK's largest port by tonnage and surrounding developments across several Enterprise zones are attracting investment in rapidly growing green energy and green industries. The inclusion of the ports of Immingham and Grimsby in the Humber Freeport further raises the profile of the area and offers additional opportunities to investment. Taking advantage of the intrinsic former fishing industry infrastructure and facilities, the Humber Offshore Wind Cluster has become the most established in the UK, with Grimsby docks home to the largest Offshore Wind Operations and Maintenance facilities, servicing 8 offshore wind farms and 28% of all offshore turbines installed in the UK.

Cleethorpes, a mature traditional tourist destination, connected to the east side of Grimsby, is in the process of reinventing itself by developing a C21st all year-round tourism offer supported by significant heritage and levelling up funding streams

Over the last decade, the ability of the local authority to focus its economic growth strategy on our key sectors such as green energy, ports and logistics, and food processing sector has provided us with a unique business proposition and has enabled us to secure significant investment and funding. As a result, our economic prospects have gradually transformed from being behind the curve of economic indicators, to being ahead in the regional landscape. Working with Humber Freeport and partners across the Humber Industrial Cluster has brought further benefits.



The success of our economic growth strategy is supported by up-to-date ONS data. Having historically lagged in measures such as mean average wage and productivity, North and North East Lincolnshire are now 7% more productive than nationally. This contrasts with the overall figures for Greater Lincolnshire where the productivity gap is narrowing, but still behind the national average with a gap of 21.5% in 2011, to 13% in 2019 to 8% in 2022.

With a local median earning of £34,614 a year, North East Lincolnshire now has the highest median earning rate in the region, just below national average, demonstrating the continuing growth in skilled employment in the area.

Retaining the existing boundary would support the council to maintain the momentum already established and underpinned by significant investment, for the development of economic and housing growth, for the medium term. The Humber arrangements, including Humber Freeport, are already realising economic opportunities arising from stronger partnerships with geographic areas sharing a similar economy and sector. Whether LGR could bring additional benefits or detriment in this space on a longer-term perspective would require a complete Economic case and additional expertise to fully determine impact.

### **Housing plans**

Based on up-to-date Housing Market Assessments, the data shows that Greater Lincolnshire contains a number of housing market areas.

North East Lincolnshire has a relatively contained housing market centred on Grimsby but the likelihood of the Western Arc development cannot be understated.. It has a younger population compared to other authorities in Greater Lincolnshire but the proportion of older people age 65+ remains higher than both the region and England. The market area and authority has a relatively imbalanced housing stock, if it is viewed as a self-contained market, with a large private rented sector, dominance of aging terraced housing and limited stock of Affordable Housing.

North East Lincolnshire has a level of home ownership similar to the region and England. However, the share of Social Renters (13.2%) is lower than the national average.

Neighbouring Authorities of North Lincolnshire and East Lindsey, all show a similar pattern of relatively self-contained housing markets within them, and also have small shares of Social Rented housing, which creates difficulties to meet acute housing needs arising within these markets. These challenges may be exacerbated further if authorities with equally unbalanced private to social housing split were merged through LGR. Greater Lincolnshire MCCA is emerging as a new collaborator in this space to strengthen partnership working across Housing Authorities and Social Housing providers, which should bring benefits irrespective of any LGR plans.

Over the past 3 years North East Lincolnshire Council has successfully progressed a number of housing and regeneration initiatives to improve housing availability and viability in Grimsby Town Centre and unlock a number of sites in locations where market housing has historically failed to deliver. This includes achieving priority place status with Homes England and significant investment in Town Centre housing at former Western School and Alexandra Docks.

The pattern of self-contained and stable populations is further supported by data relating to household movements/migration between the two recent census periods. The majority of the NEL population moves are within the existing Council area, which provides a level of consistency in provision of services, from education, health and social care.

In relation to travel to work, daily commuter flow shows a similar limited pattern, with most people living in NEL also working in this area.

### **Local Plan Delivery**

The Plan provides a summary of the need for new homes in each local authority and Greater Lincolnshire as a whole. The Standard Method need figure is calculated by the new PPG methodology, published alongside the NPPF in December 2024. This new method uses the housing stock (dwellings) as the starting point for calculating need before an affordability uplift is applied.

Collectively, the Standard Method calculates the need for 5,614 homes each year across Greater Lincolnshire. The gap between adopted Local Plan requirements and the latest Standard Method housing need figures is 25% - i.e. plans make provision for 25% lower housing growth than is deemed to be needed. Current housing performance varies across the region with Central Lincolnshire delivering above planned requirements by 19% but North and North East Lincolnshire's average delivery rates over 40% below current Local Plan requirements.

In respect of future delivery of Local Plan housing numbers, collaboration across Greater Lincolnshire could bring benefits. Greater Lincolnshire MCCA is emerging as a new collaborator in this space to strengthen partnership across Planning and Housing Authorities, which should bring benefits irrespective of any LGR plans.

### **Stronger Communities**

The existing North East Lincolnshire footprint lends itself to close and effective community working.

### **Humber partnership relationships and operational public service delivery**

North East Lincolnshire has been aligned closely to the Humber since 1974, when Humberside County Council was established. With the dissolution of Humberside, four unitary authorities were formed in 1996. The council maintains close working relationships with both the north bank of the Humber, Yorkshire and Lincolnshire which

needs to continue. This would be at a local government level but also via the recently established Mayoral Combined County Authorities.

