



COTSWOLD

District Council

Council name	COTSWOLD DISTRICT COUNCIL
Name and date of Committee	OVERVIEW & SCRUTINY COMMITTEE – 17 NOVEMBER 2025 COUNCIL – 26 NOVEMBER 2025 CABINET – 26 NOVEMBER 2025
Subject	FULL PROPOSALS FOR LOCAL GOVERNMENT REORGANISATION IN GLOUCESTERSHIRE
Wards affected	All
Accountable member	Councillor Mike Every, Leader of the Council Email: mike.every@cotswold.gov.uk
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Report author	Angela Claridge, Director of Governance & Development (Monitoring Officer) Email: angela.claridge@cotswold.gov.uk
Summary/Purpose	<p>To note the two proposals for local government reorganisation in Gloucestershire that have been developed collaboratively with all seven Gloucestershire councils for consideration by the Overview & Scrutiny Committee on 17 November 2025, Council on 26 November 2025 and Cabinet on 26 November 2025.</p> <p>The options are:</p> <p>(a) creating a single unitary authority for the whole county and</p> <p>(b) creating two unitary authorities, based on an East / West division of existing district and city councils. The proposal for East Gloucestershire Council comprises Tewksbury Borough Council, Cheltenham Borough Council and Cotswold District Council and the associated proportion of Gloucestershire County Council. The proposal for West Gloucestershire Council comprises Gloucester City Council, Forest of Dean District Council and Stroud District Council and the associated proportion of Gloucestershire County Council.</p>



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	Following this engagement with the Overview & Scrutiny Committee and Council, Cabinet will decide which, if any proposal should be formally submitted to the Ministry of Housing, Communities and Local Government in response to his invitation dated 5 February 2025.
Annexes	<p>Annex A: Proposal 1: Creating a single unitary authority for the whole county</p> <p>Annex B: Proposal 2: Creating two unitary authorities, based on an East / West division of existing districts as set out above.</p>
Recommendation(s)	<ol style="list-style-type: none">1. That the Overview & Scrutiny Committee and Council consider the following two proposals for local government reorganisation in Gloucestershire and make any recommendations they wish to Cabinet for their decision.2. That Cabinet considers which, if any, of the proposals it wishes to submit to Government regarding the future of local government in Gloucestershire3. That Cabinet resolves to treat the decision as urgent under Part D6, paragraph 4.14 of the Constitution, and therefore disappplies the call-in procedure, on the grounds that any delay likely to be caused by the call-in process would prejudice the Council's and the public's interests
Corporate priorities	<ul style="list-style-type: none">• Delivering Good Services• Responding to the Climate Emergency• Delivering Housing• Supporting Communities• Supporting the Economy
Key Decision	Yes
Exempt	No
Consultees/ Consultation	Corporate Leadership Team, Cabinet, Head of Legal Services and Chief Accountant & Deputy Section 151 Officer.



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1. EXECUTIVE SUMMARY

- 1.1** The UK Government's local government reorganisation programme seeks to simplify structures, improve efficiency and strengthen accountability through the creation of new unitary authorities. In response to the Minister of State's invitation in February 2025, Gloucestershire councils have collaborated to develop two full proposals for consideration:
- A single unitary authority for the whole county
 - Two unitary authorities based on an East/West division of existing councils as set out above
- 1.2** These proposals aim to deliver streamlined governance, financial resilience and improved service delivery for Gloucestershire's residents. Both options have been developed through a comprehensive programme involving all seven principal councils, supported by independent analysis from PricewaterhouseCoopers (PwC) and stakeholder engagement

