
Local Government Re-organisation: Transforming Worcestershire
Local government that works for people, powered by place and built for the future - The North and South Local Government Re-Organisation Proposal for Worcestershire

Relevant Portfolio Holder	Councillor Sharon Harvey, Leader and Portfolio Holder for Regeneration and Environmental Services
Portfolio Holder Consulted	Yes
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Wards Affected	All
Ward Councillor(s) consulted	N/A
Relevant Council Priority	All council priorities
Key / Non – Key Decision	
If you have any questions about this report, please contact the report author in advance of the meeting.	

1.0 RECOMMENDATIONS

Members are asked to

- 1.1 NOTE the matters set out in the Local Government Reorganisation Transforming Worcestershire proposal: Local government that works for people, powered by place and built for the future - The north and south Local Government Re-Organisation Proposal for Worcestershire attached at Appendix 1; and**

RESOLVE

- 1.2 To adopt the Local Government Reorganisation Transforming Worcestershire proposal: Local government that works for people, powered by place and built for the future - the north and south Local Government Re-Organisation Proposal for Worcestershire, as the Council's final submission to the Ministry of Housing Communities and Local Government ("MHCLG") on the issue of Local Government Re-organisation.**
- 1.3 That authority be delegated to the Chief Executive and the Assistant Director of Legal Democratic and Procurement Services to make any final amendments to Appendix 1 following consultation with the Leader and thereafter to submit the document to the MHCLG by the deadline of Friday 28th November 2025.**

2.0 BACKGROUND

- 2.1 This is the third report to be brought to Members on the issue of Local Government Re-organisation (“LGR”) in Worcestershire. The previous reports were as follows: -

Date of report	Details and Decision
17 March 2025 Local Government Re-organisation - Interim Plan Proposals for Worcestershire – Bromsgrove	To inform Members of plans for LGR issued by MHCLG and seek approval of draft interim plan for Worcestershire. The draft interim plan had been formulated following joint discussions of the Leaders of the authorities in Worcestershire. Proposal was for two options to be pursued • Option A: One Unitary Authority for the whole of Worcestershire made up of the six district councils and Worcestershire County Council. • Option B: Two Unitary Authorities made up of North Worcestershire (covering the footprint of Bromsgrove, Redditch and Wyre Forest) and South Worcestershire (covering the footprint of Malvern Hills, Worcester City and Wychavon) together with associated County Council functions for each area Final decision taken by Members was to support the submission of the draft interim plan for Worcestershire to further explore the two options of either a single county wide unitary (Option A) or two separate North and South unitaries (Option B).
04 September 2025 Local Government Re-organisation – Outcome of Options Appraisal Work	To update Members on events since 12th March 2025 and the outcomes of the Options Appraisal undertaken by Mutual Ventures on behalf of Bromsgrove District Council and the other District Councils in Worcestershire (excluding Wyre Forest District Council).

	Members were asked to consider the contents of the Options Appraisal and decide which of the options (Option A or Option B (named as B1 and B2)) should be further developed to final proposal stage. Option A: One Unitary Authority for the whole of Worcestershire made up of the six district councils and Worcestershire County Council Option B1: Two new unitary councils to be established across Worcestershire; North Worcestershire and South Worcestershire with an operating model based on: - • the disaggregation and transferring of all statutory and non-statutory services, functions and operating model from Worcestershire County Council to the new unitary councils; and • the aggregation and transferring of all statutory and non-statutory services, functions and operating models from district councils to their respective new (north or south) unitary council. Option B2: Two new unitary councils established across Worcestershire; North Worcestershire and South Worcestershire, based on: - • a shared service/hybrid model across both new unitary councils, with specific services (i.e. adult social care, children's services, education, adult education and transport) jointly delivered and commissioned. • All other services would be delivered and commissioned by each new unitary council, including prevention and early help. Members resolved to support Option B (made up of B1 and B2) and officers were instructed to carry out further analysis and development to shape draft final proposals for consideration of Members at an Extraordinary meeting of Council in November 2025.
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- 2.2 Following the Full Council meeting on 04 September 2025, steps were taken to appoint a suitable organisation to undertake the further development of Option B (comprising of B1 and B2 as set out in Section 2.1 above). In progressing this there was a continued collaboration with

the other District Councils who had also selected Option B, namely Bromsgrove District Council, Malvern Hills District Council, Worcester City Council and Wychavon District Council. Accordingly, KPMG were jointly appointed by the five District Councils ("the commissioning Councils") to work up the final submissions into a proposal document. In approaching this matter KPMG also worked with the previous suppliers of the Options Appraisal (Mutual Ventures) that was previously considered by Council.

2.3 A Proposal Built Through Collaboration

2.3.1 This work has included a systematic approach to formulating a proposal that was developed through collaborative discussion and joint analysis. The high level of collaboration that has taken place across five councils reflects the significant ability of these Worcestershire local authorities to work together constructively and in the interests of delivering the right model for local government in the County. It demonstrates a shared commitment to shaping a future local government model that delivers better outcomes for the people, places and economy of Worcestershire. In progressing this work KPMG working with Mutual Ventures and the five commissioning councils have worked up a proposal that covers Options B1 and B2 (as directed by Council under the chosen option, Option B) to take into account the government criteria for assessing plans for re-organisation.