Public Services are run on a Humber footprint. Police and Fire and Rescue are delivered across the Humber and coterminous with the North/North East Lincolnshire council footprint. There are risks associated with a different footprint for both Humber and Lincolnshire Police and Fire and Rescue. Effective Emergency Planning arrangements are carried out across the Humber footprint due to the commonality of risk across both Humber banks and the presence of similar industrial sectors.

Currently North East Lincolnshire is part of Humber and North Yorkshire ICB. This means that most of the interaction for health and care is with services within the Humber. We have an ambitious programme of transformation that we need to be focused on to ensure that the health inequalities in North East Lincolnshire do not deteriorate further.. Without full focus on this, the costs to both North East Lincolnshire or any other unitary council configuration would significantly rise year on year if the previous 5 years of data trends continue with pressures on adult social care budgets being most impacted. LGR and the work associated due to the unique arrangements in North East Lincolnshire would essentially limit our ability to deliver health and care transformation to the people of North East Lincolnshire.

### **Population health**

We know our population and have the benefit of a sharper focus on the areas of the borough where change is most needed with five of our 14 wards recognised as major outliers for health inequality and concern about declining healthy life expectancy over the last decade. North East Lincolnshire is a coastal community that is significantly impacted by poor health outcomes associated with longstanding urban deprivation in the Grimsby area but also impacted by challenges arising from an ageing population and the popularity of Cleethorpes as a retirement centre. Its relative geographical isolation and complex secondary transport connections mean that it is difficult for people to access health services away from the area and brings challenges for recruiting into specialist healthcare positions within the area.

Around 10% of our population live in the most deprived 1% of communities in England and we know that addressing the wider determinants of health in these communities is absolutely critical to turning around health and wellbeing. Many people in these communities are old before their time, with much higher rates of cardiovascular, respiratory and musculoskeletal disease amongst people in their fifties and even younger. Therefore, many people fall out of the labour market long before retirement age which is negatively impacting the potential for economic growth.

The urgent need for population health improvement has been recognised by the council with cross party support to become a Marmot Town which will ensure that all council activities have a central focus on health improvement and reducing health inequalities in future years. Our new health and wellbeing strategy is being built around Marmot

principles with key clear priorities identified around employment, housing, education, skills and the food environment. We are also building community led health improvement plans in our most deprived communities, also driven by Marmot.

A plan is in place to embed the Marmot principles not just within the council but across the Place with priorities in healthcare partnership, education and the voluntary sector becoming strategically aligned. We will be working closely with Professor Michael Marmot and University College London to ensure impetus is maintained over the next two years and will be hosting a system wide conference later this year.

There is a major risk that Local Government Reform which heralded the end of a unitary council based in North East Lincolnshire could significantly derail some of our Marmot Town plans as there would inevitably be a shift in focus over the years leading up to reform. This would be a missed opportunity at a time when we have such a strong consensus for transformational change.

### **Children's Services**

Children's Services has been subject to an inadequate Ofsted judgement since 2021, the findings of which are well articulated, this has had a significant impact across the whole organisation.

North East Lincolnshire presents a number of unique challenges that have a significant impact on the complexity of Children's Services work across our borough. Deprivation levels in some areas of the borough are on a par with the most deprived areas across the whole of England. Despite the challenges, a strength of North East Lincolnshire is in its size and location. We are a relatively small community and the partnerships across the whole system are strong and focused on delivering the best for our children and young people. In essence, key to the continued improvement of Children's Services is a place-based approach focusing on whole community working.

Since December 2023, the service has been led by a permanent senior management team, which is accelerating our improvement and transforming our offer. Our workforce is stable and positive about the future however they have clearly articulated that they have chosen to work in a smaller local authority. Significant improvements have been made. However, it is important to note that any changing landscape could destabilise the workforce and be detrimental to the impact on children's lives. We have safely reduced the number of children in our care. Fostering enquiries are increasing, care leavers have suitable accommodation and 6 of our 7 children's homes are now judged to be 'good' by Ofsted. The landscape of schools across NEL is unique given the vast majority of secondary and primary schools are single or multi academy trusts. This requires a nuanced approach in placed based practice, and we have been focused on resetting and strengthening our relationships with our schools over the last 18 months. The council is still on this journey. Aggregation with others as part of the Local Government Reorganisation process will dilute the work and distract from the positive trajectory, we are currently on, which is likely to have a significant impact on children's outcomes.

## **Adult Social Care**

Adult social care has been delivered in an integrated model across several key partnerships for over 20 years. These arrangements are unique and not replicated across any other upper tier local authority in England.

The adult social care and ICB place budget are pooled under an extensive section 75 agreement (currently £210 million) and decisions relating to strategy, finance and delivery are delegated to a Joint Committee, chaired by the Chief Executive of the council, comprising of elected members, ICB representatives and senior council officers.

The delivery of adult social care is delegated to three community interest companies; this means that all the council's statutory Care Act duties are delivered by other organisations. The council commissions jointly with the NHS and the delivery of commissioning, contracts, and quality assurance is done through jointly funded posts with the ICB. Currently the ICB are the host employer.