2. BACKGROUND

- 2.1** The Ministry of Housing, Communities and Local Government (MHCLG) published the English Devolution White Paper on 16 December 2024. The White Paper sets out the government's proposals to devolve powers to the regions. The proposals explain how the government intends to introduce legislation which will give complete coverage of mayoral combined authorities across England. The White Paper also includes proposals to reorganise the way local government in England is structured.
- 2.2** The government is expecting all two-tier areas and smaller or failing unitary authorities to develop proposals for reorganisation to create unitary authorities. Although the English Devolution White Paper outlined that unitaries should be created with a population of at least 500,000 people, the government has since confirmed that a 500,000 minimum population is a guideline and that justification for deviation is acceptable if justified by the local context. Government will then look for these unitary authorities to join up to form mayoral combined authorities of approximately 1.5 million people.
- 2.3** Gloucestershire currently operates within a two-tier principal local authority structure comprising the County Council and six district level authorities (Gloucester City, Cheltenham Borough, Tewkesbury Borough, Forest of Dean District, Stroud District and Cotswold District).



- 2.4** On 5 February 2025, the Minister of State wrote to all Gloucestershire council leaders to set out further detail of the criteria against which final proposals will be assessed and to formally invite them to work together to develop a proposal for a single tier of local government. The Minister confirmed the timeline for this process as:
- The deadline for submission of interim plans was on or before 21 March 2025.
 - The deadline for submission of full proposals is on or before 28 November 2025.
- 2.5** Following endorsement at Council on 19 March 2025, the then Leader of the Council submitted a joint response with all Gloucestershire council leaders to the Minister of State's letter of 5 February 2025 to provide an update on Gloucestershire's progress in developing proposals for LGR.
- 2.6** The joint response to the Minister of State, submitted on 21 March 2025, outlined the three options for reorganisation being considered by the principal authorities:
- A single unitary council for the whole county
 - Two unitary councils, one comprising or approximating the districts of Gloucester, Forest of Dean and Stroud; the other comprising or approximating the districts of Cheltenham, Cotswold and Tewkesbury
 - A city-based unitary council based around a 'Greater Gloucester' area, along with one or two unitaries for the remainder of the county area.
- 2.7** The joint response also included two appendices:
- a. An independent options appraisal of a single unitary option and a two unitary option based on an East / West division of existing districts, commissioned by Gloucestershire County Council (GCC).
 - b. A proposal for a two unitary model based on an East / West division of existing districts, commissioned by Cheltenham Borough Council.
- 2.8** Cotswold District Council, in partnership with Gloucestershire County Council and the five other district councils, decided to develop two full proposals for local government reorganisation - proposals for a single unitary authority option and a two unitary authorities (East / West) option. Gloucester City Council indicated that it would develop the 'Greater Gloucester' proposal.
- 2.9** This report introduces two full proposals for local government reorganisation in Gloucestershire for the Overview & Scrutiny Committee and Council's consideration before a decision on which, if any, proposal to support is taken by Cabinet. The two proposals are
- (a) a single authority option (Annex A) and



(b) a two unitary authorities option based on an East / West division of existing districts (Annex B).

On 26 November 2025, the Cabinet will take a decision on which option, if any, the Leader of the Council should submit to government, ahead of the deadline of 28 November 2025 and following consideration by Council earlier on 26 November.

3. FULL PROPOSAL DEVELOPMENT

3.1 The seven principal councils in Gloucestershire have a strong record of working together positively and therefore established a Local Government Reorganisation (LGR) programme in early 2025 to ensure an organised and joined-up approach to deliver the activity required to develop proposals and meet the government deadlines. This work has been overseen by a Chief Executives' Group reporting to a Political Leadership Board, comprising the leaders of the seven principal councils and is currently comprised of six workstreams:

- Strategic Authority Options
- Vision and Ambition
- Place Models
- People and Culture
- Digital, Data and Technology
- Communications and Engagement

3.2 Despite there not being unanimity among the seven principal councils on the preferred future structure of local government in Gloucestershire, there is significant common ground. The councils have worked collaboratively to develop two full proposals for LGR in the interests of all Gloucestershire residents and the staff working across the seven councils. They have also ensured that data and information have been shared with Gloucester City Council to support them in development of their 'Greater Gloucester' proposal.