2.3.2 **Central to the development of this proposal are the views of those who will potentially receive the services of the proposed new councils (i.e. the residents), and those democratically elected to represent them in the five Commissioning Councils, alongside feedback from other key stakeholders.**

2.4 Members will recall that at the start of the current process guidance was issued by the Minister for State for Local Government as to the six criteria against which final plans would be assessed. For ease of reference these are re-produced below: -

1. A proposal should seek to achieve for the whole of the area concerned the establishment of a single tier of local government.
2. Unitary local government must be the right size to achieve efficiencies, improve capacity and withstand financial shocks.
3. Unitary structures must prioritise the delivery of high quality and sustainable public services to citizens.
4. Proposals should show how Councils in the area have sought to work together in coming to a view that meets local needs and is informed by local views.

5. New unitary structures must support devolution arrangements.
 6. New unitary structures should enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment.
- 2.5 The final proposal is attached for Members consideration at Appendix 1 of this report titled, “Transforming Worcestershire”, “Local government that works for people, powered by place and built for the future” (referred to in this report as “the proposal”). This proposal has been developed on behalf of Redditch Borough, Bromsgrove District, Malvern Hills District, Worcester City and Wychavon District Councils. Wyre Forest District Council and Worcestershire County Council are considering a different proposal based on a single county unitary footprint. The decision from this report that is sought is for Members to consider and approve the contents of Appendix 1 and for this to be adopted as the Council’s final submission to MHCLG for local government reorganisation in Worcestershire. As referenced at paragraph 1.3, the final deadline to submit is Friday 28th November 2025.

3.0 OPERATIONAL ISSUES

- 3.1 In approaching the next stage of the development of the proposal towards final completion, the starting point was to carry out an in-depth analysis of the outcome of the Options Appraisal exercise. At the time of the last report to Members Option B was to be further explored looking at the scope for the best proposal possible utilising the following: -

Option B1

Two new unitary councils for North Worcestershire and South Worcestershire with an operating model based on: -

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

Option B2

Two new unitary councils for North Worcestershire and South Worcestershire based on: -

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

3.2 The work to develop a preferred two-unitary model termed the "north and south model" is detailed in Appendix 1. The resulting proposal aligns to Option B as directed by Council and can be described as combining elements of both Options B1 and B2. In summary the model being put to Members in the proposal is based on: -

- Two new unitary authorities made up of North Worcestershire (covering the footprint of Bromsgrove District, Redditch Borough and Wyre Forest District) and South Worcestershire (covering the footprint of Malvern Hills District, Worcester City and Wychavon District)
- Continued delivery of certain countywide functions on a county wide basis as at present, including waste disposal and strategic highway functions (such as major roads, network planning and investment), Public Health and certain elements of Children's and Adults Services including Safeguarding.
- The creation of separate departments for Children's Services and Adult Services, one in the north and one in the south each with their own statutory director roles.
- Delivery of remaining services at local level in the north and south. This group of services will include the following specific areas: -
 - Waste Collection
 - Homelessness Services
 - Public Safety/Community Safety (including the continuation of the existing north/south Community Safety Partnership boards)
 - Emergency planning and civil resilience (with a high level of collaboration between north and south).
 - Corporate/ back-office services

It is anticipated that current existing shared services in both the north and south and those that are shared between the two areas will transition into the new unitary arrangements.

Guiding principles

3.3. Driven by the vision to transform services, ten guiding principles to determine the approach to services in the north and south unitary model have been developed: -

- 1. It's about people:** Transform, design, plan and deliver all our services with and for all Worcestershire residents including young people and vulnerable adults.
- 2. Governance and oversight:** Maintain and strengthen shared governance and oversight arrangements where risks span multiple service areas or geographies.
- 3. Stability and continuity:** Maintain stability and continuity of service for individuals already receiving support, supporting workforce stability and leveraging existing networks and delivery arrangements.
- 4. Prevention first:** Prioritise prevention-based service delivery at the most appropriate geographic level to address needs early and reduce escalation to more intensive or costly interventions. Ensure local access points to services for visibility and accessibility for the whole population.
- 5. Specialist services:** Commission and deliver specialist, low-volume, or complex services on a shared basis across localities to ensure access to expertise, efficiency, and equitable access.
- 6. Localised commissioning and procurement:** Commissioning and procurement should be tailored to the specific needs, priorities, and characteristics of each locality, with flexibility to operate at different scales and respond to emergencies rapidly.
- 7. Reducing bureaucracy:** Establish integrated back-office support functions to enable efficient, secure, and consistent processes across all service areas, and remove unnecessary administrative barriers so services are agile, efficient and responsive to local needs.
- 8. Data sharing and intelligence:** Enable consistent data sharing protocols and joint intelligence to support planning, delivery, and evaluation across units.
- 9. Co-production:** Listening to and working with residents and voluntary sector, community, and health partners to strengthen prevention and provide services that work for people.
- 10. Valuing family and community connections:** Services designed around the lived experiences of individuals, recognising family relationships and local connections and assets.