The introduction of the NHS 10 Year Plan means that the arrangements we have in North East Lincolnshire puts us further ahead of other areas in the delivery of neighbourhood health. Due to the health inequalities gap in North East Lincolnshire we need to further innovate and broaden our integrated approaches to the delivery of health, care and wider council services. We are progressing an accountable care neighbourhood model which would be based on the principles of one plan, one team, one budget.

The potential disaggregation or significant changes to our arrangements would be both disruptive to service delivery but also financially costly. The adult social care budget, unlike most councils, has not ever been overspent and this has been done without significant year on year budget increases from the council. This has been achieved primarily because we have control of market unit costs because everything is jointly commissioned and there is less duplication than that in other areas because of joint decision making, doing things once and pooling budgets. Whilst there are areas of the section 75 that could remain as part of LGR the delivery of core Care Act Duties and commissioning arrangements would need to change. This would cost significant money in posts and time in disaggregating budgets and finding the additional budget to cover the gap that would be left by not working in a fully integrated system. The current arrangements (unless mutually agreed) require a 12 month notice period to exit the section 75. This would need to happen before an LGR vesting day and therefore adult social care preparedness for LGR would be longer because it is likely to require the dissolution of the CIC who solely delivers Care Act Duties. This would be a significant undertaking.

In North East Lincolnshire all core health and care providers are using a single care record. It is highly unlikely that in the event of LGR this would be the system that would be used and therefore the benefit that people have because all health and care professionals are using the one record would be lost.

As part of the health and care integration North East Lincolnshire has a well established Health and Care Partnership that involves all partners in the system. With 4 priorities the first 1001 days of life, young people's resilience, health inequalities and frailty led by different system leaders including the VCSE, there is a commitment and focus on the specific needs of the North East Lincolnshire population, which risks being diluted in any future reorganisation.

### **Community engagement**

Councillors are integral to effective community engagement. Maintaining the existing boundary would allow for the completion and implementation of the Boundary Review. This would have the potential of changing the number of Wards and the number of councillors accordingly. From a community engagement point of view this would still be preferable to the significant reduction in councillor numbers expected for any larger reorganisation.

The relatively small size of the North East Lincolnshire footprint lends itself to strong working partnerships and relationships with the Voluntary and Community sector (VCS) and other community groups through the Sustainable Communities Board, VCS alliance and VCS forum. The strength of these relationships was recognised in the LGA Peer Challenge report published in 2023. The VCSE is vibrant and innovative and is a trusted and equal partner across North East Lincolnshire particularly in the work of the Health and Care Partnership. They work alongside the council delivering holistic and wrap around services in housing, health and care, children's services, skills, finance and debt and information and advice.

The North East Lincolnshire Engagement Strategy is co-produced between the council, VCS and health and delivery continues to be monitored and challenged through a steering group including representatives from all sectors. This is an effective engagement method.

North East Lincolnshire Council has a track record of working closely with government to pilot new ways to improve outcomes for disadvantaged towns and communities, through a focus on regeneration and growth. In 2018, a new Town Deal partnership deal was sealed, with a number of transformative projects for the Grimsby area. It was the first of its kind in the country and marked the beginning of a stronger relationship between central government and local partners to support the regeneration of Greater Grimsby.

The Great Grimsby Town Board was set up to offer strategic direction to the development of Grimsby. Since its establishment, the Board has worked towards developing a sustainable, practical vision for the town through consultation with residents and stakeholders in the for of the Grimsby Town Centre Master Plan. Town Deal funding, together with further success in grant funds such as Future High Street Fund and LUF, has led to a large number of council, Community and Business led regeneration project being in the delivery stage.

Through the grant award for plans for Neighbourhood, the council in partnership with Our Future has worked collaboratively with communities and businesses through workshops and surveys to set out a 10-year vision for Grimsby and develop concepts and priorities that could accelerate change towards a better future. The soon to be published investment plan, has been shaped by community engagement, and reflect the hopes and aspirations of residents and businesses. The pride in place and heritage that is shining through this work, shows the strengths of a small Town like Grimsby, being able to shape their own future by its close connection to its community, on a footprint that makes sense and hard wire community engagement into our future strategies.

This good work could be heavily diluted if the merger with other local authorities both reduces the number of councillors and reduces the number of meaningful local relationships. Important community plans and activity would, at best, slow.

### **Financial efficiencies and funding**

One of the key arguments advanced in favour of local government reorganisation is the need for councils to operate at a scale sufficient to absorb financial shocks and deliver sustainable services. An indicative figure of 500,000 has been quoted by Government. However, North East Lincolnshire Council provides a compelling counterpoint to this assumption.

Despite its relatively modest population of 157,000, the council has consistently demonstrated robust financial stewardship, organisational agility, and the capacity to manage complex challenges without compromising service delivery.

Over recent years, the council has successfully delivered a balanced budget position year-on-year, even in the face of significant external pressures. These include the unprecedented demands of the COVID-19 pandemic and the financial and operational challenges associated with an inadequate Ofsted judgement in children's services. In both cases, the council responded swiftly and effectively, deploying targeted interventions and maintaining service continuity while safeguarding its financial integrity.

Importantly, the council's size does not in itself represent a financial risk under the local government funding model. The funding system is designed to ensure that councils are funded in line with their assessed needs, regardless of their ability to raise income locally. Where there is a gap between local revenue-raising capacity and assessed need, this is addressed through central government funding mechanisms such as Revenue Support Grant, Business Rates Retention, and other targeted grants. As such, the council's smaller tax base does not inherently disadvantage it, nor does it compromise its ability to deliver statutory services or respond to emerging pressures.