3.3 Following submission of interim plans to the Minister of State on 21 March 2025 and the elections in May 2025, Gloucestershire County Council commissioned PricewaterhouseCoopers (PwC) to undertake a detailed, independent and objective analysis of two options for LGR in Gloucestershire: a single unitary authority model and a two unitary authorities' model (East / West). This analysis was designed to support an evidence-based assessment of both options against the government's published criteria, against which full proposals will be assessed. The approach taken



has been to evaluate all available data and evidence impartially, with no predetermined outcome.

- 3.4** To support the development of full proposals (also referred to as detailed business cases) for LGR, PwC was also asked to assist the seven principal councils in shaping a high-quality, deliverable proposal for both options. These proposals are underpinned by a methodology that is recognised and trusted by government and draw on PwC's extensive experience in developing robust, evidence-based cases that meet the standards expected by government.
- 3.5** In addition to PwC's support, Cheltenham Borough Council commissioned Plexal, an innovation and growth company that works with government, to assist with the development of a vision and ambition for Gloucestershire, ensuring the proposals reflect a forward-looking vision shaped by a broad range of perspectives.
- 3.6** Various methods have been used to draw upon the skills, knowledge and experience of elected members and officers to develop the full proposals for LGR. Through six LGR programme workstreams, officers across the seven principal councils, alongside relevant partners, have worked together to develop a vision for Gloucestershire, understand our digital and data ambitions, design locality arrangements and appraise devolution options. Webinars with elected members across Gloucestershire and a public engagement programme also helped shape the development of proposals. Additionally, workshops have been held with service professionals across county and district services to help understand the impacts of bringing together council services (aggregation) and separating county-wide services (disaggregation). The insights gained from these collective efforts have directly informed the full proposals.
- 3.7** Financial scrutiny has been a critical component of the process to ensure that proposals are deliverable and supported by a resilient financial case. Financial Directors (£151 officers) from all seven councils have conducted detailed reviews of the financial case, provided the inputs and validated the assumptions made.
- 3.8** To strengthen alignment and address complex issues, a series of workshops was held with council leaders, chief executives and service leads. These workshops were instrumental in building consensus and validating assumptions. Each section of the full proposals has been shared with council leaders and chief executives for review and sign-off to ensure collective challenge and ownership.



3.9 As a result of this comprehensive process, the full proposals for both the single unitary authority option and the two unitary authorities (East / West) option are robust and directly comparable. This enables the Overview & Scrutiny Committee to consider the proposals at their meeting on 17 November, and for Council to make informed recommendations at their meeting on 26 November regarding which option the Leader of the Council should submit to government. The proposals will be considered by Cabinet at its meeting on 26 November, following the Council meeting, ensuring that all members of Council have the opportunity to inform the Cabinet of their views on the matter. The third option for reorganisation included within Gloucestershire's joint interim plan response to the Minister of State, submitted on 21 March 2025, comprised a city-based unitary council based around a 'Greater Gloucester' area, along with one or two unitaries for the remainder of the county area. Whilst the 'Greater Gloucester' proposal has been developed separately, the same data and information has been provided to support Gloucester City Council, whose Leader and officers have been full and active participants in the joint programme arrangements, drawing on the joint outputs to develop their proposal.

3.10 Following publication of the Greater Gloucester proposal on 4 November 2025, a process of review and due diligence would be needed to advise Cotswold District Council members on the merits and implications of the 'Greater Gloucester' proposal. Due to the timing of this publication, CDC officers have had insufficient time to review and complete due diligence of this proposal ahead of the CDC democratic process. Officers will review the proposal and complete due diligence work, which could be used as part of the formal consultation to be undertaken by MHCLG in the new year. Therefore, the proposal is not being brought forward for full consideration at this stage of the LGR process.