- 3.4 The Transforming Worcestershire proposal (north and south model) has been developed through quantitative and qualitative research comprising of data analysis and 32 engagement sessions with Members and key stakeholders as well as a resident survey that took place from 1st – 29th June 2025. As previously discussed, this work led to the five commissioning councils at each of their Full Councils considering an options appraisal (developed by Mutual Ventures) in September 2025 where they concluded a Local Government Reorganisation proposal based on a north and south unitary model (two unitary approach) should be pursued for Worcestershire as opposed to a single County unitary. Following this date the councils' procured the services of KPMG and working with them and Mutual Ventures, work has taken place to deliver a draft proposal document for consideration at the five councils' Full Council meetings in November.

Collaboration and Co-Design

- 3.5 During the period September-November there has been a co-ordinated effort utilising the staff resource across the councils, alongside the support of consultants to develop the proposal. In addition to this there have been councillor briefing and input sessions for all Members across the five commissioning councils including the opportunity for all Members (cross party) to help shape the final document as the democratically elected representatives of their communities. This is to further recognise the mandate of local councillors to represent their residents' views who receive council services. Notwithstanding this the perspectives of stakeholder organisations who also come into contact with communities and of course the residents themselves have been engaged, with their views helping shape this proposal provided at Appendix 1.

Composition of the Proposal

- 3.6 This proposal consists of six sections that cover Executive Summary, Purpose and Worcestershire Context, Vision, How the proposal meets MHCLG six assessment criteria, Implementation Plan and Appendices (covering the approach, the options appraisal, the finance case for change and assumptions, key data sets, high quality and sustainable public services, feedback from other organisations, engagement method and participant profile, implementation planning continued).

Summary of the Proposal Document

- 3.7 The Vision**

3.7.1 The vision for the north and south model for unitarisation of local government in Worcestershire is: -

3.7.2 ***“We’re shaping a thriving Worcestershire, North and South, where every community flourishes and public satisfaction drives everything we do. Through bold local leadership and the power of devolution, we’ll unlock opportunity, remove barriers, and deliver services that truly reflect the needs of our people and places. By creating two dynamic councils rooted in local identity, we’ll build vibrant, sustainable communities where residents and partners can grow, connect, and succeed. This is our commitment: a local and responsive Worcestershire, driven by what works best for each unique area.”***

3.7.3 Through our work we know: -

- **Adult social care demand is forecast to grow by 57%** among over-65s by 2038, placing unsustainable pressure on services and budgets.
- **43.7% of respondents** believe the current system **does not support strong community engagement** and **prefer a two-unitary model to improve local connection.**
- Residents report **delays and confusion in resolving local issues** due to the current two-tier system and remote service structures.
- The **proportion of residents aged 65+ is expected to rise** from 24.2% in 2025 to 27.6% by 2035, increasing demand for care and safe housing.
- **Worcestershire has the highest rate of looked-after children** among county councils, 87 per 10,000 compared to a 60 average (with 1,044 children in care).
- **Qualification levels vary significantly across the county**, 25.9% Level 4 attainment in Redditch vs. 38.8% in Malvern Hills, limiting access to skilled jobs and training.
- South Worcestershire has **only 1.71 years of housing land supply**; Redditch faces **housing deprivation and homelessness** and is developing its council housing stock.

- GVA per hour ranges from £25.20 in Wyre Forest to £42.30 in Bromsgrove, reflecting **unequal economic performance and distinct sector strengths across districts.**

- 3.7.4 The proposed north and south model offers a clear way forward. It enables locally accountable leadership, embeds prevention at neighbourhood level, and tailors services to the distinct needs of communities across Worcestershire. This proposal carries a serious and meaningful pledge to deliver change through transformation.

The Pledge to Transform Local Government in Worcestershire

- 3.7.5 In responding to each of the challenges described in section 3.7.3 a pledge has been developed to deliver the following local outcomes. They represent how things will be different for the people of Worcestershire in a north and south model: -

- 1. Public services shift from crisis to prevention**
- 2. Communities feel more connected and empowered**
- 3. Local services respond faster to everyday issues**
- 4. Vulnerable adults live healthier, happier, and safer lives**
- 5. Children and families are supported to stay together**
- 6. Young people have better access to skills and jobs**
- 7. Better housing supports healthier lives**
- 8. People and businesses benefit from stronger local economies**

Meeting the Government's Six Criteria for Local Government Reorganisation

- 3.7.6 Pages 9 -13 of the report at Appendix 1 sets out "the case for change" providing key evidence across ten parameters why a north and south model is right for Worcestershire. The strengths here are: -

1. Reflect the clear preference of key stakeholders in Worcestershire.
2. Drive long-term financial sustainability through a focus on outcomes.
3. Keep decision making local and close to communities.
4. Unlock a relational approach to working with local partners.

5. Reflect the unique geographies and local identities of North and South Worcestershire.
6. Enable tailored economic and place strategies to unlock growth.
7. Unlock devolution through balance and flexibility.
8. Maximise the opportunity to transform service delivery models.
9. Reflect balanced needs and enable targeted local delivery.
10. Support a fairer and more proportionate approach to council tax harmonisation.

