

STROUD DISTRICT COUNCIL

COUNCIL

THURSDAY, 20 MARCH 2025

Report Title	Initial Proposals for Local Government Reorganisation in Gloucestershire
Purpose of Report	To enable the Leaders of Gloucestershire County Council and the six district councils in Gloucestershire to jointly respond to the Government's formal invitation by its deadline of 21 March 2025 setting out Gloucestershire's progress on the development of interim plans for Local Government Reorganisation.
Decision(s)	<p>The Council RESOLVES to:</p> <ul style="list-style-type: none">a) note the work under way across Gloucestershire in response to the formal invitation from Government to develop proposals for Local Government Reorganisationb) delegate authority to the Chief Executive in consultation with the Leader of the Council to work with the county council and five other district councils to finalise and submit the attached joint letter of response to Government, together with any associated appendices, setting out progress on the development of interim plans for Local Government Reorganisation in Gloucestershire in accordance with Government's guidance and criteriac) delegate authority to the Chief Executive in consultation with the Leader of the Council to collaborate with the Chief Executives and Leaders of the county council and five other district councils to progress the further development of initial plans for Local Government Reorganisation in Gloucestershire, noting the current lack of alignment between the councilsd) note that a further report will be brought to Council to agree support for the submission of final proposals for Local Government Reorganisation in Gloucestershire prior to the Government deadline of 28 November 2025e) agree to assess final proposals for Local Government Reorganisation in Gloucestershire in accordance with the principles set out at paragraph 3.3 in addition to the criteria set out by Government.

<p>Consultation and Feedback</p>	<p>As these are interim plans which have had to be prepared at pace, there has been limited engagement on proposals to date. This has been confined to Leaders and Chief Executives of Gloucestershire County Council, Cheltenham Borough Council, Cotswold District Council, Forest of Dean District Council, Gloucester City Council, Stroud District Council and Tewkesbury Borough Council.</p> <p>As part of local government reorganisation, the Government has set out guidelines for consultation which includes:</p> <ul style="list-style-type: none"> • Relevant Mayor and elected representatives such as MPs • The Integrated Care Board • Police and Crime Commissioner • Higher Education and Further Education providers • Voluntary and Community Sector • Town and Parish Councils 			
<p>Report Author</p>	<p>Kathy O'Leary, Chief Executive Email: kathy.oleary@stroud.gov.uk</p>			
<p>Options</p>	<p>Council could effectively opt to do nothing by opting not to delegate authority to the Chief Executive in consultation with the Leader of the Council to finalise the joint letter and opting not to delegate authority to the Chief Executive in consultation with the Leader to work collaboratively with the Leaders and Chief Executives of the county council and five other district councils in Gloucestershire to progress interim plans. This is not recommended, not least because the Government has indicated that devolved powers and more resources will be transferred to those areas that take forward devolution opportunities. All seven councils have worked to agree the joint response to the Government's formal invitation which is appended to this report, and any councils that do not sign it risk being marginalised in progressing further the interim plans for Local Government Reorganisation in Gloucestershire. It is recommended that Stroud District Council engages fully to ensure that in reshaping local government, it works to achieve the best possible outcomes for its residents, businesses, communities and its staff.</p>			
<p>Background Papers</p>	<p>None</p>			
<p>Appendices</p>	<p>Appendix A – Letter to the Leaders of the top two-tier councils in Gloucestershire, dated 5 February 2025 Appendix B – Draft letter of response from the Leaders to Government</p>			
<p>Implications (further details at the end of the report)</p>	<p>Financial</p>	<p>Legal</p>	<p>Equality</p>	<p>Environmental</p>
	<p>No</p>	<p>Yes</p>	<p>No</p>	<p>No</p>