Indeed, there is a risk that reorganisation into a larger footprint could dilute the specific needs of North East Lincolnshire within a broader geography. Funding allocations in a merged authority may be spread across a wider area, potentially diverting resources away from the borough's most pressing priorities. The current unitary structure ensures

that funding is directly aligned to local need and that decision-making remains close to communities.

It should be noted that Adult social care funding remains a significant risk to the council, and it is fair to say that the Adult Social Care Precept has not raised the same level of funding as areas with a higher tax base. The Government has recognised this within its latest consultation on Local Government funding and look to be moving towards a grant funding solution for Adult Social Care.

The council's medium-term financial strategy is underpinned by prudent borrowing, strong reserves management, and a clear focus on transformation and efficiency. As of 2024/25, the Council holds general reserves of £8.3 million and earmarked reserves totaling £34.5 million, providing a solid buffer against future volatility. Moreover, the Council has embedded a culture of continuous improvement, with ongoing investment in digital transformation, property rationalisation, and workforce development to enhance long-term sustainability.

Furthermore, the council's strategic alignment with regional priorities—such as the Greater Lincolnshire devolution deal—and its active participation in sector-led improvement initiatives through the LGA reinforce its capacity to operate effectively within the current footprint. The council has always supported the development of a Greater Lincolnshire County Combined Authority, playing an active role in the delivery. Further, the existing economic footprint and partnering across the Humber make this a sensible option despite the smaller size.

In summary, the council's track record of financial prudence, operational resilience, and strategic foresight demonstrates that its current size does not represent a financial risk. On the contrary, it offers a stable and adaptable platform from which to continue delivering for residents and contributing to wider regional ambitions.

### **The costs associated with other unitary models proposed for Lincolnshire**

Existing momentum, positive economic relationships and future plans would be maintained. There would be none of the destabilisation associated with significant local government change at an important point in time when Children's Services are improving, economic plans create financial stability and services such as those in Adult Social Care are regarded as good practice. We would be concerned if Adult Social Services, for example were compelled to change this model. With Children's Services on a positive and improving trajectory, children may be put at risk if the service had to concentrate on reorganisation. Current unitary provision would not be disrupted, and existing commissioning arrangements would be kept.

Existing inequalities and community requirements are well understood. A change to a larger, potentially more remote organisation would slow or completely disrupt future plans around health and mortality.



Well understood, existing strategic risks and issues would be managed directly. Financial Capacity would be limited to that of the existing council. The desire for an option that didn't wholly meet the Government's expectations, could create a reputational risk associated with a lack of compliance.

There is an expectation that this option would still require a review of existing arrangements, creating a new organisation with potentially enhanced or different governance. How the organisation operates with new Lincolnshire unitaries will be needed.

This option would create none of the significant distractions associated with any of the other proposed options, as merging different services together would not be an issue.

The formulation of new unitary councils will include significant unwanted distraction. From the time of the Government decision, through the formation of a shadow organisation, through dual running for at least a year and then integration. This will take up to 5 years.

### **Value for money**

The council has been actively addressing value for money issues through various initiatives and reports. LG Inform key financial indicators provide a balanced view of the Council's financial position and performance relative to its peers, highlighting a limited number of areas where improvements can be made.

Key opportunities for cost savings and performance improvements in areas such as Children's Services, working-age adults, waste, and housing are understood. These efforts form part of NELC's broader strategy to enhance its financial efficiency and ensure that resources are allocated effectively to meet the needs of the community. In relation to central services costs, the council does sit slightly above average but not to any great extent, reflecting the fact that the organisation is a smaller unitary authority.

### **Costs of reorganisation**

While some reorganisation proposals suggest that NELC's scale may limit its resilience, this view overlooks the advantages of its existing unitary status. Unlike more complex merger scenarios, NELC would not incur significant transition costs or face the disruption of disaggregating services and systems. Reorganisation typically involves substantial redundancy and strain costs, particularly where senior management structures are consolidated or service delivery models are reconfigured. While there is some suggestion that pension strain costs could be offset by existing surpluses within the Local Government Pension Scheme, the financial impacts remain material and would need to be managed alongside other transformation pressures. These costs could divert resources away from frontline services and delay the realisation of any theoretical efficiencies. In contrast, the current structure enables the council to focus on delivering outcomes rather than navigating structural upheaval.

There are significant additional costs associated with the delivery of other unitary models for Lincolnshire. Here we have assessed the ‘ballpark’ cost of other likely models. We have only looked at the direct costs to North East Lincolnshire Council and not what the costs associated with the changes to create the new unitary would be.

### **Relationship with Combined County Authority**

The introduction of Integrated Settlements for Mayoral County Authorities (MCAs) represents a significant evolution in local government, moving towards streamlined funding and enhanced devolution for authorities demonstrating strong governance and delivery capacity. While this presents an opportunity, it also introduces strategic risks for smaller constituent councils such as North East Lincolnshire. There is a risk that NELC’s relatively smaller size may limit its influence within the mayoral boundaries, particularly in decision-making processes dominated by larger authorities.

