Cheltenham Borough Council

Cabinet 17 March 2025

Council 17 March 2025

Devolution and Reorganisation

Accountable member:

Councillor Rowena Hay

Accountable officer:

Gareth Edmundson

Ward(s) affected:

All

Key Decision: No

Executive summary:

On the 16 December 2024 the Government released its Devolution White Paper. It set a clear ambition to expand the current Mayoral combined authority model with proposals to encourage all areas of England to form strategic authorities with elected Mayors bringing together councils over a larger credible economic geography with a population guidance of 1.5m people. In addition to devolution, the government has also written to all two-tier local authority areas inviting proposals for local government reorganisation (LGR). The government has requested that interim proposals should be submitted jointly by Gloucestershire Councils by the 21 March 2025 with final submissions by 28 November 2025. The government will then assess submissions with a view to establishing new unitary structures for Gloucestershire in 2028.

The government have stated that assessment of LGR proposals will be against the following criteria:

- Be the right size to achieve efficiencies, improve capacity and withstand

financial shocks (min. population 500k)

- Prioritise the delivery of high quality and sustainable public services

- Meet local needs and be informed by local views

- Support devolution arrangements

- Enable stronger community engagement and neighbourhood empowerment

At the time of writing this report, there appear to be three main LGR proposals currently under active consideration by Gloucestershire councils. These are:

- A single unitary council covering the whole county of Gloucestershire (population size c.660,000)

- Two unitary councils for the county, aligning with district council boundaries in the east of the county (Cheltenham, Cotswold and Tewkesbury, population c.311,000) and the west of the county (Gloucester, Forest of Dean and Stroud, population c.349,000)

- Two or three unitary councils for the area, one of which would be based around a 'Greater Gloucester'.

While these proposals are being worked up by councils, it is ultimately a decision for the government which option for LGR is taken forward. Cheltenham Borough Council is committed to working together with all councils to deliver whichever option is selected by government to be implemented, however, for the purposes of the interim submission, CBC wishes to express a preference for two unitary authorities in the east and west of the county providing an outline case as to why this is right for Gloucestershire. As such it has developed an interim submission to be included as an additional separate appendix to the joint letter that will be submitted by all councils. Cheltenham Borough Council acknowledges that there are strong views on the future shape of local government and devolution in the county and recognises that some councils may not support the content of Cheltenham's interim submission. Nevertheless, CBC is committed to playing its part in ensuring that there is a positive and detailed debate about the future of local government to help the government decide what is best for the future of the county.

CBC's two unitary submission

The last time that local government was reformed in Gloucestershire was 1974. We are now presented with another once-in-a-generation opportunity to gain more devolved powers and re-imagine services so that they deliver for our residents and businesses both now and in the decades to come. While we must always strive for efficiency and public service excellence, we must also avoid being trapped into a

mindset that only looks to management savings as the solution. Over-reliance on rationalisation risks becoming quickly outdated and overwhelmed by the needs of the future.

The imperative is to make sure we have local government of the right scale within a strategic authority that will make our people and the economy healthier, more prosperous and inclusive in the long term. And we can best do this if we build government on the foundations of our identity, our major urban settlements and our towns and rural communities, instead of implementing county-wide structures that will hold us back.

Appendix 5 of this report sets out a submission for two unitary authorities to be created in Gloucestershire as follows:

1. Gloucester, Forest and Stroud Valleys Council (based on the existing council footprints of Gloucester City, Forest of Dean District and Stroud District) (population c.349,000 rising to 379,000 by 2040)

2. Cheltenham and Cotswolds Council (based on the existing council footprints of Cheltenham Borough, Tewkesbury Borough and Cotswolds District) (population c.311,000 rising to 358,000 by 2040)

(Council names subject to change through consultation)

The submission also makes a clear statement for the new authorities to become part of an expanded West of England Combined Authority (WECA) as the best option to both create a credible economic geography that will support the growth and prosperity of the county, but also support the strong existing cultural links with the west of England, not least our existing connections with the ceremonial county of Gloucestershire which extend to South Gloucestershire Unitary.

While this report recommends Cheltenham Borough Council submits an interim proposal for two unitary authorities, the council recognises that there are different views on the future shape of local government in Gloucestershire. To that end the council continues to be committed to working with other councils in Gloucestershire, stakeholders and the Ministry of Housing Communities and Local Government (MHCLG) through this process, and, whatever local government structure central government decides for Gloucestershire, Cheltenham Borough Council will continue to work collaboratively to protect and improve services for residents and businesses.

Recommendations for Cabinet:

1.   Cabinet approves the joint letter to be submitted to the Ministry of Housing Communities and Local Government (MHCLG) found at appendix 4.

2.   Cabinet expresses a preference for two unitary councils to be created in

Gloucestershire and approves the interim submission included at appendix 5 setting out an outline case to be appended separately to the joint letter alongside other interim proposals submitted by respective Gloucestershire councils.

3.   Delegates authority to the Chief Executive in consultation with the Leader to work with the other six Gloucestershire councils to submit the joint letter and any associated separate appendices submitted by councils individually.

4.   That Cabinet recognises that there is not alignment on the shape of local government in Gloucestershire but commits to ongoing collaboration with other Gloucestershire Councils, stakeholders and MHCLG as the devolution and reorganisation process progresses to ensure that we deliver the best outcomes for residents and businesses.

Recommendations for Council:

1.   Subject to Cabinet approving recommendations 1 – 4 Council notes the content of this report, the councils preference for two unitary councils for Gloucestershire and the submission included at appendix 5.