4. SIMILARITIES AND DIFFERENCES BETWEEN THE PROPOSALS

4.1 Members will note strong similarities in the drafting of the single unitary and two unitary authorities (East / West) proposals. Every effort has been made to work on a unified and consensual basis in the interests of Gloucestershire's residents and organisations and so key elements share common principles and approaches, including the overarching vision and ambition, locality working, the future operating model/s, our workforce assumptions and approach to using data and technology.



The proposed implementation roadmap has also been developed collectively and therefore shares key assumptions and elements.

4.2 Underpinning the similarities between the proposals has been agreement between leaders not to draft proposals as 'campaigning' or 'selling' documents. They have been developed with the utmost attention to the use of evidence and do not seek to promote a particular option at the expense of another. Given that Ministers will ultimately determine the structure of local government in Gloucestershire, it is in the interests of all members and officers that both options are capable of being delivered.

4.3 Despite large sections of the proposals being subject to common endeavour and therefore being similarly drafted, there are key differences between the proposals (beyond the obvious differences in geographic footprint) including:

- Options Analysis: For some of the government's criteria, the single unitary authority proposal is assessed as more closely aligned with key criteria.
- Financial Case: The single unitary authority proposal provides the opportunity for more efficiency and savings. In the two unitary authorities (East / West) option, there would be greater costs, and the West would have disproportionately greater needs than the East.
- Disaggregation: The two unitary authority (East / West) option would mean that most county wide services including social care would be disaggregated between the East and West councils.
- Fire and Rescue: The two unitary authority (East / West) option would require the creation of a separate Fire and Rescue Authority and service.

4.4 The above differences are not presented as decisive factors for members but are nevertheless to be considered and relate closely to MHCLG's criteria.

5. OPTIONS

5.1 Option 1: Overview & Scrutiny Committee makes any recommendations it wishes to Council and/or Cabinet about the proposals for consideration. Council then considers the alternatives available to the Leader and makes a recommendation on its preferred option.



Cabinet considers the proposals and recommendations, if any, from Overview and Scrutiny Committee and the views of Council before deciding on which, if any, proposal the Leader should support on behalf of the Council.

- 5.2** Option 2: Do nothing – Overview & Scrutiny Committee and Council do not recommend the LGR full proposals for consideration by Cabinet on 26 November. This option is not advised because the Leader and senior officers have worked collaboratively with their counterparts at the six principal councils in Gloucestershire and it is important to consider both the single unitary authority and a two unitary authorities (East / West) LGR full proposals. It is also important that Cotswold District Council, as a key stakeholder in the county, is provided the opportunity to consider a matter that will shape the future of local government across Gloucestershire.

- 5.3** It is recommended that Cabinet, taking account of any recommendations of Overview and Scrutiny Committee and the views of Council decides on its preferred proposal for LGR across Gloucestershire, and inform the Minister of State for Local Government and Homelessness by 28 November 2025.

- 5.4** Timeline:

The following is the Government's timeline for local government reorganisation:

- 28 November 2025: Deadline for submission of full proposals for local government reorganisation to the Minister of State.
- Summer 2026 (this is likely to be June or July 2026): Ministerial decision expected.
- May 2027: Elections to new authority/ies.
- April 2028: Unitary Authority/ies vested, subject to the Minister of State accepting the submissions for the changes in local government and the formal legalities of creating the new unitary authority/ies, including secondary legislation and local consultation and engagement.

6. CONSULTATION FEEDBACK

- 6.1** Formal consultation will be led by the Government, and it is anticipated that this will be undertaken in early 2026, sometime between January and April 2026.

- 6.2** To inform the development of full proposals, all seven principal councils jointly commissioned Cratus Group to design and deliver a countywide public engagement programme, to gather views from residents and stakeholders on the future shape and priorities of local government in Gloucestershire.