NELC’s unitary status provides operational resilience and autonomy. However, within the Greater Lincolnshire Combined County Authority (GLCCA), its smaller population and budget may reduce its strategic influence. Although the GLCCA Assurance Framework ensures collective agreement on non-mayoral functions, the Mayor’s vote remains pivotal, underscoring the importance of maintaining strong political and officer-level engagement.

To mitigate the risk of disproportionate influence, North East Lincolnshire would need to pursue proactive and strategic engagement within the GLCCA. Key actions include:

- Active participation in thematic groups such as Transport.
- Leveraging existing Humber partnerships for public service delivery and emergency planning.
- Maintaining visibility and leadership in cross-authority working groups and programme boards.

### **Joining with other unitary councils**

The council would need to prepare for the transition to a new unitary. Whilst significant additional costs will be associated with the establishment of that new organisation, North East Lincolnshire Council could have substantial costs to cover.

The CEO would lead the work; a programme director and programme managers would be sourced internally. In some instances, specialist advice would need to be sourced externally. Experience from others tells us that most things other than minimum statutory service provision would stop. The significant cost would be in the delivery of effective service provision for residents.

Additionally,

A communication and engagement campaign for the public, members, staff and partners equating to approximately £50,000.

There would also need to be a review of all technology provision and a review of all contracts to understand synergies, opportunities and risks. This would be done 'in house' at the detriment of other important improvements.

A review would need to be undertaken with partners, to see how the council disaggregates any existing services that are run across a different footprint, especially those that are delivered on a Humber-wide or even Yorkshire-wide footprint.

How Adult Social Care and Children's Services, can operate effectively from 'day one' to reduce risk - this figure is currently unknown but could be substantial. Children's Services remains subject to a statutory direction – unique to NEL. It will be difficult to maintain improvement momentum with any form of service merger required.

The potential costs associated with any future change of Adult Social Care services arrangements would necessitate a TUPE transfer of significant numbers of staff along with the need to harmonise terms and conditions. This might likely run into the millions.

Specialist consultancy advice. This is likely to be in the form of management consultants, financial specialists, pensions advisors, employment support for people made redundant. Specialist advice would cost in the region of £100,000.

There would be the distraction of dual running, in shadow format for at least a year. This would be alongside the possibility that North East Lincolnshire senior staff might be successfully appointed to the new organisation and thus running 2 sets of services at once. This will create additional cost for the council. There will need to be backfill, interim or acting arrangements put in place. We are unable to assess the costs at this time. If the CEO, S.151 Officer and Monitoring Officer were all successful NELC could struggle for capacity for over a year before inception in 2028.

Backfill arrangements will be a significant cost, likely for the year prior to formation. We would expect to have to second a head of service level post for all the major service areas and especially Children's and Adult Social Care. This could realistically be 5 posts to backfill. A current head of service post ranges from £63,000 to £75,000.

Redundancy costs – any option that merges services will need less senior management roles and fewer of the very specialised roles across the organisation. This will create the need for redundancies and the costs associated. The council has a redundancy cap of £30,000. There would be a worst-case scenario would include significant numbers of staff being made redundant. Pension 'strain' costs. will be significant. For example, for a 57-year-old with 30 years' service we could be looking at strain costs in excess of £200,000.

### **Joining with unitary, district and county council services**

Whilst many of the activities would be the same, the scale and complexity would be more costly. Matching ICT systems, contracting arrangements and budgets for some 4 or 5 councils would likely cost millions over a period of 5 years. Creating effective delivery from merged services would take significant leadership, alignment, system, contract and procedural changes. The cost would depend on the scale of the service.



Ministry of Housing,  
Communities &  
Local Government

3 June 2025

## **LOCAL GOVERNMENT REORGANISATION**

### **INTERIM PLAN FEEDBACK: LINCOLNSHIRE, NORTH LINCOLNSHIRE AND NORTH EAST LINCOLNSHIRE**

To the Chief Executives of:

Boston Borough Council

City of Lincoln Council

East Lindsey District Council

Lincolnshire County Council

North Kesteven District Council

South Holland District Council

South Kesteven District Council

West Lindsey District Council

North East Lincolnshire Council

North Lincolnshire Council

#### **Overview**

Thank you for submitting your interim plans. The amount of work from all councils is clear to see. 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 proposal(s). 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 following interim plans submitted by Lincolnshire councils:

- The City of Lincoln Council's proposed interim plan.
- The letter and interim plan in relation to Local Government Re-organisation in Greater Lincolnshire from East Lindsey District Council and South Holland District Council.
- The interim plan submitted by Lincolnshire County Council and North Lincolnshire Council.

- The report submitted by North East Lincolnshire Council setting out the preferences of each political grouping regarding local government reorganisation.
- The interim proposals jointly prepared by North Kesteven District Council and South Kesteven District Council and letter of formal recognition from Rutland County Council.
- The interim plan submission from West Lindsey District Council.
- The letter from Boston Borough Council.