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1. Implications

1.1 Financial, Property and Asset implications

Local government reorganisation will have a significant financial impact on local authorities and the interim submission highlights potential savings and transformation costs associated with implementing new structures. However, as these are interim proposals there are no direct significant implications as a result of these proposals.

In order to develop proposals for CBC's submission, some external expertise has been used which, if followed through to final submissions to government, will be estimated to be in the region of £60k. This will be partly funded by the New Initiatives Reserve in the 2025/26 budget.

Signed off by: Gemma Bell, Director of Finance and Assets, gemma.bell@cheltenham.gov.uk

1.2 Legal implications

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

February 2025.

There are no specific legal implications arising from the recommendations set out in this report.

As indicated within the body of the report this report seeks to set out the council's position in terms of the proposals it wishes to put as part of this initial submission.

The final decision on any unitary structure for Gloucestershire will rest with the government and legislation will be implemented to facilitate any changes.

This may involve Principal Area Boundary Reviews, which if accepted would be conducted under various pieces of legislation.

Any changes resulting from the local government reorganisation will have a significant impact and will be the subject of detailed legal support and advice going forward.

Signed off by: One Legal, legalservices@onelegal.org.uk

1.3 Environmental and climate change implications

There are no environmental considerations at this stage but full assessment of environmental implications will need to be considered at LGR progresses.

Signed off by: Maizy McCann, Climate Officer, Maizy.McCann@cheltenham.gov.uk

1.4 Corporate Plan Priorities

Not applicable at this stage as these are interim proposals so an assessment can only be made once a decision has been made on the future shape of local government.

1.5 Equality, Diversity and Inclusion Implications

See appendix 2.

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2   Background

2.1   The English Devolution White Paper was published on Monday 16 December 2024. In England, devolution is the transfer of powers and funding from national to more local or regional government. The Government's white paper aims to establish devolution deals for all areas in England. The government has set a clear ambition to roll out new Mayoral Strategic Authorities with credible economic geographies which comprise of more than one unitary authority and

have set guidance that, ideally, these new strategic authorities should have a population size of circa 1.5m. The government would then like to establish a council of nations and regions which would bring together the mayors from the devolved areas across the UK.

2.2 In addition, the government also set out in detail the Government's policy to move areas with two tiers of local government to a single tier within the term of this parliament – that's 21 remaining county areas, of which Gloucestershire is one. Local Government Reorganisation (LGR) is the process in which the structure and responsibilities of local authorities are reconfigured. The Government has set out plans to move away from the current two-tier system of district and county councils in England.

2.3 MHCLG have set the following outline timeline for the LGR process:

- Interim submission of proposals – **21 March 2025**

- Final proposals – **28 November 2025**

- Projected go-live of new local government structures – **April 2028.**

2.4 The government have stated that assessment of LGR proposals will be against the following criteria:

a) Be the right size to achieve efficiencies, improve capacity and withstand financial shocks (min 500k population)

b) Prioritise the delivery of high quality and sustainable public services

c) Meet local needs and be informed by local views

d) Support devolution arrangements

e) Enable stronger community engagement and neighbourhood empowerment.

2.5 The government have stated that it will consider exceptions to this guidance, particularly on population size with sufficient evidence against the criteria.

2.6 At the time of writing this report, there appear to be three main LGR proposals currently under active consideration by Gloucestershire councils. These are:

1. A single unitary council covering the whole county of Gloucestershire (population size c.660,000)

2. Two unitary councils for the county, aligning with district council boundaries in the east of the county (Cheltenham, Cotswold and

Tewkesbury, population c.311,000) and the west of the county (Gloucester, Forest of Dean and Stroud, population c.349,000)

3. Two or three unitary councils for the area, one of which would be based around a 'Greater Gloucester'.

2.7 While these proposals are being worked up by the councils, it is ultimately a decision for the government which option for LGR is taken forward.

2.8 All Gloucestershire councils have been working on a joint draft letter to submit so that government are clear on what current proposals exist. Each proposal is at varying stages of development therefore the time period between March and November will be critical to allow councils in Gloucestershire to work with MHCLG as we move towards a final submission of proposals.

2.9 While the Government have stated a clear preference for one proposal to come forward, they have also accepted that more than one proposal may be eventually submitted in November.

2.10 The joint letter for submission and approval is found at appendix 4.

3   CBC's Interim Submission – a two unitary model.

3.1 Cheltenham Borough Council is committed to working together with all councils to deliver whichever option is selected by government to be implemented, however, for the purposes of the interim submission, CBC wishes to express a preference for two unitary authorities in the east and west of the county providing an outline case as to why this is right for Gloucestershire. As such it has developed an interim submission to be included as an additional separate appendix to the joint letter. Cheltenham Borough Council acknowledges that there are strong views on the future shape of local government and devolution in the county and recognises that some councils may not support the content of Cheltenham's interim submission. Nevertheless, CBC is committed to playing its part in ensuring that there is a positive and detailed debate about what is best for the future.

3.2 The last time that local government was reformed in Gloucestershire was 1974. We are now presented with another once-in-a-generation opportunity to gain more devolved powers and re-imagine services so that they deliver for our residents and businesses both now and in the decades to come. While we must always strive for efficiency and public service excellence, we must also avoid being trapped into a mindset that only looks to management savings as the solution. Over-reliance on rationalisation risks becoming quickly outdated and overwhelmed by the needs of the future.

3.3 In this moment we need to think bigger, be more creative, and be prepared to

reject the status quo if it fails to provide the solutions we seek. We need devolution and new local government structures that support the governments established missions and provide strong, resilient and innovative services that don't just meet local need but are designed with and for the communities that we serve. We need to implement structures that can finally achieve intervention and prevention and break the never-ending, no-win cycle where increasing demand outstrips financial resources.

