

3 June 2025

# LOCAL GOVERNMENT REORGANISATION INTERIM PLAN FEEDBACK: STAFFORDSHIRE AND STOKE-ON-TRENT

To the Chief Executives of:
Cannock Chase District Council
East Staffordshire Borough Council
Lichfield District Council
Newcastle-under-Lyme Borough Council
South Staffordshire District Council
Stafford Borough Council
Staffordshire County Council
Staffordshire Moorlands District Council
Tamworth Borough Council
Stoke-on-Trent City Council

## **Overview:**

Thank you for submitting your interim plans. The amount of work from all councils is clear to see across the range of options being considered. For the final proposal(s), each council can submit a single proposal for which there must be a clear single option and geography and as set out in the guidance we expect this to be for the area as a whole; that is, the whole of the area to which the 5 February invitation was issued, not partial coverage.

Our aim for the feedback on interim plans is to support areas to develop their final proposal(s). This stage is not a decision-making point, and our feedback does not seek to approve or reject any option being considered.

The feedback provided relates to the following interim plans submitted by Staffordshire and Stoke-on-Trent councils:

- Interim Plan for Devolution and Local Government Reorganisation in Staffordshire and Stoke-on-Trent submitted by Cannock Chase District Council, East Staffordshire Borough Council, Lichfield District Council, South Staffordshire District Council, Stafford Borough Council, Staffordshire County Council, Staffordshire Moorlands District Council, Tamworth Borough Council and Stokeon-Trent City Council. This includes the following supplementary responses:
  - Interim Plan for Devolution and Local Government Reorganisation in Staffordshire and Stoke-on-Trent submitted by Staffordshire County Council.

- Interim Plan: Supplementary Response by Stoke-on-Trent City Council submitted by Stoke-on-Trent City Council.
- Local Government Reorganisation in Southern and Mid Staffordshire Interim Plan submitted by Cannock Chase District Council, East Staffordshire Borough Council, Lichfield District Council, South Staffordshire District Council, Stafford Borough Council, and Tamworth Borough Council.
- Interim Plan for Newcastle-Under-Lyme submitted by Newcastle-under-Lyme Borough Council.

We have provided feedback on behalf of central government. It takes the form of:

- 1. A summary of the main feedback points,
- 2. Our response to the specific barriers and challenges raised in your plans,
- 3. An annex with more detailed feedback against each of the interim plan asks.

We reference the guidance criteria included in the invitation letter throughout, a copy can be found at <u>Letter: Staffordshire and Stoke-on-Trent – GOV.UK.</u> Our central message is to build on your initial work and ensure that the final proposal(s) address the criteria and are supported by data and evidence. We recommend that your final proposal(s) should use the same assumptions and data sets or be clear where and why there is a difference.

We welcome the work that has been undertaken across interim plans to develop local government reorganisation plans for Staffordshire and Stoke-on-Trent. This feedback does not seek to approve or discount any option or proposal, but provides some feedback designed to assist in the development of your final proposal(s). We will assess your final proposal(s) against the guidance criteria provided in the invitation letter and have tailored this feedback to identify where additional information may be helpful in enabling that assessment. Please note that this feedback is not exhaustive and should not preclude the inclusion of additional materials or evidence in the final proposal(s). In addition, your named area lead, Osian Morgan, will be able to provide support and help address any further questions or queries.

## **Summary of Feedback:**

We have summarised the key elements of the feedback below, with further detail provided in the annex.

1. In some of the options you are considering populations that would be above or below 500,000. As set out in the Statutory Invitation guidance and in the English Devolution White Paper, we outlined a population size of 500,000 or more. This is a guiding principle, not a hard target – we understand that there should be flexibility, especially given our ambition to build out devolution and take account of housing growth, alongside local government reorganisation. All proposals, whether they are at the guided level, above it, or below it should set out the rationale for the proposed approach clearly.