1. Introduction / Background

- 1.1 The English Devolution White Paper was published on 16 December 2024. It sets out the Labour Government's intention to transfer powers and funding from central government to local government, specifically by building on the current pattern of Mayoral Combined Authorities to create a Statutory Devolution Framework of Strategic Authorities across the whole country and devolving powers and funding to them.
- 1.2 The White Paper also set out the Government's intention to simplify and streamline the structure of local government sitting underneath Strategic Authorities, by requiring the remaining areas of England which are governed by the two top tiers of county and district councils to form unitary councils of about 500,000 in population, alongside Town and Parish Councils at the more local level. Two, three or more new unitary councils would combine to form Strategic Authorities of about 1.5m in population.
- 1.3 The Government set out its expectation that new unitaries would need to:
 - Be the right size to achieve efficiencies, improve capacity and withstand financial shocks (that is, have a minimum population size of 500,000)
 - Prioritise the delivery of high quality and sustainable public services
 - Meet local needs and be informed by local views
 - Support devolution arrangements
 - Enable stronger community engagement and neighbourhood empowerment.
- 1.4 Subsequently the Government has stated that it will consider exceptions to the above guidance, accepting that there may be areas in England where this population size guidance does not make sense locally, so proposals for smaller unitary councils would be considered where they could be justified.
- 1.5 Also on 16 December 2024, the Government wrote to the leaders of county and district councils in England setting out Government's intention to write again by the end of January 2025 to formally invite them and neighbouring small unitary councils to work together on proposals for local government reorganisation to form unitary councils, meaning that county and district councils, and some small neighbouring unitary councils, would merge together to form a single tier of local government.
- 1.6 The Government's letter indicated that for those areas of England that wanted to proceed more rapidly with devolution to mayoral strategic authorities and local government reorganisation, it would consider laying legislation to postpone county council elections planned for 1 May 2025. This would allow for elections to new strategic authorities and / or unitary councils to be held in May 2026, with the new authorities fully taking over in April 2027. Gloucestershire County Council's Cabinet met in early January and its Leader wrote to the Government by its deadline of 10 January to request the postponement of its May elections. At the same time, the Leader of Stroud District Council co-signed a letter with four of the other five district council leaders in Gloucestershire opposing the proposal to postpone the elections.
- 1.7 The Government subsequently decided that Gloucestershire County Council elections would proceed as planned on 1 May 2025. Gloucestershire is not on the fast track as part of the Devolution Priority Programme. Whilst the Ministry of Housing, Communities and Local Government suggests that this means that in Gloucestershire and all other county and district areas, we could expect to have elections to shadow unitary councils in May 2027 with those going live in April 2028.

- 1.8 The Government wrote a further letter to the Leaders of Gloucestershire County Council and the six district councils on 5 February 2025, formally inviting proposals for local government reorganisation in Gloucestershire. The letter is attached at Appendix A together with its annex comprising the formal invitation and a schedule setting out Government guidance and criteria for unitary local government.
- 1.9 The letter sets out the expectation for local leaders to work collaboratively and proactively to develop robust and sustainable unitary proposals that are in the best interests of Gloucestershire, rather than submitting competing proposals. The letter asks for interim plans to be submitted by 21 March 2025 in line with the appended guidance and criteria. It indicated that Government officials would provide feedback to help support the development of final proposals to be submitted by 28 November 2025.

2. Gloucestershire's response

- 2.1 Following the receipt of the first letter from Government in December, the county council and six district councils in Gloucestershire established a programme of work in January to develop proposals for consideration. Initially, a number of countywide officer-level workstreams have been set up to help respond to the Government's formal invitation to submit interim plans by 21 March and further develop these by 28 November. These workstream groups have been meeting regularly and working at pace, co-ordinated by the Chief Executives and overseen by a political leadership board comprising the leaders of the county council and six districts. The workstreams are:
- Programme management – planning and co-ordinating programme activities, and managing risks and issues logs.
 - Vision and ambition – setting out vision and ambition for place in Gloucestershire.
 - Place model – looking at issues and options for locality working and governance, which includes Town and Parish Council, Voluntary and Community Sector, Police and Health representatives.
 - People and culture – setting out principles, values and ways of working.
 - Communications – developing a stakeholder map and plan, considering how community engagement may be undertaken and consistency of regular internal and external communications.
 - Strategic / Combined Authority options – options appraisal, developing proposals
 - Unitary options – options appraisal, developing proposals.
 - Liaison with the Ministry of Housing Communities and Local Government (MHCLG) – negotiation and information sharing.
- 2.2 It is acknowledged that workstreams will change and expand their focus as the work on local government and reorganisation develops.
- 2.3 These proposed changes will have fundamental impacts on the way that our district and county are governed, but the tight timeline to date has not allowed for community consultation and engagement. The communications workstream is mapping opportunities to engage with our communities and Town and Parish Councils throughout the process of determining local government reorganisation and the options for devolved power. A Stroud District Town and Parish Council Forum held on 5 March included presentations on local government reorganisation from the perspective of both the district council and Town and Parish Council representatives on the Place Model workstream identified

above. The English Devolution White Paper is largely silent on the role of Town and Parish Councils and more detail from Government is expected.

