Date: 16th November 2026

Jim McMahon OBE MP
Minister for Local Government, Devolution and
Regional Growth
2 Marsham Street
London
SW1P 4DF

Dear Minister McMahon

Leicester, Leicestershire and Rutland Local Government Reorganisation – North, City, South

We welcome the Government's decision to reconsider the options for Local Government Reorganisation across Leicester, Leicestershire and Rutland, including the proposals submitted in November 2025. We ask that your fresh consideration takes account of the updated evidence we are preparing before a decision is reached.

Chief Executives have been instructed by the leaders of the councils which developed the North, City, South proposal to write to the minister to outline, whilst we do not think local government is broken we remain firmly of the view that the proposal provides a strong and sustainable model for the future of local government across Leicester, Leicestershire and Rutland.

However, we also recognise that the context within which all three proposals were originally developed has moved on materially. Almost twelve months have passed since the submissions were made and, particularly in relation to local government finance, devolution, strategic planning and economic growth, there is now new information which we believe should properly inform any future Government decision.

We are therefore undertaking a targeted refresh of the evidence underpinning North, City, South and intend to submit this further evidence to Government shortly to support you in your review of the LLR position.

A significantly changed financial picture

The financial position is perhaps the most important area requiring reconsideration.

The original North, City, South financial modelling was based on the information and assumptions available during 2025, including assumptions relating to funding, Council Tax, disaggregation, transition costs, workforce, procurement, income and assets.

The financial position facing councils across Leicester, Leicestershire and Rutland has changed significantly since the proposals were developed. In particular, Leicester City's financial position is

now materially stronger than the position reflected in the original modelling. Our refresh will distinguish the implications of that improvement for the immediate financial position from its implications for longer-term sustainability.

This matters because financial sustainability, and the financial pressures facing individual authorities, formed an important part of the arguments advanced for structural change and for the different LGR options.

We therefore believe it is important that the financial cases for all three models are considered against the position as it exists now, rather than against circumstances that have subsequently changed.

Our updated work will consequently reassess the sustainability of the proposed North and South authorities, transition and disaggregation assumptions, and the comparative financial implications of the alternative proposals.

An important strength of North, City, South is that it does not require the disaggregation of any existing district or borough council area. This avoids the additional cost, complexity and implementation risk involved in dividing existing organisations, services, assets and liabilities between successor authorities. We are conscious that the risks associated with disaggregation have become an increasing concern across the local government sector and, from our discussions, within Government.

Devolution and strategic planning

There have also been important developments in the wider policy landscape.

We support the Government's ambition to establish a Mayoral Strategic Authority for Leicester, Leicestershire and Rutland and agree that devolution should be taken forward separately from Local Government Reorganisation. The two decisions nevertheless need to be considered coherently: the role envisaged for the Mayoral Strategic Authority is relevant to the functions and geography expected of the new unitary councils.

Alongside this, the developing role of Spatial Development Strategies provides a strategic mechanism for considering housing need, infrastructure and spatial planning across a much wider functional geography.

This is relevant to the consideration of LGR because some of the arguments previously advanced for particular structural options rested on the premise that strategic matters such as housing, infrastructure and economic growth needed to be addressed through the geography of a new unitary council.

The emerging strategic architecture means that these issues can increasingly be addressed at Mayoral Strategic Authority level, without requiring local government boundaries themselves to perform that function.

In particular, Leicester City does not need to extend its administrative boundary in order to meet housing needs or support continued economic growth. Housing need can be planned for

strategically through the emerging Spatial Development Strategy, while economic growth depends upon effective collaboration across the functional economic area rather than the expansion of one council's boundary.

We believe that distinction between strategic geography and effective local government geography is now much clearer and should form part of the Government's fresh consideration of the proposals.

This approach also protects established places and community identities. The boundaries proposed through North, City, South reflect recognisable communities and avoid the unnecessary division of existing district and borough areas. They provide a stable foundation for effective local government while allowing strategic matters to be addressed collaboratively across Leicester, Leicestershire and Rutland.