- 6.3** Between July and August 2025, Cratus Group engaged residents and stakeholders across Gloucestershire via 12 in-person events, two virtual webinars and a countywide survey which generated over 3,100 responses. A dedicated microsite and multi-channel communications campaign ensured broad reach across all six districts. The public engagement report can be found in Appendix 3 in Annexes A and B as well as a summary of how the findings were used to inform both proposals.
- 6.4** Additionally, to help inform the development of LGR proposals, there has been engagement with Town & Parish Councils, including a summit in June.
- 6.5** The objectives of undertaking this engagement were to understand how LGR / Devolution may impact specific stakeholders, what is important to them in relation to LGR / Devolution and address any concerns or issues they may have. The feedback received indicated strong cross-sector support for a single unitary authority model in Gloucestershire, and a summary of this engagement can also be found in Appendix 4 in Annexes A and B.

7. PERFORMANCE MANAGEMENT/FOLLOW UP

- 7.1** Once each of the principal councils in Gloucestershire has taken a decision on its preferred model for LGR, the leaders of the seven councils will submit a response to the Minister of State's statutory invitation of 5 February 2025 by 28 November 2025, setting out the options for LGR in Gloucestershire and the preferred option of each of the seven councils.
- 7.2** The proposed timeline for LGR is ambitious. Once a decision is made by the Minister of State as to the model for local government in Gloucestershire, the seven principal councils will need to move quickly from planning to delivery. Therefore, preparations have already begun, overseen by the existing LGR programme governance, to plan for the implementation of LGR in Gloucestershire and take the first practical steps in mobilising the LGR implementation portfolio and creating the conditions for successful implementation. This does not pre-empt a decision by the Minister of State but instead positions Gloucestershire Councils to lead effectively once a decision is made.
- 7.3** The proposals for LGR in Gloucestershire set out in Annex A and Annex B include an implementation roadmap, outlining how Gloucestershire will transition to its new local government model, whilst maintaining service continuity, protecting statutory services, and laying foundations for ambitious transformation.



8. CONCLUSIONS

- 8.1** Officers recommend that the Overview & Scrutiny Committee considers the two proposals for local government reorganisation in Gloucestershire, and Council indicates its preferred proposal, if any, to Cabinet for consideration at its meeting on 26 November 2025.

9. FINANCIAL IMPLICATIONS

- 9.1** Effective local government in Gloucestershire relies on strong and sustainable finances. The proposals for LGR in Gloucestershire, set out in Annex A and Annex B, include a detailed financial case outlining the implications of a single unitary authority and a two unitary authorities (East / West) model. It covers baseline financial positions, reorganisation impacts, transformation opportunities, funding mechanisms and council tax alignment, concluding with an assessment of financial viability and sustainability for each option.

Baseline Financial Position on the Reorganisation Date

- 9.2** The government's Fair Funding Review introduces significant uncertainty and is expected to reduce Gloucestershire's funding due to factors such as the reset of business rates baselines and prioritisation of urban deprivation, which Gloucestershire scores lower on. Income projections have been prudently adjusted downward to reflect this across both options with further updates anticipated following government guidance.
- 9.3** In a single unitary authority model, Gloucestershire would start with a balanced budget of approximately £851.4 million in both income and expenditure on the reorganisation date, assuming the existing principal authorities meet their planned savings over the years prior to the reorganisation date.
- 9.4** Under the two unitary authority model, the West faces a net budget gap of £23.3 million while the East has a net surplus of £20.5 million, driven mainly by higher demand and spending in Adult and Children's Social Care in the West. This assumes the existing principal authorities meet their planned savings over the years prior to the reorganisation date. The gap projected for the West will require additional mitigations to be considered which may include the identification of further savings. This modelling makes evidence-based assumptions on the impact of Fair Funding, but the outcome of the government's review remains uncertain, and the estimated



gap/surplus is subject to change (either to narrow or increase the Day 1 gap between the two future councils).