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: LINCOLNSHIRE, NORTH LINCOLNSHIRE AND NORTH EAST LINCOLNSHIRE – 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 plans for Lincolnshire, North Lincolnshire and North East Lincolnshire. This feedback does not seek to approve or discount any option, 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 in MHCLG, Alex Jarvis, 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. We welcome the steps you have taken to prepare interim plans and the intentions set out in some of the plans for future joint working (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.**

- 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.
- 2. Each council can submit a **single** proposal for which there must be a clear single option and geography. Councils can and are encouraged to submit joint proposals. We know there can be different views on the best structures for an area, and indeed there may be merits to a variety of approaches. **We would encourage you to work together to reduce the number of proposals under development for the invitation area – this is in the best interests of your valuable time and resources.**
- 3. We note that some proposals submitted cover varying geographies, and that one option under consideration includes Rutland which is not part of the Greater Lincolnshire Combined County Authority (GLCCA) area and sits outside of your invitation area. **As noted in the invitation, it is open to you to explore options with neighbouring councils in addition to those included in the invitation. Where final proposal(s) have implications for a neighbouring invitation area you should consider the impact of your proposals on the whole of the neighbouring invitation area. In addition, we would expect to see engagement and effective data-sharing between council(s) in the invitation area and council(s) in the neighbouring invitation area that are directly impacted. If one or more council(s) in a neighbouring invitation area support the proposal(s) put forward, we would also expect to see this reflected in proposal(s) submitted in response to the letter to the neighbouring invitation area, including a clear single option and geography covering the whole of the neighbouring area, not partial coverage.**
- 4. In some of the options you are considering populations that would be above or below 500,000. As outlined 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.**
- 5. Some of your plans include options which would involve boundary changes. In relation to potential boundary changes, as the invitation letter sets out boundary changes are possible, but “existing district areas should be considered the building

blocks for proposals, but where there is a strong justification more complex boundary changes will be considered”.

The final proposal must specify the area for any new unitary council(s). If a boundary change is part of your final proposal(s), then you should be clear on the boundary proposed, which could be identified by a parish or ward boundary, or if creating new boundaries by attaching a map.

Proposals should be developed having regard to the statutory guidance which sets out the criteria against which proposals will be assessed (including that listed above).

If a decision is taken to implement a proposal, boundary change can be achieved alongside structural change. Alternatively, you could make a proposal for unitary local government using existing district building blocks and consider requesting a Principal Area Boundary Review (PABR) later. Such reviews have been used for minor amendments to a boundary where both councils have requested a review – such as the recent Sheffield/Barnsley boundary adjustment for a new housing estate. PABRs are the responsibility of the Local Government Boundary Commission for England who will consider such requests case-by-case.

6. We welcome the consideration of the implications and benefits of unitarisation for GLCCA in proposals. Across all local government reorganisation proposals further information would be helpful on the implications of the proposed options for the governance arrangements of GLCCA. It would also be helpful to outline how each option would interact with GLCCA and best benefit the local community. We would also recommend consulting with the new Mayor of GLCCA. We note that some of the interim plans include Rutland, which is not part of the GLCCA area. For proposals that include this option, we would welcome further information on the impact this would have on GLCCA.

### **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. Direct Ministerial engagement with Leaders**

We note your request for direct engagement with Ministers as you develop your proposals.

We are committed to supporting all invited councils equally while they develop their proposal(s). Alex Jarvis has been appointed as your MHCLG point person and is ready to engage with the whole area and support your engagement with government as a whole.

#### **2. Capacity funding**



You asked for adequate capacity funding to support final proposal development and support to ensure that the benefits of devolution can be realised alongside local government reorganisation.

£7.6 million will be made available in the form of proposal development contributions, to be split across the 21 areas. Further information will be provided on this funding shortly.

### **3. Implementing the Funding Review and protection from the impacts of funding reform**

You requested that Government introduce the Fairer Funding Review in order to help councils deliver local government reorganisation.

Government recently consulted on funding reforms and confirmed that some transitional protections will be in place to support areas to their new allocations.

Further details on funding reform proposals and transition measures will be consulted on after the Spending Review in June. We will not be able to provide further clarification on future allocations in the meantime but are open to discussing assumptions further if we can assist in financial planning.

### **4. Review of the boundaries of GLCCA**

We note that several interim plans either described the uncertainty arising from the Government's intention to review the boundaries of GLCCA or requested that Government abandon the boundary review entirely so that local government reorganisation can proceed on an agreed footprint.

The letter sent to Greater Lincolnshire leaders in November 2024 set out that we consider this devolution agreement the first step in Greater Lincolnshire's journey on devolution. It also stressed that together we would review the effectiveness of governance arrangements across the Humber and Lincolnshire to deliver successful economic and public service outcomes to ensure that the benefits of devolution are being maximised for yourselves and your communities; it is essential this review continues.

We would welcome further assessment in the final proposal(s) of how the proposed unitary structures would work with the new Combined Authorities across the Humber and Lincolnshire area to the benefit of local communities.

### **5. Long-term and ongoing financial pressures.**

We note the issue raised about long-term financial pressures on local authorities and the potential implications of local government reorganisation.

In terms of transitional costs, as per the invitation letter, we expect that areas will be able to meet transition costs over time from existing budgets, including from the flexible

use of capital receipts that can support authorities in taking forward transformation and invest-to-save projects.

It would be helpful if detail on the councils' financial positions and further modelling is set out in detail in the final proposal(s).

## **6. Timescales**

You expressed concern about the timelines set for local government reorganisation and noted the time pressures on discussions to reach a local consensus on a preferred option ahead of the November deadline.

The deadline for submissions has been designed to give areas as much time as possible to develop their final proposal(s). The timescales for submission are generally more generous than in previous reorganisation exercises. We recognise your hard work to develop interim plans and encourage you to continue to work together to build strong relationships and further agree ways of working, so as to develop your final proposal(s) for November.