3.7.7 Overall the north and south model is seen as maximising the opportunity to transform service delivery models, particularly for Adults and Children's Services, by prioritising outcome-focused, neighbourhood-based preventative services. This shift from reactive to preventative approaches is believed to drive long-term financial sustainability and offers greater financial flexibility in managing local requirements. This preference for a two unitary model was also clearly expressed through extensive public engagement and by five of the seven councils within Worcestershire.

Criteria 1: Establishing a Single Tier of Local Government

- 3.7.8 Page 24 – 40 provides the evidence why a north and south unitary proposal meets criteria 1. It is confirmed that north and south Worcestershire have clearly defined economic profiles, with different sector strengths, workforce characteristics and investment priorities. This model reflects these differences, enabling targeted growth strategies, tailored skills planning and locally relevant service delivery. Each council would operate from a stable and proportionate tax base, supporting financial sustainability. The model also strengthens democratic accountability and aligns with existing sub-regional planning structures, providing a coherent platform for future devolution.
- 3.7.9 The north and south model reflects the distinct urban and rural geographies of North and South Worcestershire, enabling tailored service delivery, transport planning and housing strategies. It avoids the operational complexity and spatial incoherence of a single unitary, supporting more responsive, place-based governance across manageable footprints.
- 3.7.10 The north and south model provides a resilient and flexible governance structure, capable of adapting to future strategic and local challenges. It embeds neighbourhood leadership, strengthens democratic representation, and enables tailored service delivery. Public engagement shows strong support for this approach, particularly in rural areas. It avoids the risks of centralisation and

creation of a democratic deficit and maintains trusted and effective local partnerships.

Criteria 2: Efficiency, capacity and Withstanding Financial Shocks

- 3.7.11 Pages 41-55 provides the evidence why a north/south proposal meets criteria 2. The north and south model creates two balanced councils with populations exceeding 300,000 by 2032, ensuring both scale and sustainability. It reflects distinct demographic needs such as higher proportions of children in the north and older adults in the south while enabling tailored local services and shared strategic functions.
- 3.7.12 The financial model shows that the north and south model offers the level of savings required by consolidating and reducing duplication, streamlining service delivery and unlocking economies of scale in staffing, procurement and infrastructure, delivering an estimated £9.03m in recurring revenue savings.
- 3.7.13 The north and south model embraces the once-in-a-generation opportunity to design new organisations that are modern, efficient and fit for the future. This model manages transition costs through leveraging existing budgets and capital receipts to fund invest-to-save activities, while enabling long term transformation through digital innovation, integrated service reform and scalable governance that supports sustainable public service delivery.
- 3.7.14 There is growing concern about the precarious financial position across Worcestershire, driven largely by the scale and fragility of Worcestershire County Council's budget and need for Exceptional Financial Support (EFS). The county's budget is dominated by high-cost services and without a change in delivery model, these pressures will continue to grow. The north and south model is built to focus on prevention. It is well known that for every £1 spent on prevention £3.17 is saved on adult social care. [Earlier action and support: The case for prevention in adult social care and beyond | Local Government Association.](#)

Criteria 3: High Quality and Sustainable Public Services

- 3.7.15 Pages 56-76 of Appendix 1 provides the evidence of why a north/south model meets criteria 3. The north and south model will transform public services by shifting from crisis response to prevention, embedding delivery in places and neighbourhoods. Services will be managed at the right scale, with shared arrangements

where appropriate and strong local leadership for high-risk services. This approach builds on existing collaboration, strengthens accountability, and enables tailored, resilient services that reflect the distinct needs of North and South Worcestershire.

- 3.7.16 The proposed north and south model for Worcestershire aims to also transform public services by enhancing local responsiveness, promoting prevention, and integrating with local partners, while ensuring robust governance and accountability for critical services like children's, adult, and public health.
- 3.7.17 Through this proposal adult services are managed separately by North and South Worcestershire, each under the leadership of their own Director of Adult Services. The two councils would be established with a strong ethos and culture of collaboration, with shared services where it benefits vulnerable adults. This would include a single Worcestershire Safeguarding Adults Board.
- 3.7.18 Children's services are proposed to be managed separately by the North and South Worcestershire new local authorities, each under the leadership of their own Director of Children's Services. The two councils would be established with a strong ethos and culture of collaboration, with shared services where it benefits service users and their families. This would include a single Worcestershire Safeguarding Children Partnership Board.

Criteria 4: Working Together to Understand and Meet Local Needs

- 3.7.19 Pages 77–88 provides the evidence how a north and south model for local government in Worcestershire meets criteria 4. Here it can be seen that there has been extensive and meaningful engagement to genuinely shape and define the future model for local government in Worcestershire, ensuring the north and south model meets the expectations of those providing their support. The north and south model has clear majority support from residents who believe two unitaries will better improve services (45%), support local identity (46%) and strengthen community engagement (44%). It also has a 70% support rate from local Parish and Town councils. The north and south model is the only proposal across the whole of Worcestershire which is built on the needs of our residents and partners.
- 3.7.20 The North and South of Worcestershire have distinct cultural profiles, with the north more urban and industrial, and the south more rural and heritage focused. Public engagement shows strong support for a

north and south model to preserve local identity and ensure decisions are made by leaders with local knowledge.