3.4 In Gloucestershire, we are fortunate to possess unique opportunities, however alongside this are common and increasing challenges. We have enviable economic potential but a dramatically ageing population and projected care needs that will break an already fragile system. And while our children's services are improving, we have a mental health and education crisis that is failing a generation of our young people.

3.5 The imperative is to make sure we have local government of the right scale within a strategic authority that will make our people and the economy healthier, more prosperous and inclusive in the long term. And we can best do this if we build government on the foundations of our identity, our major urban settlements and our towns and rural communities instead of implementing county-wide structures that will hold us back.

Proposal

3.6 Two Unitaries, within the West of England Combined Authority (WECA)

3.7 We will create two councils built on our strong identities:

- **Gloucester, the Forest and Stroud Valleys Council - (c.349k rising to 379k population by 2040)**

- **Cheltenham and Cotswolds Council (c.311k rising to 358k population by 2040))**

  (Council names subject to change via consultation)

Two Councils, one Gloucestershire within WECA

3.8   We will deliver Mission-led local government. Our Councils will:

1. **Kickstart economic growth –** Cities and towns are key drivers of growth and prosperity. Each urban centre of Gloucester and Cheltenham will be within their own unitary and will be better able to drive jobs, growth and prosperity. We will specialise in the creation of a green energy supercluster in the west around the site of Berkeley and Oldbury, and a technology supercluster in the east centred on GCHQ, the Golden Valley

Development and the future National Cyber Innovation Centre, which, together will ensure that the Gloucestershire economy will be of national and international importance.

2. **Make Britain a clean energy superpower–** A western unitary, dedicated to championing the green energy cluster in Gloucester, Stroud and Forest of Dean, can be developed as a national asset to improve energy security and reduce carbon emissions.

3. **Break down barriers to opportunity –** Gloucestershire's children's services are improving but still require improvement. Two unitary authorities will allow greater investment and a more tailored approach to delivering children's services, thus improving the outcomes they deliver.

4. **Build an NHS fit for the future –** Two unitary authorities will help fix a broken health system. Implementing a locality-based health and care model will deliver early intervention and reduce the need for acute care, saving the health system millions.

Two unitaries, a criteria-based assessment:

3.9 Be the right size to achieve efficiencies, improve capacity and withstand financial shocks (min 500k population)

1. While the government have expressed a preference for new unitary authorities to have a population of 500k or higher, they have also indicated they will consider exceptions to this guidance. We believe there is strong evidence to for an exception to be granted in Gloucestershire when applied to the criteria.

2. We will create two unitaries that deliver comparative management efficiencies to a single unitary, while retaining the right size and scale to withstand financial shocks.

3. Aggregation of district services will be swifter and less complex. Where limited services are disaggregated, investment in strategic capacity will help to realise greater locality-based savings by enabling greater early intervention.

4. We will use our competitive advantage of existing service delivery models across operational services such as waste, highways and grounds maintenance to deliver services at scale more efficiently.

5. Council tax collection is balanced across east and west and while deprivation is higher in the western unitary, the eastern unitary will age more rapidly, balancing out need and allowing each authority to

specialise.

6. Two unitaries, each with their own urban core and surrounding towns and rural communities will deliver more manageable geographies and support growth – which in turn will generate more business rates and the ability to invest.

3.10 Delivering high quality, sustainable public services

1. On current projection the future care demands of Gloucestershire's ageing population will overwhelm both budgets and the available workforce. Fundamental reform is needed.

2. Preventative care located in the community is the only viable route to addressing this challenge, and this is something which Gloucestershire's existing strategies across health and care already acknowledge. Crucially, we also recognise that preventative care must be a collective responsibility to be effective. Building two councils on identity and locality-based prevention services, breaking with the outdated culture and delivery model of a single county approach is the only way to deliver high quality and sustainable public services.

3. In addition, with each east and west unitary retaining circa 5,000 council homes, they will provide a platform to expand social housing right across each unitary footprint more swiftly and with greater focus, helping to achieve the government's housebuilding agenda. Gloucestershire councils have already worked in partnership to deliver economies of scale on a range of services. We will harness a mixed economy approach, tailoring a service delivery model to need on a geographical footprint that is the of the right size to manage effectively.

3.11 Meet local needs, informed by local views

1. Establishing two unitaries will enable the creation of a new council culture and an ethos blending scale with local connection. We aim to support a cooperative approach to service delivery where the citizen and state will be re-balanced to ensure that local people help to devise and design services that better meet their need. While county-wide children's services have improved, significant challenges remain within care services, with parents and practitioners reporting that they feel like they are fighting to get their views heard with regards to children's SEND provision. The selective disaggregation of adult and children's services will be critical in developing new approaches to personalised care and support.

2. We will use the potential of the existing technology ecosystem to develop more innovative ways of engaging with residents and using data and AI

effectively to help transform services so they can truly deliver the critical prevention agenda.

3. Under a two-unitary authority, decisions made by the executive and councillors will, by their very nature, be closer to the communities that they serve.

3.12 Supporting devolution ambitions

1. The West of England Combined Authority (WECA) serves as a strategic partner for Gloucestershire not only due to its geographic proximity but also its complementary economies. Its shared strengths in technology (Cyber, AI, Quantum), advanced manufacturing (including defence and aviation), and green energy has facilitated links between Gloucestershire and WECA's economic clusters.

2. Gloucestershire has been an established member of the Western Gateway partnership, and the economic studies completed as part of this pan-regional partnership have evidenced the strong links and the economic opportunities that exist between Gloucestershire and the WECA footprint.