9.5 In addition to the total income and expenditure position, it is also important to consider assets and long-term liabilities. The single unitary authority model would inherit long-term assets with a total value of £4.4 billion on the reorganisation date but would also take on long-term liabilities of £1.1 billion which includes outstanding borrowing and a Dedicated Schools Grant (DSG) deficit of £234.3 million. Under a two unitary authority model, the West would inherit long-term assets with a total value of £2.3 billion on the reorganisation date with the East inheriting £2.1 billion. The West would take on total liabilities of £580.8 million and the East £563.9 million including outstanding borrowing and the DSG deficit of £234.3 million which has been allocated out using the share of Education, Health and Care Plans based on location of schools as a proxy.

9.6 A further consideration for ensuring financial sustainability of the new council(s) is the level of council tax income they require and how this affects what residents will be required to pay in the future. The new unitary council(s) will need to decide how to align council tax for their areas. The detailed financial case in Annex A and Annex B includes modelling to illustrate the options to be considered.

9.7 The assumptions and inputs used in the model have been tested and agreed by all seven Chief Financial Officers (s151 officers) across Gloucestershire councils.

9.8 Reorganisation Savings

Both a single unitary authority and a two unitary authorities (East / West) model reduce duplication and streamline governance, generating savings. The single unitary authority model generates annual gross savings of £21.1 million with no additional annual costs while the two unitary authority (East / West) model saves £18.9 million annually but incurs £8.1 million each year in additional disaggregation costs due to duplicated services and leadership across both councils, creating a net saving of £10.8m annually. Payback periods are shorter for a single unitary authority model (2 years) compared to a two unitary authority (East / West) model (4.9 years) with cumulative net savings after 10 years of £164 million and £54.8 million respectively.

9.9 Transition Costs

Transition costs are estimated at £21.3 million for a single unitary authority model and £30.1 million for a two unitary authorities (East / West) model reflecting duplicated governance and ICT infrastructure in the latter. These costs do not



include an activity costing of senior officer time likely to be consumed in the reorganisation process.

9.10 Impact On Cotswold District Council: Paragraphs 9.1 to 9.9 provide a summary of the financial impact of the single-unitary and two unitary proposals. The paragraphs below consider the immediate financial implications for Cotswold District Council.

9.10.1 Principles for the sharing of costs and the profile of transition-related expenditure have yet to be agreed across the Gloucestershire authorities. However, it would be prudent for the Council to start considering how adequate resources are set aside to provide sufficient capacity to ensure services continue to be provided to residents, and support residents and the Council with the reorganisation process.

9.10.2 As set out in the [2026/27 Budget Strategy and Medium-Term Financial Strategy \(MTFS\) Update](#) report to Cabinet in October 2025, it was agreed that any additional budget surplus or one-off benefit is transferred to two specific earmarked reserves, subject to the wider financial position:

- Transformation and Change
- Capacity Building

9.10.3 This report estimates transition costs of £21.3m to £30.1m depending on the unitary authority model. Therefore, it would be prudent through the review of the Balances and Reserves Strategy to consider how a sum of up to £2m could be set aside in a specific earmarked reserve to enable the Council to meet its share of transition costs. The outcome from the review of the strategy will be included in the 2026/27 Revenue Budget, Capital Programme and Medium-Term Financial Strategy (MTFS) reports to Cabinet and Council in February 2026.

10. LEGAL IMPLICATIONS

10.1 By publishing the English Devolution White Paper in December 2024, the government made it clear that it expected all 21 two-tier local authority areas, including Gloucestershire, to develop proposals for the creation of unitary local authorities which would enable the creation of Strategic Authorities and provide devolution.

10.2 The Minister for Local Government and English Devolution wrote to Gloucestershire Leaders in February 2025. In the letter, the Minister introduced the Secretary of State for Housing, Communities and Local Government's invitation to Gloucestershire councils to develop proposals for the creation of single tier local authority/ies for the



county, exercising their powers under Part 1 of the Local Government and Public Involvement in Health Act 2007 (the 2007 Act). This same piece of legislation has been used in recent years to deliver reorganisation across England.