Criteria 5: Supporting Devolution Arrangements

- 3.7.21 As previously reported to Members, the establishment of unitary authorities in two tier areas is the first step towards the government's intention of achieving greater devolution across England. The second phase would be for unitary authorities in adjacent geographic areas to come together to form regional combined authorities. Under the English Devolution and Community Empowerment Bill ("the Bill"), the new style combined authorities would be known as "Strategic Authorities".
- 3.7.22 Strategic Authorities will have defined areas of competence. These areas are: -
- Transport and local infrastructure.
 - Skills and employment support.
 - Housing and strategic planning.
 - Economic development and regeneration.
 - Environment and climate change.
 - Health, wellbeing and public service reform.
 - Public safety.
- 3.7.23 Pages 89 - 95 provides the evidence relating to criteria 5 in relation to the north and south model for supporting arrangements for devolution in Worcestershire. Here it can be seen that the commissioning Worcestershire councils are aligned in their ambition for early devolution and are actively exploring strategic options for a Mayoral Strategic Authority that builds on the strengths of a north and south model, reflects local structures, and delivers economic and public service benefits for residents and partners as quickly as possible.
- 3.7.24 The commissioning Worcestershire councils have identified three primary options for a future Mayoral Strategic Authority, each offering strategic potential for growth, public service reform and alignment with Government criteria, while recognising the need for further agreement with neighbouring areas.
- 3.7.25 During this process the following options have also been considered and the proposal notes that the five commissioning councils would be open to discussing these options further with government if they were minded to consider them: -

- West Midlands Combined Authority
- Herefordshire, Worcestershire and Staffordshire (inc. Stoke)
- West Mercia and Warwickshire
- West Mercia

Criteria 6: Stronger Community Engagement and Neighbourhood Empowerment

- 3.7.26 Pages 96-105 provides the evidence as to how a north and south unitary proposal meets criteria 6. Worcestershire's proposal for a north and south model with two unitary councils embeds community power through Neighbourhood Area Committees and Integrated Neighbourhood Teams. This structure enables resident-led decision-making, tailored local services and preventative delivery. Survey evidence shows strong public and parish support for two unitaries over a single authority. This model ensures strategic coherence while maintaining local accountability and responsiveness.
- 3.7.27 District councils across Worcestershire have demonstrated the ability to deliver responsive, preventative and locally tailored services through deep community knowledge and strong partnerships. These examples show how local government can adapt to varied needs, foster resident voice and drive better outcomes. A north and south model preserves this agility and proximity to residents and communities.

The Implementation Plan

- 3.7.28 Section 5 of the proposal provided in Appendix 1 of this report sets out the approach to implementation of this proposal (page 106-11). It recognises ten critical success factors for effective transition and delivery as provided by a 2024 Grant Thornton Study: -
1. Proactive Planning
 2. Continued Public Services
 3. Resident Centric Design and Communication
 4. Transparent Governance
 5. Set a coherent Vision and Align Transformation
 6. Staff Support and Inclusive Culture
 7. Integrate Technical and Cultural Change
 8. Future Workforce Planning
 9. Financial Stability
 10. Rigorous Oversight and Assurance

- 3.7.29 Stakeholders have been engaged throughout the entire LGR process to ensure residents' and businesses' views are represented in the future of Worcestershire. That engagement is proposed to continue to build understanding of the expected changes and strengthen trust between the new councils and their communities. Strong engagement with staff and colleagues is also seen as critical to the successful transition and delivery of unitarisation due to the insights they would be able to provide. This engagement was started during the proposal writing and will need to be built on further to effectively deliver change.
- 3.7.30 This approach is central to the proposal, which is people centred. Local services will be co-designed with local people to deliver the services they want, rather than services perceived to be cheaper but which do not meet their needs. This reduces the risk of multiple interactions and long-term unsustainable service provision.
- 3.7.31 The proposal provides draft phases of implementation and priority activities that are being developed under the headings of: -
1. Prepare covering the period November 2025 – June 2026
 2. Design covering the period July 2026 – May 2027
 3. Transition covering the period June 2027 to March 2028
 4. Go-Live covering the period April 2028 onwards.
- 3.7.32 Page 152-154 of the proposal discusses Governance and workstreams noting that the north and south unitary model will have a supportive and clear governance structure sitting behind it, allowing them to make key decisions that best support Worcestershire. The set up of governance boards and key workstreams will support the monitoring of progress and identify any risks early in the process supporting mitigation attempts.
- 3.7.33 The following workstreams have been identified as supporting implementation of the new unitary authorities. Governance and Decision Making will sit as an overarching workstream due to its importance in delivering change and a safe working environment: -
- People
 - Technology
 - Finance
 - Contracts and legal
 - Property and Estates
 - Data Management
 - Communications and Engagement