- 2. The criteria ask that consideration should be given to the impacts for crucial services such as social care, children's services, SEND and homelessness, and for wider public services including public safety (see criterion 3). For any options where there is disaggregation, further detail will be helpful on how the different options might impact on these services and how risks can be mitigated.
- 3. The criteria ask that a proposal should seek to achieve for the whole area concerned the establishment of a single tier of local government (see criterion 1). Numerous interim plans submitted only included options covering part of the area invited to submit proposals for local government reorganisation (i.e the geography of Staffordshire & Stoke-on-Trent). For the final proposal(s), each council can submit a single proposal for which there must be a clear single option and geography and as set out in the guidance we expect this to be for the area as a whole; that is, the whole of the area to which the 5 February invitation was issued, not partial coverage.
- 4. We note that one option under consideration in the interim plan submitted by Newcastle-under-Lyme Borough Council includes the geography of Shropshire Council which sits outside of the invitation area. As noted in the invitation, it is open to you to explore options with neighbouring councils in addition to those included in the invitation. Only those councils named on the invitation can submit a proposal, but affected neighbouring councils can jointly submit with a named council. If your final proposal(s) include a neighbouring council(s) from outside the invitation area you should clearly outline the implications of the proposal for that neighbouring council(s) and its wider area. As above, any proposal, regardless of whether a neighbouring council(s) is included, should set out a clear option and geography that covers the whole of the area to which the 5 February invitation was issued, not partial coverage.
- 5. We welcome the intention across options to align local government reorganisation closely with ongoing devolution programmes. Across all LGR proposal(s), looking towards a future Strategic Authority, it would be helpful to outline how each option would interact with a Strategic Authority and best benefit the local community, including meeting the criteria for sensible geography in the White Paper and devolution statutory tests.
- 6. Numerous interim plans referenced concerns about the financial challenges being faced by Stoke-on-Trent City Council, and the viability therefore of any new unitary authority which includes within it the city of Stoke-on-Trent. We would welcome further detail on what these challenges are and how they would be addressed under any prospective option for local government reorganisation. We note that Stoke-on-Trent City Council is in receipt of

exceptional financial support, therefore proposals should additionally demonstrate how reorganisation will contribute to putting local government in the area as a whole on a firmer footing and what area-specific arrangements may be necessary to make new structures viable. Additionally, given the financial pressures identified it would be helpful to understand how efficiency savings have been considered alongside a sense of place and local identity.

- 7. We welcome steps taken to come together to prepare proposals as per criterion 4:
  - a) Effective collaboration between all councils will be crucial; we would encourage you to continue to build strong relationships and agree ways of working, including around effective data sharing. This will support the development of a robust shared evidence base to underpin final proposal(s).
  - b) It would be helpful if your final proposal(s) use the same assumptions and data sets or be clear where and why there is a difference.
  - c) It would be helpful if your final proposal(s) set out how the data and evidence supports all the outcomes you have included, and how well they meet the assessment criteria in the invitation letter.
  - d) You may wish to consider an options appraisal that will help demonstrate why your proposed approach in the round best meets the assessment criteria in the invitation letter compared to any alternatives.

#### Responses to specific barriers and challenges raised

Please see below our response to the specific barriers and challenges that were raised in your interim plans.

#### 1. Engagement with MHCLG

You asked for a named official to provide support and advice as you continue with your proposals(s) for local government reorganisation. Osian Morgan has been appointed as your MHCLG point person and is ready to engage with the whole area on issues you wish to discuss further.

You also asked for opportunities to engage with MHCLG Ministers on your proposals. We are committed to supporting all invited councils equally while they develop their proposal(s). Your MHCLG point person will support your engagement with government as a whole.

#### 2. Funding support

You raised the need for sufficient funding support to ensure the development and submission of a credible proposal(s) in November. £7.6 million will be made available

in the form of local government reorganisation proposal development contributions, to be split across the 21 areas. Further information will be provided on this funding shortly.

# 3. Public and partner consultation

You asked for assurance from government that appropriate public and partner consultation would be supported during the development of proposals. Expectations on engagement and consultation are in the invitation letter. We note the interim plans set out a range of engagement with stakeholders. It is for you to decide how best to engage locally in a meaningful and constructive way with residents; the voluntary sector; local community groups and parish councils; public sector providers such as health, policing and fire; and businesses to inform your proposal.

#### 4. Timeline for LGR

You outlined existing improvement and transformation projects currently being undertaken across the area, and asked government to confirm the previously quoted April 2028 vesting day. We have set out the timelines for each area in our invitation letters to areas and in the webinar held on 3 April 2025. Following submission on 28 November 2025, it will be for the Government to decide on taking a proposal forward and to consult as required by statute. We anticipate that, on the most ambitious timelines, there could be elections to 'shadow' unitary councils in May 2027, ahead of 'go live' of new councils on 1 April 2028. Your MHCLG point person will engage further with you on the decision-making progress and timings post submission of your final proposal(s).

#### 5. Access to other government departments

You asked us to facilitate streamlined and joined-up access to other government departments. We welcome the desire to maximise the opportunities provided through local government reorganisation, and your named MHCLG point person, Osian Morgan, will be able to support you to engage with other government departments.