- 10.3** In Gloucestershire, interim plans were required to be (and were) submitted by 21 March 2025 and a full proposal should be submitted by 28 November 2025. This is the purpose of this report.
- 10.4** Whilst all 21 two-tier local authority areas in England were to provide Interim Plans by 21 March 2025, six areas were successful in joining the Devolution Priority Programme (meaning Strategic Authorities would be created at the same pace as the reorganisation) and were required to provide their full proposal by 26 September 2025. Surrey was required to provide its full proposal by 9 May 2025.
- 10.5** The creation of Strategic Authorities, including Gloucestershire unitary council(s), was not mentioned in the letter of 5 February 2025 to Gloucestershire leaders although work is being carried out on this proposal too.
- 10.6** The possible types of proposals for a single tier of local government (unitaries) are set out in the 2007 Act, as well as in Annex A of the 5 February 2025 letter, as follows:
- Type A - one single tier of local authority covering the whole of the county.
 - Type B - one single tier of local authority covering an area that is currently a district or two or more districts.
 - Type C - a single tier of local authority covering the whole of the county or one or more districts in the county plus one or more relevant adjoining areas.
 - Combined proposal that consists of two or more Type B proposals, two or more Type C proposals or one or more Type B proposals and one or more Type C proposals.
- 10.7** Proposals also need to follow further criteria set out in Annex A to the letter dated 5 February 2025, namely:
- Proposal must be made by 28 November 2025.
 - The councils must have regard to the guidance from the Secretary of State set out in the Schedule to the letter.
 - A council can make its own proposal or make a joint proposal with any of the other authorities invited to respond.
- 10.8** Under Part 1 of the 2007 Act, the Secretary of State is required by law to consult with the local authorities and any other persons they consider appropriate, prior to making a final decision as to reorganisation in Gloucestershire. This is different from any public engagement undertaken by the various councils in relation to proposals



they wished to put forward, as there was no requirement to formally consult at this stage.

- 10.9** It is anticipated that the Minister will decide as to reorganisation in the summer of 2026. If reorganisation is to go ahead, legislation will then need to be agreed by Parliament prior to moving to elections to the new 'shadow' unitary authority/ies. It is envisaged that these elections would take place in May 2027.
- 10.10** A Shadow Authority is an authority which will manage the transition from the current arrangements to the new ones. It will also carry out the functions of the new unitary council until the new authority comes into effect, on what is commonly called 'vesting day'. All existing councils across Gloucestershire will continue to operate and deliver services until vesting day.
- 10.11** It is anticipated that vesting day would be 1 April 2028 when all existing councils across Gloucestershire would cease to exist.

11. RESOURCE IMPLICATIONS

- 11.1** Local Government Reorganisation (LGR) creates significant resource implications for the Council and ultimately the new authority/ies. These implications are summarised in Section 10 of this report and in greater depth in the single unitary authority and two unitary authorities (East / West) proposals (Annexes A and B). It will be vital that the new structure of local government for Gloucestershire provides for a stable financial footing.

Cabinet will wish to consider the estimated financial effects of reorganisation in the scenarios modelled including for:

- The one-off transition costs of the reorganisation process
 - The 'Day 1' income and expenditure forecasts
 - The 'Day 1' assets and liabilities for new authorities
 - The ongoing revenue costs and benefits of reorganisation
- 11.2** The resource implications will not be the only key factor in reaching a judgement on support for either proposal but are of particular importance within the Minister's criteria and as such have been subject to significant collaborative work between Gloucestershire's seven principal councils.



12. RISK ASSESSMENT

12.1 The key risks that have been identified to date in relation to this decision are:

- The proposals submitted may not meet the expectations of Government particularly as expressed in the published criteria and guidance.