- Service Continuity and Delivery

Summary of Proposed Governance Arrangements

- 3.7.34 The commissioning councils (see page 39 of Appendix 1) propose to initially use the county council divisions and double the number of councillors currently representing county wards to make up the number of new unitary councillors as an interim measure for the elections in May 2027 resulting in the following: -
- One-unitary (if the Government selects this model): 114 councillors (5,388 residents per councillor).
 - North and south (two-unitary): 114 councillors, composed of:
 - North Worcestershire: 54 councillors (5,389 residents per councillor)
 - South Worcestershire: 60 councillors (5,387 residents per councillor).
- 3.7.35 Longer-term in the north and south model, following Boundary Commission Reviews, there is the opportunity for each new unitary council to further increase the number of councillors for the 2031 elections to bring each council into line with the national average for unitary councils of 4,600 residents per councillor. This would not be possible with a one unitary model because the number of councillors would exceed the Boundary Commission's guidance of 100 as the maximum size of a council.
- 3.7.36 The following figures are based on estimates subject to Boundary Commission review: -
- North Worcestershire: 63 councillors (4,619 residents per councillor)
 - South Worcestershire: 70 councillors (4,617 residents per councillor)
- 3.7.37 In terms of ensuring effective representation and delivery of services at local level, there is a strong emphasis in the proposal on the setting up of Neighbourhood Area Committee. Members are referred to Section 5 – Criteria 6 of the proposal, which is discussed in summary in paragraph 3.7.26 above.
- 3.7.38 As set out on pages 97-8 of the proposal, the model is designed based on the following framework: -

1. Two New Unitary Councils - North Worcestershire and South Worcestershire will provide the strategic backbone, resources and coherence while keeping decision-making local.
2. Neighbourhood Area Committees (NACs) - democratic forums where Worcestershire residents, councillors and partners set priorities, influence service design and hold councils to account.
3. Integrated Neighbourhood Teams (INTs) - operational multi-agency teams delivering services across Worcestershire, aligned to local priorities and prevention-focused outcomes.

3.7.39 Together, these pillars form a continuous chain of accountability, from street to strategy, ensuring decisions, service delivery and engagement are fully integrated.”

3.7.40 The proposal further states (on page 98) that: -

NACs will bring decision-making closer to communities, acting as democratic forums where councillors, partners and residents shape local priorities. Their core functions include: -

- Aligning council and partner activity with local needs.
- Holding devolved budgets to move beyond advisory roles.
- Translating community insight into operational delivery (via Integrated Neighbourhood Teams (INTs).

3.7.41 NACs will be shaped around natural communities and local identity rather than fixed population bands, ensuring each reflects how residents experience their place. While many areas may align broadly with populations typical of other neighbourhood governance models, the two-unitary approach provides flexibility to design smaller or more tailored NACs where geography, rurality or community identity make this appropriate.

3.7.42 The proposal further states (see page 98) that, strong neighbourhood governance ensures that Worcestershire residents know how to raise the issues that matter most and trust that their concerns will be acted on. By giving councillors the mandate and tools to respond at the right level, communities can see a direct link between their voice and local action.

4.0 CHALLENGES AND RISKS

4.1 The north and south model robustly deals with a number of challenges and risks: -

a) Efficiency and Complexity of Transformation

- 4.1.1 The proposal includes a safe, balanced and realistic transition plan, with comprehensive day one planning to consider the extended timeframe to deliver LGR in comparison with past programmes such as in Cumbria.
- 4.1.2 The two-unitary model builds on existing shared services and proposes a hybrid approach to future service delivery to avoid duplication. Financial modelling shows a 3.9 year payback period based on high-level costs and savings. Enabling functions will be streamlined within each council, and collaboration will continue where scale is beneficial.
- 4.1.3 Prevention-led services delivered at neighbourhood level will reduce demand; this is the only way to guarantee true long-term financial sustainability.

b) Population Viability and Strategic Planning

- 4.1.4 The government's 500,000 population figure is a guideline only. Both councils begin at sustainable levels and are projected to exceed 300,000. There is limited evidence to suggest that smaller unitary councils will be less efficient, less sustainable or less effective due to their size. Shared service delivery functions across Worcestershire and closer collaboration through Neighbourhood Area Committees will support strategic planning.

c) Needs and Funding Imbalance

- 4.1.5 Demographic differences between north and south are minimal. There are distinct additional needs in the north related to deprivation; however, Fair Funding reforms will help address disparities in any potential funding imbalances. The ability for funding reforms to support targeting of local issues, such as in the north will be enhanced in the north and south model.

d) Service Fragmentation and Continuity Risks

- 4.1.6 A safe transfer protocol will ensure no gaps in service and seamless care for vulnerable residents. Ordinary Residence will be determined at least six months before vesting day, with clear principles and joint governance to avoid disputes. Shared safeguarding boards and a single public health function will maintain strategic continuity, and local intelligence will support faster, targeted responses and delivery

of support. The shared service arrangements would be put in place where appropriate to provide seamless continuity to service delivery.

e) Service Access and Consistency

- 4.1.7 Locally accessible services will be delivered through community hubs, working with voluntary and community sector partners and town and parish councils. Clear and simplified access channels will serve the new councils, ensuring clarity and ease of access. Shared strategic functions and neighbourhood governance will maintain consistent standards and equity in service access.

f) Workforce and Market Pressures

- 4.1.8 Shared strategic functions will be retained where scale is needed, including commissioning and market management. This supports the ability to attract specialist staff and negotiate contracts effectively. If transition is well-managed, there is no evidence to suggest workforce challenges will increase.

g) Partnership Disruption

- 4.1.9 Strategic partnerships will be preserved through shared boards and functions. Neighbourhood-level homelessness support will continue, integrated with housing and care. The two councils will collaborate on commissioning and specialist services, retaining efficiency and continuity across Worcestershire.

h) Democratic Representation and Local Identity

- 4.1.10 The north and south model reflects distinct cultural and economic profiles and strengthens local identity and accountability. Ceremonial heritage will be retained across both councils. Public engagement showed over half of respondents preferred the north and south model, citing stronger community connection. The north and south model also allows lower councillor to resident ratios, allowing councillors to be local to the areas they serve.