#### 6. Stable tax base

You outlined your concern that government funding reforms that significantly affect tax bases would undermine the business case you are developing. You asked that any reductions are disapplied during the periods of transition and for early engagement on the amount of government grant funding that each council would receive on day one.

Government recently consulted on funding reforms and confirmed that some transitional protections will be in place to support areas to their new allocations. Further details on funding reform proposals and transition measures will be consulted on after the Spending Review in June. We will not be able to provide further clarification on future allocations in the meantime, but are open to discussing assumptions further if we can assist in financial planning.

## 7. Clarity over the application of criteria set

You expressed a desire for further clarity on how government would apply the criteria it has set, in particular on population thresholds and functional economic area. We will assess your final proposal(s) against the criteria in the invitation letter. Decisions on the most appropriate option for each area will be judgements in the round, having regard to the guidance and the available evidence. We would welcome an options appraisal against the criteria set out in the letter, so you can provide an evidence-based rationale for the preferred model against alternatives.

In relation to population thresholds, as set out above and in the Statutory Invitation guidance and in the English Devolution White Paper, we outlined a population size of 500,000 or more. This is a guiding principle, not a hard target – we understand that there should be flexibility, especially given our ambition to build out devolution and take account of housing growth, alongside local government reorganisation. All proposals, whether they are at the guided level, above it, or below it, should set out the rationale for the proposed approach clearly.

# ANNEX: Detailed feedback on criteria for interim plan

| Ask – Interim Plan<br>Criteria  | Feedback  |
|---|---|
| Identify the likely options for the size and boundaries of new councils that will offer the   | We welcome the initial thinking on the options for local government reorganisation in Staffordshire and Stoke-on-Trent.   |
| best structures for delivery of high-quality and sustainable public services across the area, along with indicative efficiency saving | In your final proposal(s) you may wish to consider an options appraisal against the criteria set out in the letter to provide a rationale for the preferred model against alternatives.   |
| opportunities.  Relevant criteria:  | Some of the interim plans submitted only included proposals covering part of the area invited to submit proposals for local government reorganisation. For  |
| 1c) Proposals should be supported by robust evidence and analysis and include an explanation of the outcomes it is                    | your final proposal(s), each council can submit a single proposal for which there must be a clear single option and geography and, as set out in the guidance, we expect this to be for the area as a whole; that is, the whole of the area to which the 5 February invitation was issued, not partial coverage.  |
| expected to achieve, including evidence of estimated costs/benefits and local engagement.  2a-f) Unitary local                        | Proposals should be for a sensible geography which will help to increase housing supply and meet local needs, including future housing growth plans. All proposals should set out the rationale for the proposed approach.  |
| government must be the right size to achieve efficiencies, improve capacity and withstand financial shocks.                           | Given the financial pressures identified it would be helpful to understand how efficiency savings have been considered alongside a sense of place and local identity.   |
| 3a-c) Unitary structures must prioritise the delivery of high quality and sustainable public services to citizens.                    | We recognise that the options outlined in the interim plans are subject to further development. In your final proposal(s) it would be helpful to include a high-level financial assessment which covers transition costs, and overall forecast operating costs of the new unitary councils.   |
|   | We will assess your final proposal(s) against the criteria set out in the invitation letter. Referencing criterion 1c, it would be helpful to provide:  • high-level breakdowns for where any efficiency savings will be made, with clarity of assumptions on how estimates have been reached and the data sources used, including differences in assumptions between proposals |

- information on the counterfactual against which efficiency savings are estimated, with values provided for current levels of spending
- a clear statement of what assumptions have been made, and if the impacts of inflation are taken into account
- a summary covering sources of uncertainty or risks with modelling, as well as predicted magnitude and impact of any unquantifiable costs or benefits
- where possible, quantified impacts on service provision, as well as wider impacts

We recognise that financial assessments are subject to further work. Referencing criteria 1 and 2, the bullets below indicate where further information would be helpful across all options:

- data and evidence to set out how your final proposal would enable financially viable councils, including identifying which option best delivers value for money for council taxpayers
- further detail on potential finances of new unitaries, for example, funding, operational budgets, potential budget surpluses/shortfalls, total borrowing (General Fund), and debt servicing costs (interest and MRP); and what options may be available for rationalisation of potentially surplus operational assets
- clarity on the underlying assumptions for any modelling e.g. assumptions of future funding, demographic growth and pressures, interest costs, Council Tax, savings earmarked in existing councils' MTFSs
- financial sustainability both through the period to the creation of new unitary councils as well as afterwards
- As criterion 2e states, and recognising that Stoke-on-Trent City Council has received Exceptional Financial Support, proposals should additionally demonstrate how reorganisation will contribute to putting local government in the area as a whole on a more sustainable footing, and any assumptions around what arrangements may be necessary to make new structures viable

We welcome the information provided in the plans on the potential impact and opportunities for service delivery from reorganisation although we note the level of detail provided varies significantly across different plans. For proposals that would involve disaggregation of services, we would welcome further details on how services can be maintained, such as social care, children's services, SEND, homelessness, and for wider public services including public safety.