3. The academic axis of Bristol and Bath is seen as particularly important to the development of both the green energy and technology superclusters within each unitary. It can allow Gloucestershire to strengthen links with other leading academic institutions and innovation actors to drive productivity and investment in each authority.

4. Two unitary authorities and their relative size to the other WECA councils will provide balance in both size and scale. The addition of Gloucestershire to WECA, alongside North Somerset, will increase the population to over 1.5m making it a comparably large strategic authority in the proposed Council of Nations and Regions.

5. With Gloucestershire as part of WECA, it will enable the strategic authority to make a greater contribution to the Government's growth mission by delivering a greater number of high value, high productivity jobs in the region.

6. Using the existing building blocks of district councils to create east and west unitaries will help to expedite the creation of the new Councils by 2028, allowing Gloucestershire to fully join WECA (subject to agreement) for an expanded Mayoral election in 2029.

3.13 Enable stronger community engagement and neighbourhood empowerment

1. Two unitaries allows for a more effective balance and execution of the town and parish council model.

2. To date, existing county-wide unitaries have not delivered an effective town or parish model to significant urban settlements with a population of over 100,000. Both Gloucester and Cheltenham have core populations of over 118,000, with each having a significant population outside of the current boundaries that identify strongly with each settlement. In addition, the government has created recent precedence by retaining the City of York Council within the reorganisation of North Yorkshire.

3. Gloucestershire is nationally unique having two significant urban settlements but a county population size of less than 700,000.

2. Two unitaries built on the distinct identities of Gloucester, Forest and the Stroud Valleys to the west, and Cheltenham and the Cotswolds to the east can allow residents to retain their place-based identities, instead of a one-size-fits-all county that will threaten the very identities that underpin Gloucestershire's success. A two unitary model will allow for the recognition of both Gloucester and Cheltenham in each respective council but will also allow for the further development and strengthening of the town and parish model currently in existence. In addition, the two unitary model would in the future provide an opportunity for further strengthening of local identities, by welcoming a review from the Local Government Boundary Commission for England we will ensure that through consultation and engagement, areas are aligned to the council which provides the strongest local connection.

4. A single unitary could result in Gloucester and Cheltenham likely demanding more powers which risks re-creating two tier government by stealth in these areas, creating an imbalance.

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Map of proposed two unitary authorities for Gloucestershire, alongside the existing WECA footprint and North Somerset
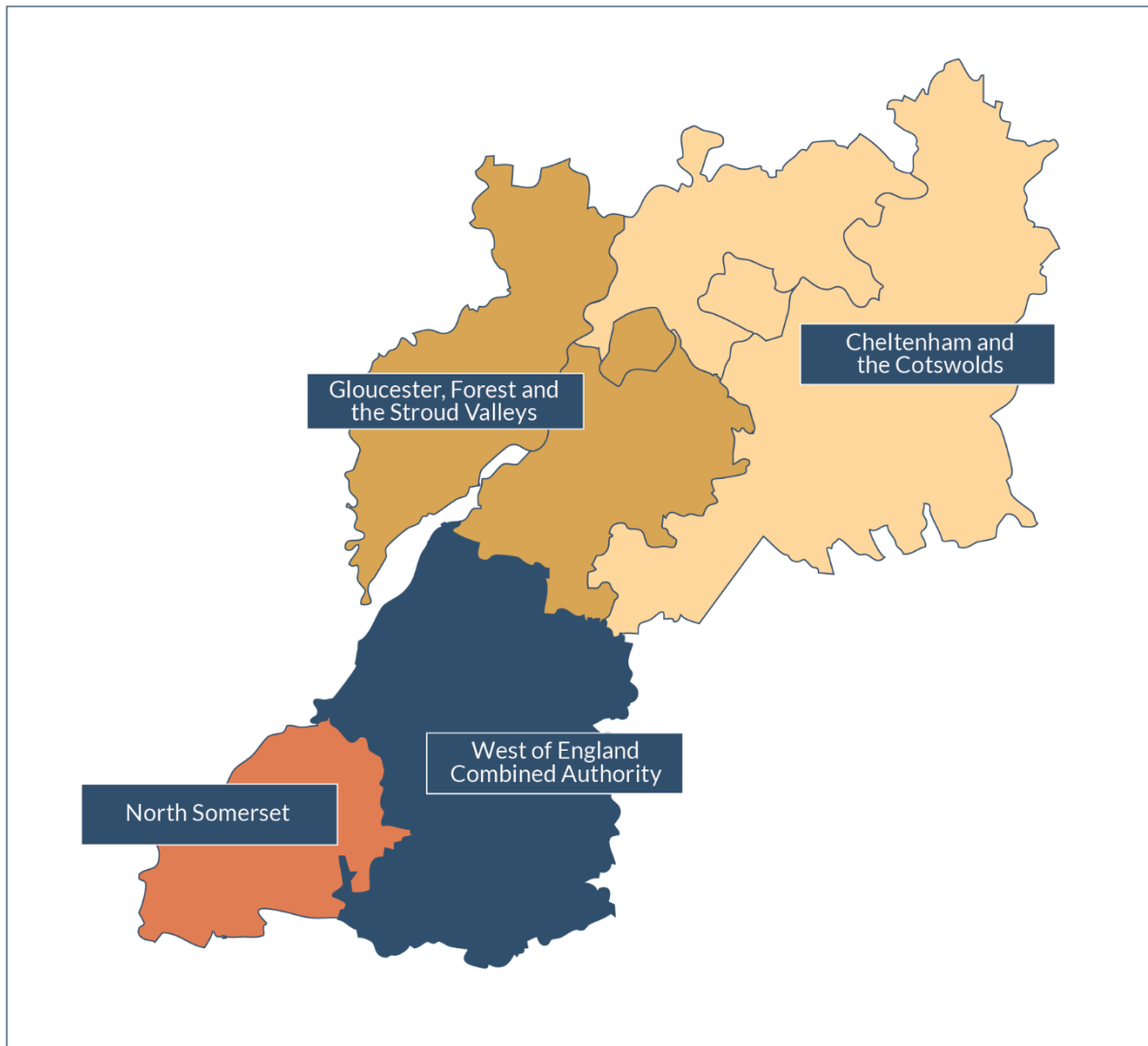
Local authority	Population	Land area (km2)
Gloucester, Forest and the Stroud Valleys	348,635	1,027
Cheltenham and the Cotswolds	310,641	1,623.5
Bath and North East Somerset	195,618	375.5
City of Bristol	483,000	110
South Gloucestershire	290,423	496.6
North Somerset	215,574	375