5.0 The position of other councils in Worcestershire

- 5.1 As Members will be aware, there has not been unanimity of approach to LGR as between Worcestershire County Council and

the six District Council in Worcestershire. In the lead up to the submission deadline of 28th November the other Councils are due to meet to consider LGR proposals on the following dates: -

Malvern Hills District Council	18 th November
Bromsgrove District Council	19 th November
Worcester City Council	25 th November
Wychavon District Council	19 th November

- 5.2 As referenced at paragraph 2.5 Worcestershire County Council and Wyre Forest District Council have to date indicated a preference for a County wide unitary authority. The dates of their council meetings that are to consider their LGR proposal/s are: -

Worcestershire County Council	6 th November Full Council 20 th November Cabinet
Wyre Forest District Council	12 th November Full Council

- 5.3 Work was originally carried out for the County Council by consultants from Pricewaterhousecoopers (“PWC”) who produced an analysis looking at the County model and north/south model in March 2025. PWC have continued to be engaged and have produced a final proposal paper based on a County wide model. A link to the report to members of the County Council is included in the background papers section of this report

- 5.4 As set out in paragraph 2.2, the approach of exploring separate north and south unitary models i.e. a “two unitary model” has been under consideration by this Council and by Bromsgrove District Council, Worcester City Council, Malvern Hills District Council and Wychavon District Council. Each of those Councils will be considering a report on the final submissions accompanied by the proposal document in Appendix 1 at their meetings on the dates listed in the table above.

- 5.5 It is not necessary for the same final proposals to be put forward by all the councils in an existing two-tier area. The main elements to achieve robust final proposals are that the plans are well thought out and articulated, evidence based, supported by public consultation and able to demonstrate compliance with the six criteria set out at paragraph 2.4.

- 6.0 **Next steps**

-
- 6.1 At the current time the outcome of consideration of final proposals is not expected to be notified by MHCLG to the Councils concerned until July 2026 at the earliest. This is based on the statement that Councils “could” be notified before the summer recess of Parliament which starts on 22nd July 2026¹.
- 6.2 As set out in Appendix 1 officers and Members will continue to be involved in preparatory steps toward the implementation of re-organisation from November 2025 onwards until notification of the decision. Although at that stage the final outcome will not be known, there will be many aspects that officers can continue to work on that will be relevant going forward regardless which model is approved by MHCLG.
- 6.3 Priority implementation activities are described and are being further developed on pages 110–111 of Appendix 1 covering the phases of:
- - a) Prepare: November 2025 – June 2026.
 - b) Design: July 2026 – May 2027
 - c) Transition: June 2027 – March 2028
 - d) Go Live: Apr 2028 - onwards
- 6.4 There will be an element of collaboration between the two unitary authorities required alongside individual unitary authority actions.

7.0 OTHER LOCAL MATTERS FOR CONSIDERATION

- 7.1 As Members will be aware, a report was taken to Electoral Matters Committee on 21st November 2025 setting out some wider implications of LGR in terms its impact on neighbourhood governance in the Borough. The report set out the options as follows: -
- That if no further action was taken, then based on the current intentions as expressed by the government, and the contents of the proposal, the role of neighbourhood governance after vesting day would be carried out by newly created Neighbourhood Area Committees (NACs).
 - That in addition to the setting up of future NACs, it would be an option to appoint Charter Trustees for the Borough prior to vesting day. This would enable the civic and ceremonial traditions of the Borough to be maintained in unparished areas following the dissolution of the Council on Vesting Day.

¹ [Summary of the local government reorganisation process - GOV.UK](#)
[House of Commons recess dates - UK Parliament](#)

- That a third option to consider was whether a Community Governance Reviews should be carried out to consider the creation of new parish or town councils in the area, or alterations to existing parish council boundaries.

7.2 The outcome of the meeting of the Electoral Matters Committee on 21st October was that Members decided to take no further action at this time regarding holding a Community Governance Review. Members noted that arrangements would be introduced for effective neighbourhood governance post vesting day via the creation of NACs. Members were keen to preserve the civic identity of the Borough and recommended that officers be instructed to explore in more detail the option of appointing “Charter Trustees” for the Borough and that a further report, including costings and a timetable for appointing Charter Trustees, be presented to Council in due course.

8. FINANCIAL IMPLICATIONS

8.1 The financial modelling within the draft proposal compares the costs and savings of the two options. These estimates have been reviewed in detail with all of the district S151 officers, at regular workshops with KPMG and are comfortable with the estimated costs and savings that have been identified.

8.2 The headline position is that recurring revenue savings for one unitary council are estimated to be £21.49m per year compared to £9.03m per year for two unitary councils. When one-off implementation costs are incorporated, the payback period for one unitary council is estimated at 1.4 years and this increases to 3.9 years for the two unitary council option.