An updated economic and housing picture

Further work is underway across Leicester, Leicestershire and Rutland on the economic evidence base and Local Growth Plan, providing more current information about the distinctive economies of the area, including innovation clusters, manufacturing, logistics, employment, skills and other growth drivers.

This includes emerging evidence on the importance of innovation clusters and the relationships between research, higher education, businesses and places across Leicester, Leicestershire and Rutland. The work commissioned from Loughborough University provides a further opportunity to demonstrate how economic growth and innovation operate across a network of connected places, rather than depending upon the extension of Leicester City's administrative boundary.

There have also been significant developments around housing and strategic planning, including the progression of Spatial Development Strategies and further work relating to strategic growth locations and Major Strategic Areas.

Taken together, these developments mean that the economic, housing and spatial planning context against which the three proposals were originally assessed is no longer the same.

We therefore intend to draw together this latest evidence, not to rewrite or resubmit the North, City, South proposition in its entirety, but to ensure that Government has the most up-to-date information available when considering the future structure of local government across the area.

The continuing case for North, City, South

None of this changes the fundamental principles behind North, City, South.

We continue to believe that three councils provide the best balance between financial sustainability, strong and recognisable communities, democratic accountability, economic growth and the ability to transform public services with a prevention and place based focus.

The model's focus on place and prevention remains particularly important. Councils which retain a meaningful connection with their communities are better placed to understand local needs, work with partners and communities, and intervene earlier to prevent problems from escalating. These

were key strengths of the original North, City, South proposal and are consistent with the emphasis on place, prevention and public service reform reflected in the Government's minded-to decisions elsewhere.

The model also sits increasingly well alongside the emerging strategic arrangements for Leicester, Leicestershire and Rutland: strong local councils operating at a meaningful scale, alongside a Mayoral Strategic Authority able to provide leadership on those issues which genuinely need to be addressed across the whole area.

It retains coherent and recognisable local government boundaries, avoids the disaggregation of existing district and borough areas and does not depend upon the expansion of Leicester City to deliver housing or economic growth.

This reinforces an important conclusion within our original North, City, South submission on resolving boundaries: boundary changes are not necessary to secure financially resilient councils, deliver devolution or support housing and economic growth. Indeed, introducing unnecessary boundary complexity could risk undermining those ambitions.

The Government now has an important opportunity to consider all three proposals afresh. We believe that consideration should be informed by the circumstances facing Leicester, Leicestershire and Rutland today, rather than solely by the evidence available when the original submissions were prepared.

We will therefore provide a concise update to our North, City, South evidence base over the coming weeks, focusing particularly on financial sustainability, economic geography, strategic planning and housing, place and prevention, and the implications of the developing devolution arrangements.

We would welcome the opportunity to discuss this work with you and officials as it develops.

Yours sincerely,



Anne Court
Chief Executive – Oadby & Wigston Borough Council
On behalf of the seven districts and boroughs in Leicestershire and Rutland County Council

Julia Smith – Blaby District Council
Rob Mitchell- Charnwood Borough Council
John Richardson – Harborough District Council
Bill Cullen – Hinckley & Bosworth Borough Council
Edd de Coverly – Melton Borough Council
Allison Thomas - North West Leicestershire District Council
Angela Wakefield (Acting Chief Executive) Rutland County Council

Oadby and Wigston Borough Council, Brocks Hill Council Offices, Washbrook Lane, Oadby, Leicester, LE2 5JJ
Tel: (0116) 288 8961

CC The Rt Hon Angela Rayner MP, Secretary of State MHCLG,
Tom Riordan, Permanent Secretary MHCLG,
Beatrice Andrews, LGR Deputy Director,
Kathryn Dews, LGR Delivery Lead,
Nicola Mearns, Strategic Engagement Lead

Oadby and Wigston Borough Council, Brocks Hill Council Offices, Washbrook Lane, Oadby, Leicester, LE2 5JJ
Tel: (0116) 288 8961