- 2.4 Work to date has resulted in officers drafting an interim response letter to the Government for the seven Leaders and their Councils to consider. This is attached at Appendix B. It will continue to be worked on up to the 21 March deadline, which is why recommendation b) seeks delegated authority for the Chief Executive in consultation with the Leader to finalise and agree the submission of the letter, together with any associated appendices. At the time of finalising this report, two appendices, not yet available, are expected to be submitted alongside the letter, supporting the first two of the three unitary options set out below at paragraph 2.5 and prepared by the lead authorities identified.
- 2.5 At this stage there are three main local government reorganisation proposals currently being put forward by partners in Gloucestershire, reflected in the draft letter at Appendix B. These are:
- A single unitary proposal covering the whole county of Gloucestershire (population 660,000). This is being led by Gloucestershire County Council.
 - Two unitary councils, broadly aligning with the district boundaries in the east of the county (Cheltenham, Cotswold and Tewkesbury, population 310,000) and the west of the county (Gloucester, Forest of Dean and Stroud District, population 350,000). This is being led by Cheltenham Borough Council.
 - Two or three unitary councils, one of which would be based around the historic cathedral city of Gloucester, but with expanded boundaries to reflect its relationship with the surrounding areas that might more naturally identify Gloucester as their urban centre. This is being led by Gloucester City Council.
- 2.6 The draft letter at Appendix B also responds to the Government's formal invitation to include early views on how new local government structures will support devolution ambitions. The Secretary of State has indicated that Government aims to 'complete the map' for devolution in England and work towards all areas having an elected Mayor. The principles identified by Government for assessing Strategic Authority geographies include:
- scale (default assumption 1.5 million or more)
 - sensible economic geographies
 - contiguity across constituent councils
 - no 'devolution islands'
 - effective delivery of key functions
 - alignment with other public sector boundaries, and
 - local identity.
- 2.7 There is a range of options for forming or joining a Strategic Authority that are currently under consideration:
- Joining the West of England Combined Authority (WECA) to the south west of Gloucestershire, which comprises South Gloucestershire, Bristol City and Bath and North East Somerset (BANES) unitary councils. Whilst the pathway to join an existing Mayoral Combined Authority is not confirmed, Government has indicated that if there is local ambition to do so, it can legislate to permit this, in line with the assurances given to North Somerset Council which also has an ambition to join

WECA. As WECA has mayoral elections on 1 May 2025, the next opportunity for mayoral elections for an expanded WECA area would appear to be in May 2029.

- Creating a new Strategic Authority to the north by combining Gloucestershire with the county areas of Worcestershire and Herefordshire. Whilst this option might present an earlier opportunity to be part of a Strategic Authority, it would not align with Police force boundaries (it would split the West Mercia force).
- Creating a new Strategic Authority to the east with the areas of Oxfordshire and possibly Swindon. This presents the same opportunities and issues as the option above, as it would also not align with Police force boundaries (it would split both Thames Valley and Wiltshire force areas).

2.8 As set out above at paragraph 2.1, one of the countywide workstreams is charged with assessing the relative merits of the above Strategic Authority options. Whilst in Stroud District, we might interpret the Secretary of State's criteria set out at paragraph 2.5 above as best supporting the alignment of Gloucestershire and its future unitary council(s) with the West of England Combined Authority (WECA), the countywide evidence on the different options needs to support this as well as acknowledge the benefits of other options if WECA has to be discounted as an option for any reason.

2.9 In terms of Gloucestershire becoming part of a Strategic Authority with WECA, there are merits in Gloucestershire remaining within the South West Region, strengthening its connections to the regional capital in Bristol, and maintaining the strong economic and strategic ties established through partnerships and joint projects over many years between Gloucestershire and the West of England. These partnerships include the Western Gateway pan regional partnership, the sub-national transport body for the Western Gateway area, partnership on the Local Skills Improvement Plan with Business West, a Chamber of Commerce for the South West Region and colleges across the region. Becoming part of WECA would build on the existing alignment of economic sectors from advanced engineering to green technologies and cyber security, and the strong community and cultural ties between Gloucestershire and WECA.