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4 Alternative options considered

4.1 As stated above, at present there are differing views on what the future structures of local government and devolution should be for Gloucestershire.

4.2 While this report recommends a preference for a two unitary model and an interim case to support that view, the council will remain committed to working collaboratively with Gloucestershire councils, stakeholders and government as the process of LGR and devolution progresses and will work hard to ensure that, following the government's decision on what structure to implement, Cheltenham's residents and businesses continue to receive high quality and sustainable services.

5 Consultation and feedback

5.1 As these are interim proposals limited engagement has been conducted to date. However, as part of LGR, the government has set out guidelines for consultation as follows, highlighting the following key partners as potential consultees (not an exhaustive list):

1. Relevant Mayor and elected representatives e.g. MPs

2. Integrated Care Board

3. Police and Crime Commissioner or Police and Fire Commissioner

4. Higher Education and Further Education Providers

5. Voluntary and third sector

6. Other elected representatives and parish councils

7. National Park Authorities (where relevant).

6 Key risks

6.1 See appendix 1

Report author:

Gareth Edmundson, Chief Executive, gareth.edmundson@cheltenham.gov.uk

Appendices:

1. Risk Assessment
2. Equality Impact Assessment – Screening

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3.   Minister of State for Local Government and English Devolution's statutory invite of 5 February 2025
4.   Gloucestershire Leaders' Letter of response to the Minister of State
5.   Interim submission for creation of two unitaries for Gloucestershire

Background information:

[English Devolution White Paper](#)

[Local Government Reorganisation: Policy and programme updates](#)

Appendix 1: Risk Assessment

Risk ref	Risk description	Risk owner	Impact score (1-5)	Likelihood score (1-5)	Initial raw risk score (1 - 25)	Risk response	Controls / Mitigating actions	Control / Action owner	Deadline for controls/ actions
408	Local Government Reorganisation – If local government re-organisation is not managed effectively then it may impact on financial viability, services to residents and staff motivation and retention.	Gareth Edmundson	4	4	16	Reduce	- Discussions with MHCLG and neighbouring councils ongoing - Development of devolution and reorganisation proposals - Ongoing communication with staff e.g. all staff meetings	Gareth Edmundson	Next review 05/05/2025
410	Devolution – If Gloucestershire is not part of an effective strategic authority it may reduce or limit the councils ability to secure funding and investment and take advantage of devolution powers offered.	Gareth Edmundson	3	5	15	Reduce	- Countywide devolution workstream - Engagement with MHCLG on devolution options and timelines for potential establishment of a strategic authority	Gareth Edmundson	Next review 05/05/2025

Appendix 2:   Equality Impact Assessment (Screening)

1. Identify the policy, project, function or service change

a. Person responsible for this Equality Impact Assessment

Officer responsible: Gareth Edmundson	Service Area: Cheltenham Borough Council
Title: Devolution and Reorganisation	Date of assessment: 6/3/2025
Signature: Gareth Edmundson	

b. Is this a policy, function, strategy, service change or project? Other

If other, please specify: Interim Local Government Reorganisation and Devolution Submission

c. Name of the policy, function, strategy, service change or project

Interim Local Government Reorganisation and Devolution Submission

Is this new or existing?	**New or proposed**

Please specify reason for change or development of policy, function, strategy, service change or project

Devolution White Paper released by MHCLG in December 2024, followed by statutory invitation for local government reorganisation

d. What are the aims, objectives and intended outcomes and who is likely to benefit from it?

Aims:	To make local government structures simpler for residents and businesses To deliver efficiencies To deliver high quality and sustainable services To improve and strengthen local or regional decision making and support economic growth, investment and prosperity
Objectives:	To deliver savings To make councils more resilient To deliver joined up high quality services To improve prevention and intervention Deliver more housing

Outcomes:	Making taxpayers money go further Increase investment, jobs and economic growth Improve wellbeing of residents
Benefits:	Reduce costs and demand on care services People living healthier for longer Reductions in unemployment More higher value jobs available to local people with the right skills to succeed Fewer children and young people requiring intervention

e. What are the expected impacts?

Are there any aspects, including how it is delivered or accessed, that could have an impact on the lives of people, including employees and customers.	**Yes**
Do you expect the impacts to be positive or negative?	**Unsure**
Please provide an explanation for your answer:	
These are interim proposals for local government and devolution so it is premature to make a full assessment, however, the ultimate aim is to deliver more efficient, joined up government that improves services for local residents and businesses.	