8.3 Included within the financial modelling for two unitary authorities are estimated one off costs, which are estimated at £19.83m. These include projected disaggregation costs driven by the need to separate countywide services and realign them across new governance structures (£7.2m), together with transitional expenditure associated with programme management, ICT and system integration, workforce and organisation design, and one-off redundancy or transformation costs. It is understood that these implementation costs will have to be funded by the successor councils rather than central Government.

8.4 Whilst it is clear that one unitary council delivers more savings than two, there is a sustainable pathway with a focus on local delivery and

outcomes within the two unitary model. In reshaping services and supporting proactive transformation, residents and customers will see a more robust and efficient council in the future.

8.5 The one unitary model would likely cause sharp increases in terms of council tax across the Worcestershire area for residents in the South. This would be mitigated in the two unitary model. In terms of the north, there would be no difference in terms of a one unitary or two unitary approach due to the higher rates in this part of the county.

8.6 Local government in Worcestershire faces significant financial challenges in both the short and medium term. For 2025/26, the County Council could not set a balanced budget without the use of £15m of reserves and £33.6m of Exceptional Financial Support (EFS). The use of EFS is also expected and planned to be utilised in 2026/27. Despite being financially beneficial, LGR alone will not close the Medium-Term budget gap, and further savings may be necessary.

9.0 LEGAL IMPLICATIONS

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

9.2 As explained to Members in the previous reports on LGR, the government was intending to issue new legislation to support local government re-organisation and the introduction of Strategic Authorities and other aspects of devolution as described in the White Paper.

9.3 On 10th July 2025 the first draft of the English Devolution and Community Empowerment Bill ("the Bill") was published. The bill is currently at the Committee Stage in the House of Commons, and it is not known when it is expected to come into effect.

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

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

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

- The Local Government (Structural Changes) (Transitional Arrangements) (No.2) Regulations 2008/2867 (Transition Regulations).
- Local Government (Structural Changes) (Transfer of Functions, Property, Rights and Liabilities) Regulations 2008/2176 (2008 Regulations).
- Local Government (Structural and Boundary Changes) (Staffing) Regulations 2008 (Employment Regulations).
- Local Government (Structural Changes) (Finance) Regulations 2008/3022 (Finance Regulations)

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

- Effective dates
- Establishment of a shadow authority and its membership
- Governance arrangements for shadow authority
- Duty to produce an implementation plan
- Duty of all councils to co-operate

- Arrangements for first elections
- Treatment of any specific assets or liabilities

10.0 OTHER - IMPLICATIONS

Relevant Council Priority

- 10.1 Any change to a new Unitary authority to either a two unitary model or a single countywide model will have a potential impact on the future of the current Redditch Borough Council priorities.

Climate Change Implications

- 10.2 There are no specific climate change implications.

Equalities and Diversity Implications

- 10.3 Please see Appendix 2 which provides an Equality Impact Assessment.

11.0 RISK MANAGEMENT

- 11.1 See previous section on “Challenges and Risks” at section 5 of this report.

- 11.2 Page 155-157 of Appendix 1 (“The Proposal”) sets out the implementation risks and mitigations. This section recognises change, and progress always brings an element of risk and therefore deals with the following matters to provide confidence in the approach being proposed: -

Operational Risks

- Complexity of disaggregating county delivered services
- Complexity of aggregating district delivered services
- Loss of expertise
- Existing council relationships pre-unitarisation
- Change fatigue in staff
- Multiple IT systems and data sources
- Programme slippage
- Capacity constraints

Financial Risks

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- Disaggregation of accounting services
- Financial uncertainty

Reputational Risk

- Political differences

12.0 APPENDICES and BACKGROUND PAPERS

Appendices

Appendix 1 Transforming Worcestershire: Local government that works for people, powered by place and built for the future - The North and South Local Government Re-Organisation Proposal for Worcestershire

Appendix 2 Equality Impact Assessment

Background Papers

Report to Council dated 4th September 2025 – Local Government Re-organisation - Outcome of Options Appraisal Work

Report to Council dated 17th March 2025 – Local Government Re-organisation - Interim Plan Proposals for Worcestershire – Redditch

English Devolution White Paper - [English Devolution White Paper - GOV.UK](#)

Letter to all two-tier councils from Jim McMahon MP dated 16th December 2024

English Devolution and Community Empowerment Bill published on 10th July 2025 –

[English Devolution and Community Empowerment Bill - GOV.UK](#)

Worcestershire County Council – Link to proposal :[Agenda for Council on Thursday, 6th November, 2025, 10.00 am - Modern Council](#)

13.0 REPORT SIGN OFF

Department	Name and Job Title	Date
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REDDITCH BOROUGH COUNCIL

Council
2025

17 November

Portfolio Holder	Councillor Sharon Harvey, Leader and Portfolio Holder for Regeneration and Environmental Services	7 th November 2025
Lead Director / Assistant Director	John Leach - Chief Executive Claire Felton – Assistant Director of Legal, Democratic and Procurement Services	7 th November 2025
Financial Services	Debra Goodall – Assistant - Director of Finance and Customer Services and Interim Section 151 Officer	7 th November 2025
Legal Services	Claire Felton, Assistant Director of Legal, Democratic and Procurement Services	7 th November 2025