3. Principles for Assessing Final Proposals for Reorganisation

3.1 It would appear that the primary purpose of local government reorganisation is to achieve financial savings, as set out in the 'criteria for unitary local government' annexed to the letter from Government at Appendix A.

3.2 However, Council will want to ensure that due consideration is given to the criterion that 'new unitary structures should enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment'.

3.3 In this regard, Council may wish to apply the following principles in progressing interim plans for local government reorganisation and deciding on final proposals in Gloucestershire, based on whether they demonstrate:

- Support for the development of inclusive economic prosperity, which meets the needs of all, particularly the most vulnerable members of society.
- An equitable and financially viable council structure which does not exacerbate wealth or service need imbalances.
- Ability to maintain the delivery of key services at a local level to our residents and businesses with a focus on long term effectiveness rather than short term efficiency. Savings to be achieved by economies of scale not service reductions.

- Strengthening of participative democracy including adequate elected representation.
- Alignment with other public service providers and structures which support our parish and town councils and the voluntary and community sector.
- A structure which facilitates continued joint and ambitious working for our local environment, nature recovery and climate action.
- A structure which builds on local identity incorporating best practice from the current councils and ensuring valued local assets are retained for community use.
- A structure which facilitates the delivery of the SDC Council Plan priorities: environment, climate and nature; communities and wellbeing, local economy, housing and working for our communities.

3.4 Recommendation e) sets out the importance of assessing final proposals for local government reorganisation in Gloucestershire against the above principles in addition to the Government's criteria.

4. Conclusion

4.1 Whilst the Government's letter at Appendix A indicates a preference for Gloucestershire to submit a single proposal for local government reorganisation, Government has accepted the possibility of multiple proposals being submitted at this and later stages. The letter at Appendix B sets out the current position in Gloucestershire, reflecting the interim plans being developed, and is planned to be sent from the county council and all six district councils.

4.2 It is recommended that Council notes the work under way (recommendation a), delegates authority to the Chief Executive in consultation with the Leader of the Council to work with the county council and five other district councils to finalise the letter and any associated appendices for submission on 21 March 2025 (recommendation b), and to progress the further development of the work under way (recommendation c), noting that final proposals will be brought back to Council for consideration ahead of submission on 28 November 2025 (recommendation d).

4.3 It is further recommended that in addition to the Government's criteria set out in the annex to the letter at Appendix A, Council agrees to assess the final proposals against the principles set out at paragraph 3.3 above (recommendation e).

5. Implications

5.1 Financial Implications

There are no direct financial implications from the decisions presented within this report.

Stroud District Council has incurred no costs on this work to date apart from officer time, although this has been considerable. As interim plans develop further it is possible that there may be a requirement to contribute to financial costs. The outturn process soon to take place at the end of the 2024/25 year will consider whether it is necessary to set sums to one side for this purpose.

If any funding is required in advance of the outturn the Deputy Chief Executive will consult with the Leader as to whether any initial allocations from the General Fund Equalisation Reserve would be required. If such costs do materialise they are not likely to be substantial and would be reported in full back to this Committee.

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5.2 Legal Implications

The Secretary of State for Housing, Communities and Local Government has powers under Part 1 of the Local Government and Public Involvement in Health Act 2007 to invite areas to submit proposals for local government reorganisation. The Secretary of State has exercised those powers in his letter to councils dated 5 February 2025.

Some of the local government reorganisation options under consideration may involve principal area boundary reviews, which if accepted would be conducted under various legislation.

The Secretary of State has powers under the Local Democracy, Economic Development and Construction Act 2009 (Part 6 – Economic Prosperity Boards and Combined Authorities) to make an Order for the creation of a Combined Authority referred to as Strategic Authority in the English Devolution White Paper.

The Government intends to introduce the English Devolution Bill in 2025 putting into effect the Devolution Framework set out in the English Devolution White Paper published on 16 December 2024.

While there will be significant legal implications in the restructuring of local government, this report sets out interim proposals for which there are no direct legal implications at this stage.

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5.3 Equality Implications

An EIA is not required at this stage. Interim plans may be progressed to form final proposals for Local Government Reorganisation in Gloucestershire which may have equality implications for residents of the county.

5.4 Environmental Implications

There are no significant environmental implications at this early stage of the development of interim plans for local government reorganisation in Gloucestershire, but the full implications of environmental implications will need to be considered as proposals progress.