Mitigation: LGR full proposals include an options analysis of the two options against MHCLG criteria. MHCLG feedback on Gloucestershire's interim plans aligns with the approach taken to develop full proposals and advice and guidance has been sought from MHCLG, the Local Government Association (LGA) and other partners.

- A lack of consensus amongst the principal councils could lead to delays and missed deadlines.

Mitigation: Joint programme governance is in place to ensure shared accountability for developing the LGR full proposals by the government's deadline. A collaborative approach has been taken to developing the LGR full proposals including opportunities to build consensus and agree assumptions.

- Differing views could lead to a significant breakdown in relationships between partners impacting on business-as-usual activity across partners.

Mitigation: Leaders of the seven principal councils have agreed a set of partnership principles to work to during the development of LGR full proposals.

12.2 Given the complexity and scale of change involved in LGR implementation, it is critical that we proactively identify, manage and mitigate risks and issues associated with the portfolio.

12.3 The key risks that have been identified to date in relation to LGR implementation are:

- The scale and complexity of the change required across all seven councils may not be deliverable within the tight timescales.

Mitigation: A detailed implementation plan will be developed, delivered by a robust portfolio and programme management capability.

- The seven principal councils may not have the right capacity and capability to drive implementation delivery alongside maintaining business as usual service delivery for residents and communities.

Mitigation: Early identification of the key resources required enabling each of the seven principal councils to consider where existing resources can be redeployed or prioritised. Funding will also need to be identified as part of the overall transition investment for additional external support and backfill arrangements.



- Service performance or continuity could be adversely impacted during transition or immediately post the reorganisation date.

Mitigation: The principle of being 'safe and legal' on day one will be prioritised. A detailed implementation plan will be developed which prioritises and phases service transition activities and is informed by service areas.

- The transition budget may be insufficient to cover unexpected or unforeseen circumstances.

Mitigation: Contingency has been built into the transition costs to account for unexpected circumstances. A robust portfolio and programme management capability will be in place to oversee costs and financial risks.

- The savings identified may not be deliverable, impacting on the financial viability of the new council(s).

Mitigation: A benefits realisation framework will be established to track and manage benefits delivery, overseen by a robust portfolio and programme management capability.

- Key stakeholders, including staff, partners and elected members, may not be aligned with the vision of the new council(s).

Mitigation: Early engagement with stakeholders to help co-produce and develop implementation plans. A communications and engagement strategy will be developed.

- Key stakeholders, including staff, partners and elected members, may experience change fatigue from the level of change and disruption felt during implementation.

Mitigation: Change management resource and activity will be in place to support key stakeholders through this change. There will be investment in leadership and managerial development so that they are equipped and confident to support staff and engage with partners.

- 12.4** Moving forward, an LGR portfolio management approach will be established, working across all seven principal councils, to ensure that all risks are monitored and managed and that mitigation plans are in place.

13. EQUALITIES IMPACT

- 13.1** An equalities impact assessment is set out in appendix 7 of annexes A & B



14. CLIMATE AND ECOLOGICAL EMERGENCIES IMPLICATIONS

14.1 At this stage there is not enough information known about the changes that would be made to service delivery and ways of working to sufficiently capture impacts that would be valuable to inform any decision. However, overall environmental and climate matters have been considered in the Options Analysis section of the LGR full proposals to inform the decision.

14.2 Once a decision has been made by government as to the LGR model in Gloucestershire and implementation programmes have been scoped, full climate and ecological emergencies implications can be clarified.

15. SOCIAL VALUE IMPLICATIONS

15.1 The English Devolution White Paper refers to the Government's commitment to work with Strategic Authorities to drive progress on the green transition and capitalise on the social, economic, and wellbeing benefits for local communities. As part of implementation of LGR in Gloucestershire, the principal councils will remain committed to delivering considerable social value through better outcomes for Gloucestershire communities.

16. BACKGROUND PAPERS

16.1 Initial Proposals for LGR In Gloucestershire (Council, 19 March 2025)

(END)