Under criterion 3c you may wish to consider:

- how each option would deliver high-quality and sustainable public services or efficiency saving opportunities
- what would the different options mean for local services provision, for example:
  - do different options have a different impact on SEND services and distribution of funding and sufficiency planning to ensure children can access appropriate support, and how will services be maintained?
  - what is the impact on adult and children's care services? Is there a differential impact on the number of care users and infrastructure to support them among the different options?
  - what partnership options have you considered for joint working across the new unitaries for the delivery of social care services?
  - do different options have variable impacts as you transition to the new unitaries, and how will risks to safeguarding be managed?
  - do different options have variable impacts on schools, support and funding allocation, and sufficiency of places, and how will impacts on schools be managed?
  - what impact will there be on highway services across the area under the different approaches suggested?
  - what are the implications for public health, including consideration of socio-demographic challenges and health inequalities within any new boundaries and their implications for current and future health service needs. What are the implications for how residents access services and

service delivery for populations most at risk?

We welcome the desire to maximise the opportunity for public service reform, and it would be helpful for you to provide more details on your plans so we can explore how best to support your efforts.

Include indicative costs and arrangements in relation to any options including planning for future service transformation opportunities.

Relevant criterion:

2d) Proposals should set out how an area will seek to manage transition costs, including planning for future service transformation opportunities from existing budgets, including from the flexible use of capital receipts that can support authorities in taking forward transformation and invest-to-save projects.

We welcome the commitment across plans to provide further detail on costs in final proposals. As per criterion 2, your final proposal(s) should set out how an area will seek to manage transition costs, including planning for future service transformation opportunities from existing budgets, including from the flexible use of capital receipts that can support authorities in taking forward transformation and invest-to-save projects.

- within this it would be helpful to provide more detailed analysis on expected transition and/or disaggregation costs and potential efficiencies of proposal(s). This could include clarity on methodology, assumptions, data used, what year these may apply and why these are appropriate
- detail on the potential service transformation opportunities and invest-to-save projects from unitarisation across a range of services - e.g. consolidation of waste collection and disposal services, and whether different options provide different opportunities for back-office efficiency savings?
- where it has not been possible to monetise or quantify impacts, you may wish to provide an estimated magnitude and likelihood of impact
- summarise any sources of risks, uncertainty and key dependencies related to the modelling and analysis
- detail on the estimated financial sustainability of proposed reorganisation and how debt could be managed locally

We note that a high-level estimate for transition costs has been provided within some interim plans. It would be helpful if detail on the councils' financial positions and further modelling is set out in detail in your final proposal(s).

The interim plans ask for clarity from government on how transitional costs will be funded. As per the invitation letter, considering the efficiencies that are possible through reorganisation, we expect that areas will be able to meet transition costs over time from existing budgets, including from the flexible use of capital receipts that can support authorities in taking forward transformation and invest-to-save projects.

We welcome the joint work you have done to date and recommend that all options and proposals should use the same assumptions and data sets or be clear where and why there is a difference (linked to criterion 1c).

Lastly, we note the reference to the strategic alliance between Staffordshire Moorlands District Council in Staffordshire and High Peak Borough Council in Derbyshire. In the final proposals you should provide further information on how the transition to new local government structures through local government reorganisation would be managed for these two areas, given the additional complexities associated with the joint structures created through this alliance.

Include early views as to the councillor numbers that will ensure both effective democratic representation for all parts of the area, and also effective governance and decision-making arrangements which will balance the unique needs of your cities, towns, rural and coastal areas, in line with the Local Government Boundary Commission for England guidance.

Relevant criterion:

6) New unitary structures should enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment.

We welcome the early views you have provided for councillor numbers, which we will be sharing with the Local Government Boundary Commission for England (LGBCE). We do however note that these are high-level estimates, and we welcome the commitment made to undertake further work on this in advance of November, ensuring that this work is based on best practice and examples of similarly sized unitary authorities. There are no set limits on the number of councillors although the LGBCE guidance indicates that a compelling case would be needed for a council size of more than 100 members.