If your answer to question e identified potential positive or negative impacts, or you are unsure about the impact, then you should carry out a Stage Two Equality Impact Assessment.

f. Identify next steps as appropriate

Stage Two required	**Yes**
Owner of Stage Two assessment	**Gloucestershire-wide assessment required**
Completion date for Stage Two assessment	**To be considered when government have determined the structure of local government, likely in 2026.**

Ministry of Housing, Communities & Local Government

Jim McMahon OBE MP
Minister of State for Local Government and English Devolution
2 Marsham Street
London
SW1P 4DF

Your reference:
Our reference:

To: Leaders of two-tier councils in Gloucestershire
  Cheltenham Borough Council
  Cotswold District Council
  Forest of Dean District Council
  Gloucester City Council
  Gloucestershire County Council
  Stroud District Council
  Tewkesbury Borough Council

5 February 2025

Dear Leaders

This Government has been clear on our vision for simpler, more sustainable, local government structures, alongside a transfer of power out of Westminster through devolution. We know that councils of all political stripes are in crisis after a decade of decline and instability. Indeed, a record number of councils asked the government for support this year to help them set their budgets.

This new government will not waste this opportunity to build empowered, simplified, resilient and sustainable local government for your area that will increase value for money for council taxpayers. Local leaders are central to our mission to deliver change for hard-working people in every corner of the country through our Plan for Change, and our councils are doing everything they can to stay afloat and provide for their communities day in, day out. The Government will work closely with you to deliver these aims to the most ambitious timeline.

I am writing to you now to formally invite you to work with other council leaders in your area to develop a proposal for local government reorganisation, and to set out further detail on the criteria, guidance for the development of proposals, and the timeline for this process. A formal invitation with guidance for the development of your proposals is attached at Annex A. This invitation sets out the criteria against which proposals will be assessed.

Developing proposals for reorganisation
We expect there to be different views on the best structures for an area, and indeed there may be merits to a variety of approaches. Nevertheless, it is not in council taxpayers' interest to devote public funds and your valuable time and effort into the development of multiple proposals which unnecessarily fragment services, compete against one another, require lengthy implementation periods or which do not sufficiently address local interests and identities.

The public will rightly expect us to deliver on our shared responsibility to design and implement the best local government structures for efficient and high-quality public service delivery. We therefore expect local leaders to work collaboratively and proactively, including by sharing information, to develop robust and sustainable unitary proposals that are in the best interests of the whole area to which this invitation is issued, rather than developing competing proposals.

This will mean making every effort to work together to develop and jointly submit one proposal for unitary local government across the whole of your area. The proposal that is developed for the whole of your area may be for one or more new unitary councils and should be complementary to devolution plans. It is open to you to explore options with neighbouring councils in addition to those included in this invitation, particularly where this helps those councils to address concerns about their sustainability or limitations arising from their size or boundaries or where you are working together across a wider geography within a strategic authority.

I understand there will be some cases when it is not possible for all councils in an area to jointly develop and submit a proposal, despite their best efforts. This will not be a barrier to progress, and the Government will consider any suitable proposals submitted by the relevant local authorities.

Supporting places through change
It is essential that councils continue to deliver their business-as-usual services and duties, which remain unchanged until reorganisation is complete. This includes progress towards the Government's ambition of universal coverage of up-to-date local plans as quickly as possible. To support with capacity, I intend to provide some funds for preparing to take forward any proposal, and I will share further information later in the process.

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.

The default position is that assets and liabilities remain locally managed by councils, but we acknowledge that there are exceptional circumstances where there has been failure linked to capital practices. Where that is the case, proposals should reflect the extent to which the implications of this can be managed locally, including as part of efficiencies possible through reorganisation, and Commissioners should be engaged in these discussions. We will continue to discuss the approach that is proposed with the area.

I welcome the partnership approach that is being taken across the sector to respond to the ambitious plans set out in the White Paper. My department will continue to work closely with the Local Government Association (LGA), the District Councils Network, the County Councils Network and other local government partners to plan how best to support councils through this process. We envisage that practical support will be needed to understand and address the key thematic issues that will arise through reorganisation, including managing service impacts and opportunities for the workforce, digital and IT systems, and leadership support.

Timelines and next steps for interim plans and full proposals

We ask for an interim plan to be submitted on or before 21 March 2025, in line with the guidance set out in the attached Annex. My officials will provide feedback on your plan to help support you to develop final proposals.

I will expect any full proposal to be submitted **by 28 November**. If I decide to implement any proposal, and the necessary legislation is agreed by Parliament, we will work with you to move to elections to new 'shadow' unitary councils as soon as possible as is the usual arrangement in the process of local government reorganisation.

Following submission, I will consider any and all proposals carefully before taking decisions on how to proceed. My officials are available throughout to discuss how your reorganisation and devolution aspirations might work together and what support you think you might need to proceed.

This is a once in a generation opportunity to work together to put local government in your area on a more sustainable footing, creating simpler structures for your area that will deliver the services that local people and businesses need and deserve. As set out in the White Paper, my commitment is that clear leadership locally will be met with an active partner nationally.

I am copying this letter to council Chief Executives. I am also copying this letter to local Members of Parliament and to the Police and Crime Commissioner.

Yours sincerely,

JIM MCMAHON OBE MP
Minister of State for Local Government and English Devolution

LOCAL GOVERNMENT AND PUBLIC INVOLVEMENT IN HEALTH ACT 2007

INVITATION FOR PROPOSALS FOR A SINGLE TIER OF LOCAL GOVERNMENT

The Secretary of State for Housing, Communities and Local Government, in exercise of his powers under Part 1 of the Local Government and Public Involvement in Health Act 2007 ('the 2007 Act'), hereby invites any principal authority in the area of the county of Gloucestershire, to submit a proposal for a single tier of local government.