As above, Alex Jarvis has been appointed as your MHCLG point person and will be ready to engage with the whole area, to support you to enable this work to continue at pace.

## **7. Structures**

With regard to GLCCA, you raised the process of transition from existing two-tier arrangements to new constituent councils post local government reorganisation.

We expect that unitarisation will mean that GLCCA will become a combined authority, following reorganisation and that all of the unitary councils within the combined authority's footprint would become constituent members. We will set out further detail on the process of this transition in due course, and are happy to discuss this with you further. As above, across all local government reorganisation proposals further information would be helpful on the implications of the proposed options for the governance arrangements of GLCCA.

## **8. Internal Drainage Boards**

You noted that funding arrangements for the Internal Drainage Boards remain a significant concern for a number of authorities within Greater Lincolnshire.

Internal Drainage Boards (IDBs) play a crucial role managing water levels and flood risk. MHCLG recognises the need for a long-term solution and is working with Defra to explore potential approaches. In line with the previous two years, the Government announced at the provisional 2025/26 Local Government Finance Settlement that it will provide £3 million in funding for authorities most impacted by Internal Drainage Board Levies. This grant has been uplifted at the final settlement to £5 million in recognition of the continued increases in IDB levies.

## **9. Clarity around the application of criteria**

You asked for clarity on the application of criteria, especially around population size, to ensure you are working within the parameters of the Government's guidance.

As above, the population size of 500,000 or more 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.

The criteria are not weighted. Our aim for this feedback is to support areas to develop final proposals that address the criteria and are supported by data and evidence. Decisions on the most appropriate option for each area will be judgements in the round, having regard to the guidance and the available evidence.

#### **10. Speed of decision-making**

You asked for government to commit to providing meaningful feedback within a timeframe that enables you to progress your work as efficiently as possible.

This is our feedback to support you to develop your final proposal(s). As above, Alex Jarvis has been appointed as your MHCLG point person and will be ready to engage with the whole area to enable this work to continue at pace.

#### **11. The allocation of a named civil servant that will lead discussions locally**

As above, Alex Jarvis has been appointed as your MHCLG point person and will be ready to engage with the whole area, to enable this work to continue at pace.

**ANNEX A: Detailed feedback on criteria for interim plan**

<b>Ask – Interim Plan Criteria</b>	<b>Feedback</b>
<p>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.</p> <p>Relevant criteria:</p> <p>1 c) 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</p> <p>and</p> <p>2 a-f) - Unitary local government must be the right size to achieve efficiencies, improve capacity and withstand financial shocks</p> <p>and</p> <p>3 a-c) Unitary structures must prioritise the delivery of high quality and sustainable public services to citizens</p>	<p>We welcome the initial thinking on the options for local government reorganisation in Lincolnshire, North Lincolnshire and North East Lincolnshire and recognise that this is subject to further work. We note the local context and challenges outlined in the proposals 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 of any preferred model would be welcomed.</p> <p>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 would 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.</p> <p>For final proposal(s) 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.</p> <p>Where there are proposed boundary changes, the proposal should provide strong public services and financial sustainability related justification for the change.</p> <p>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.</p> <p>Given the financial pressures you identify it would be helpful to understand how efficiency savings have been considered alongside a sense of place and local identity.</p> <p>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 criteria 1 and 2, you may wish to consider the</p>

	<p>following bullets that it would be helpful to include in a final proposal:</p> <ul style="list-style-type: none"> <li>• 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</li> <li>• information on the counterfactual against which efficiency savings are estimated, with values provided for current levels of spending</li> <li>• a clear statement of what assumptions have been made and if the impacts of inflation are taken into account</li> <li>• a summary covering sources of uncertainty or risks, with modelling, as well as predicted magnitude and impact of any unquantifiable costs or benefits</li> <li>• where possible, quantified impacts on service provision, as well as wider impacts</li> </ul> <p>We recognise that financial assessments are subject to further work. The bullets below indicate where further information would be helpful across all options. As per criteria 1 and 2 it would be helpful to see:</p> <ul style="list-style-type: none"> <li>• additional 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</li> <li>• further 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</li> <li>• 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</li> <li>• financial sustainability both through the period to the creation of new unitary councils as well as afterwards</li> </ul> <p>We welcome the thinking you have already begun around mitigating risk regarding social care and aligning with Integrated Care Boards, the thinking around the impact different models will have on social</p>
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	<p>care and, in some instances, alternative models to deliver social care services across Lincolnshire.</p> <p>For proposals that would involve disaggregation of services, we would welcome further details on how services can be maintained, such as social care, children's services, SEND, homelessness, and for wider public services including public safety. Under criterion 3c you may wish to consider:</p> <ul style="list-style-type: none"> <li>• how each option would deliver high-quality and sustainable public services or efficiency saving opportunities</li> <li>• what would the different options mean for local services provision, for example: <ul style="list-style-type: none"> <li>• 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?</li> <li>• what is the impact on adults and children's care services? Is there a differential impact on the number of care users and infrastructure to support them among the different options?</li> <li>• what partnership options have you considered for joint working across the new unitaries for the delivery of social care services?</li> <li>• do different options have variable impacts as you transition to the new unitaries, and how will risks to safeguarding to be managed?</li> <li>• do different options have variable impacts on schools, support and funding allocation, and sufficiency of places, and how will impacts on school be managed?</li> <li>• what impact will there be on highway services across the area under the different approaches suggested?</li> <li>• 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?</li> </ul> </li> </ul> <p>We welcome the desire to maximise the opportunity for public service reform, and it would be helpful for you to provide more details on your plans so we can explore how best to support your efforts.</p>
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<p>Include indicative costs and arrangements in relation to any options including planning for future service transformation opportunities.</p> <p>Relevant criteria:</p> <p>2) Unitary local government must be the right size to achieve efficiencies, improve capacity and withstand financial shocks.</p> <p>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.</p>	<p>We welcome the indicative views on the potential costs and the type of activity that they will fund.</p> <p>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.</p> <ul style="list-style-type: none"> <li>• within this it would be helpful to provide more detailed analysis on expected transition and/or disaggregation costs and potential efficiencies of proposals. This could include clarity on methodology, assumptions, data used, what year these may apply and why these are appropriate</li> <li>• 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?</li> <li>• where it has not been possible to monetise or quantify impacts, you may wish to provide an estimated magnitude and likelihood of impact</li> <li>• summarise any sources of risks, uncertainty and key dependencies related to the modelling and analysis</li> <li>• detail on the estimated financial sustainability of proposed reorganisation and how debt could be managed locally</li> </ul> <p>We welcome the 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).</p>
<p>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 balance the unique needs</p>	<p>We welcome the early views provided in some proposals for councillor numbers, which we will be sharing with the Local Government Boundary Commission for England (LGBCE).</p> <p>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.</p>