New unitary structures should enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment.

Additional details on how the community will be engaged, specifically how the governance, participation and local voice will be addressed to strengthen local engagement and democratic decision-making would be helpful.

In your final proposal(s) we would welcome detail on your plans for neighbourhood-based governance, the impact on parish councils, and the role of formal neighbourhood partnerships and neighbourhood Area Committees.

Include early views on how new structures will support devolution ambitions.

Relevant criteria:

5) - New unitary structures must support devolution arrangements.

5a) Proposals will need to consider and set out for areas where there is already a Combined Authority (CA) or a **Combined County** Authority (CCA) established or a decision has been taken by Government to work with the area to establish one. how that institution and its governance arrangements will need to change to continue to function effectively; and set out clearly (where applicable) whether this proposal is supported by the CA/CCA /Mayor.

We welcome that each interim plan includes early views on how new local government structures would support devolution ambitions. We note that numerous plans reference your preferred option of a Strategic Authority based on the existing geography of Staffordshire and Stoke-on-Trent.

Across all LGR proposal(s), looking towards a future Strategic Authority, it would be helpful to outline how each option would interact with a Strategic Authority and best benefit the local community, including meeting the criteria for sensible geography in the White Paper and devolution statutory tests.

We cannot pre-judge the result or timelines of any future devolution discussions, but we will work with you to progress your ambitions where possible in due course.

Include a summary of local engagement that has been undertaken and any views expressed, along with your further plans for wide local engagement to help shape your developing proposals.

Relevant criteria:

6a-b) New unitary structures should enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment.

We note that you have highlighted the high-level engagement you have been able to undertake with partners to date, and welcome the recognition that significant further engagement will be required in advance of November.

Expectations on engagement and consultation are in the invitation letter. We are happy to engage further on the consultation requirements in statute.

It is for you to decide how best to engage locally in a meaningful and constructive way with residents, voluntary sector, local community groups and councils, public sector providers such as health, policing and fire, and local business to inform your final proposal(s).

You may wish to engage in particular with those who may be affected by disaggregation of services of services.

It would be helpful to see detail that demonstrates how local ideas and views have been incorporated into your final proposal(s), including those relating to neighbouring authorities where relevant.

Set out indicative costs of preparing proposals and standing up an implementation team as well as any arrangements proposed to coordinate potential capacity funding across the area.

We welcome the indicative costs as set out in some plans. We would welcome further detail in your final proposal(s) over the level of costs and the extent to which the costs are for delivery of the unitary structures or for transformation activity that delivers additional benefits.

Relevant criterion:

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

2d) Proposals should set out how an area will seek to manage transition costs, including planning for future service transformation opportunities from existing budgets, including from the flexible use of capital receipts that can support authorities in taking forward transformation and invest-to-save projects.

Set out any voluntary arrangements that have been agreed to keep all councils involved in discussions as this work moves forward and to help balance the decisions needed now to maintain service delivery and ensure value for money for council taxpayers, with those key decisions that

We welcome the ways of working together you have outlined in the interim plan, predominantly through the Staffordshire Leaders Board and the supporting Staffordshire Chief Executive Group.

We note that the Supplementary Plan submitted by Stoke-on-Trent City Council and the Outline Case for a North Staffordshire Unitary Council in a Devolved System have been authored exclusively by Stoke-on-Trent City Council, and therefore has a 'city perspective', as noted in the interim plan. We welcome the desire noted to collaborate further with

will affect the future success of any new councils in the area.

Relevant criteria:

4a-c) Proposals should show how councils in the area have sought to work together in coming to a view that meets local needs and is informed by local views. other neighbouring councils in advance of future proposals.

Effective collaboration between all councils will be crucial; areas will need to build strong relationships and agree ways of working, including around effective data sharing. This will enable you to develop a robust shared evidence base to underpin final proposals (see criterion 1c).

We note that one option under consideration by Newcastle-under-Lyme Borough Council includes the geography of Shropshire Council which sits outside of the invitation area. If your final proposal(s) include a neighbouring council(s) from outside of the invitation area then significant engagement between council(s) in the invitation area with any council(s) outside the invitation area that are directly impacted would be helpful during the development of proposal(s), including through effective data-sharing. Only those councils named on the invitation can submit a proposal, but affected neighbouring councils can jointly submit with a named council.

We recommend that your final proposal(s) should use the same assumptions and data sets or be clear where and why there is a difference.