This may be one of the following types of proposal as set out in the 2007 Act:

- Type A – a single tier of local authority covering the whole of the county concerned

- Type B – a 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 concerned, or one or more districts in the county; and one or more relevant adjoining areas

- Combined proposal – a 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.

Proposals must be submitted in accordance with paragraphs 1 to 3:

1. Any proposal must be made by **28 November 2025**.

2. In responding to this invitation an authority must have regard to the guidance from the Secretary of State set out in the Schedule to this invitation, and to any further guidance on responding to this invitation received from the Secretary of State.

3. An authority responding to this invitation may either make its own proposal or make a proposal jointly with any of the other authorities invited to respond.

Signed on behalf of the Secretary of State for Housing, Communities and Local Government.

F KIRWAN

A senior civil servant in the Ministry of Housing, Communities and Local Government

5 February 2025

SCHEDULE

Guidance from the Secretary of State for proposals for unitary local government.

Criteria for unitary local government

1. **A proposal should seek to achieve for the whole of the area concerned the establishment of a single tier of local government.**

   a) Proposals should be for sensible economic areas, with an appropriate tax base which does not create an undue advantage or disadvantage for one part of the area.

   b) Proposals should be for a sensible geography which will help to increase housing supply and meet local needs.

   c) Proposals should be supported by robust evidence and analysis and include an explanation of the outcomes it is expected to achieve, including evidence of estimated costs/benefits and local engagement.

   d) Proposals should describe clearly the single tier local government structures it is putting forward for the whole of the area, and explain how, if implemented, these are expected to achieve the outcomes described.

2. **Unitary local government must be the right size to achieve efficiencies, improve capacity and withstand financial shocks.**

   a) As a guiding principle, new councils should aim for a population of 500,000 or more.

   b) There may be certain scenarios in which this 500,000 figure does not make sense for an area, including on devolution, and this rationale should be set out in a proposal.

   c) Efficiencies should be identified to help improve councils' finances and make sure that council taxpayers are getting the best possible value for their money.

   d) 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.

   e) For areas covering councils that are in Best Value intervention and/or in receipt of Exceptional Financial Support, proposals must additionally demonstrate how reorganisation may 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.

   f) In general, as with previous restructures, there is no proposal for council debt to be addressed centrally or written off as part of reorganisation. For areas where there are exceptional circumstances where there has been failure linked to capital practices, proposals should reflect the extent to which the implications of this can be managed locally, including as part of efficiencies possible through reorganisation.

3. **Unitary structures must prioritise the delivery of high quality and sustainable public services to citizens.**

   a) Proposals should show how new structures will improve local government and service delivery, and should avoid unnecessary fragmentation of services.

   b) Opportunities to deliver public service reform should be identified, including where they will lead to better value for money.

   c) 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 for public safety.

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.**

   a) It is for councils to decide how best to engage locally in a meaningful and constructive way and this engagement activity should be evidenced in your proposal.

   b) Proposals should consider issues of local identity and cultural and historic importance.

   c) Proposals should include evidence of local engagement, an explanation of the views that have been put forward and how concerns will be addressed.

5. **New unitary structures must support devolution arrangements.**

   a) 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.

   b) Where no CA or CCA is already established or agreed then the proposal should set out how it will help unlock devolution.

   c) Proposals should ensure there are sensible population size ratios between local authorities and any strategic authority, with timelines that work for both priorities.

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

   a) Proposals will need to explain plans to make sure that communities are engaged.

   b) Where there are already arrangements in place it should be explained how these will enable strong community engagement.

Developing proposals for unitary local government

The following matters should be taken into account in formulating a proposal:

Boundary Changes

a) Existing district areas should be considered the building blocks for your proposals, but where there is a strong justification more complex boundary changes will be considered.

b) There will need to be a strong public services and financial sustainability related justification for any proposals that involve boundary changes, or that affect wider public services, such as fire and rescue authorities, due to the likely additional costs and complexities of implementation.

Engagement and consultation on reorganisation

a) We expect local leaders to work collaboratively and proactively, including by sharing information, to develop robust and sustainable unitary proposals that are in the best interests of the whole area to which this invitation is issued, rather than developing competing proposals.

b) For those areas where Commissioners have been appointed by the Secretary of State as part of the Best Value Intervention, their input will be important in the development of robust unitary proposals.

c) We also expect local leaders to engage their Members of Parliament, and to ensure there is wide engagement with local partners and stakeholders, residents, workforce and their representatives, and businesses on a proposal.

d) The engagement that is undertaken should both inform the development of robust proposals and should also build a shared understanding of the improvements you expect to deliver through reorganisation.

e) The views of other public sector providers will be crucial to understanding the best way to structure local government in your area. This will include the relevant Mayor (if you already have one), Integrated Care Board, Police (Fire) and Crime Commissioner, Fire and Rescue Authority, local Higher Education and Further Education providers, National Park Authorities, and the voluntary and third sector.

f) Once a proposal has been submitted it will be for the Government to decide on taking a proposal forward and to consult as required by statute. This will be a completely separate process to any consultation undertaken on mayoral devolution in an area, which will be undertaken in some areas early this year, in parallel with this invitation.

Interim plans

An interim plan should be provided to Government on or before **21 March 2025.** This should set out your progress on developing proposals in line with the criteria and guidance. The level of detail that is possible at this stage may vary from place to place but the expectation is that one interim plan is jointly submitted by all councils in the area. It may be the case that the interim plan describes more than one potential proposal for your area, if there is more than one option under consideration. The interim plan should:

a) identify any barriers or challenges where further clarity or support would be helpful.

b) identify the likely options for the size and boundaries of new councils that will offer the best structures for delivery of high-quality and sustainable public services across the area, along with indicative efficiency saving opportunities.