<p>of your cities, towns, rural and coastal areas, in line with the Local Government Boundary Commission for England guidance.</p> <p>Relevant criteria:</p> <p>6) New unitary structures should enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment.</p>	<p>New unitary structures should enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment.</p> <p>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.</p> <p>In 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 area committees.</p>
<p>Include early views on how new structures will support devolution ambitions.</p> <p>Relevant criteria:</p> <p>5a-c) New unitary structures must support devolution arrangements.</p>	<p>We welcome your consideration of the devolution implications.</p> <p>Further information would be helpful on the implications of the proposed local government reorganisation options for the governance arrangements in GLCCA. It would also be helpful to outline how each option would interact with GLCCA and best benefit the local community. We note that some of the interim plans include Rutland, which is not part of the GLCCA area. For proposals that include this option, we would welcome further information on the impact of this would have on GLCCA.</p> <p>You should also consider how your options will affect cross boundary working, especially in relation to pan-Humber arrangements and joint working with the Hull and East Yorkshire Combined Authority (HEYCA). We would also recommend consulting with the new Mayor of both GLCCA and HEYCA.</p>
<p>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.</p> <p>Relevant criteria:</p> <p>6) New unitary structures should enable stronger community engagement and deliver genuine</p>	<p>We welcome your update against criterion 6, setting out your engagement thus far, and note your plans for further engagement. It is for you to decide how best to engage locally in a meaningful and constructive way with residents, voluntary sector, local community groups and councils, public sector providers, such as health, police and fire, and local businesses to inform your final proposal(s).</p> <p>For proposals that involve disaggregation of services, you may wish to engage in particular with those residents who could be affected.</p> <p>It would be helpful to see detail that demonstrates how local ideas and views have been incorporated</p>



<p>opportunity for neighbourhood empowerment.</p> <p>a) Proposals will need to explain plans to make sure that communities are engaged.</p> <p>b) Where there are already arrangements in place it should be explained how these will enable strong community engagement.</p>	<p>into the final proposal(s), including those relating to neighbouring authorities where relevant.</p>
<p>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.</p> <p>Relevant criteria:</p> <p>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.</p>	<p>We welcome the indicative costs set out in some plans and recognise that work is ongoing to consider the costs of preparing proposals and standing up an implementation team.</p> <p>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.</p> <p>As above, £7.6 million will be made available in the form of proposal development contributions, to be split across the 21 areas. Further information will be provided on this funding shortly.</p>
<p>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</p>	<p>We welcome the commitments made to work together to develop proposals that are in the best interest of the people of Lincolnshire (see criterion 4).</p> <p>Effective collaboration between all councils will be crucial; areas will need to build strong relationships and agree ways of working, including around effective data sharing.</p> <p>This will enable you to develop a robust shared evidence base to underpin final proposal(s) (see criterion 1c).</p>

<p>will affect the future success of any new councils in the area.</p> <p>Relevant criteria:</p> <p>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.</p>	<p>If your final proposal(s) include a neighbouring council(s) from outside of the invitation area then significant engagement between council(s) in the invitation area with any council(s) outside the invitation area that are directly impacted would be helpful during the development of proposal(s), including through effective data-sharing.</p> <p>Should Rutland County Council wish to be included in proposals submitted by a council(s) in Lincolnshire, we would expect collaboration between councils in Leicestershire and Lincolnshire to further develop proposals, and to ensure that the implications of both areas' plans are fully considered within proposal(s) submitted by council(s) in each area.</p> <p>Each council in an area can submit a single proposal for which there must be a clear single option and geography. Councils can and are encouraged to submit joint proposals. We would encourage you to work together and reduce the number of proposals under development for the invitation area.</p>
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