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

d) 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.

e) include early views on how new structures will support devolution ambitions.

f) 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.

g) 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.

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

Appendix 4: Gloucestershire Leaders' Letter of response to the Minister of State

DRAFT
Dear Minister McMahon,

Thank you for your letter of 5 February 2025 to all Gloucestershire Leaders setting out your requirement for us to work together to develop proposals for a single tier of local government, as well as setting out further detail on the criteria against which final proposals will be assessed. We are therefore writing to you to provide an update on Gloucestershire's progress in developing proposals for local government reorganisation.

Options for a unitary structure

Identify the likely options for the size and boundaries of new councils that will offer the best structures for delivery of high-quality and sustainable public services across the area, along with indicative efficiency saving opportunities.

There are currently three main options for a unitary structure in Gloucestershire currently under consideration by the principal authorities:

(a) a unitary council for the whole county, population 659k (2023 mid-year estimate);

(b) two unitary councils, one comprising or approximating the districts of Gloucester, Forest of Dean, and Stroud (population 349k) and the other comprising or approximating the districts of Cheltenham, Cotswolds, and Tewkesbury (population 310k). Any proposal for this option would set out the rationale for it, relying on the statutory guidance that "there may be certain scenarios in which this 500,000 figure does not make sense for an area, including on devolution".

(c) A city-based unitary council based around a 'Greater Gloucester' area along with one or two unitaries for the rest of the county area (i.e. two or three unitary councils in total). Any proposal for this option would set out the rationale for it, relying on the statutory guidance that "there may be certain scenarios in which this 500,000 figure does not make sense for an area, including on devolution".

At present, there is not unanimity among the seven principal councils. More work is being done to identify which structure(s) will feature in the proposal submitted by 28 November, with a view to reaching agreement upon it (although all councils recognise that ultimately there might be competing proposals).

Option (b) does not immediately require a boundary review, but option (c) would require a principal area boundary review as there are parishes and geographical communities that would be unhelpfully split between the unitary authorities if the existing district boundaries were strictly applied. The current district boundaries do not always represent community identity, association with place, or potentially the most efficient opportunity for delivery of high quality services.

Appendix 4: Gloucestershire Leaders' Letter of response to the Minister of State

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Costs of a unitary structure

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

Two initial appraisals are attached as appendices.

1. An initial appraisal by PwC of unitary options (a) and (b), commissioned by the County Council.
2. An initial outline business case for unitary option (b), commissioned by Cheltenham Borough Council.

Work to understand the potential for savings under option (c) will be developed and brought forward in due course. Further work will be done to challenge and refine these initial assessments and, alongside any other work commissioned, will inform the final proposal(s) put forward in November.

No detailed work has yet been done on planning for future service transformation opportunities. It should be noted that some services are already operated on shared service arrangements across part or all of the county area (e.g. all seven councils own the environmental services Teckal company Ubico, along with West Oxfordshire District Council).

Devolution

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

The seven principal councils wish to see the county's communities, residents, and businesses enjoy some benefits from 'devolution' of powers and funding to their communities at the earliest possible date. There are a range of options for forming or joining a Strategic Authority that are currently under consideration.

One option would be to join West of England Combined Authority (WECA) to the south of the county, to reflect existing partnerships established in the South West Region, for economic development projects, transport and skills. While the pathway for councils to join an existing Mayoral Combined Authority is not yet confirmed, we assume that Government will legislate to permit this, in line with the assurances given to North Somerset Council. A possible timeline would be to vest new Unitary Councils in Gloucestershire in 2028 (possibly having created shadow authority(ies) in 2027), with a view to electing a new Mayor for an expanded WECA area in May 2029.

A second option under consideration would be to create a new Strategic Authority with the county areas of Worcestershire and Herefordshire to the north. This would be more straightforward in one sense, with potential for elections for a mayor in May 2027, with the unitary council or councils being constituent members of a Mayoral

Appendix 4: Gloucestershire Leaders' Letter of response to the Minister of State

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Combined Authority from that date (later timetables are possible such as elections in May 2028). However, this footprint would not align with police force boundaries (it would split West Mercia police area).

A third option would be to create a new Strategic Authority with the areas of Oxfordshire and, possibly, Swindon, to the east of the county. This could be delivered on a timetable similar to the north option above, but again would not align with police force boundaries (it would split Thames Valley police area and Wiltshire police area)

Ultimately the footprint and timing of the devolution process will involve decisions with neighbouring areas. Gloucestershire's councils commit themselves to working with neighbouring and nearby county councils and unitary authorities to provide clarity about the footprint and timetable as part of final proposals.

It is recognised that, under unitary option (b) or (c), it is possible that the two or three unitary councils could be in different mayoral combined authorities, though this is not the preferred option from the discussions so far. Discussions with councils in neighbouring areas will be taken forward collaboratively by all seven councils in order to identify a position that is supported not only in Gloucestershire but also legally achievable and desired by other participating areas.

It will be helpful for the Government to set out a clear and unequivocal position on whether it is prepared to see the areas of police forces, fire and rescue services, and integrated care boards split across Strategic Authorities. If the answer to any or each of those is "no", it has a fundamental effect on the footprints that are possible, given the Government's policy statements about alignment.

Electoral arrangements

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.

The electoral arrangements for the county council have recently been reviewed by the Boundary Commission and will be used for the elections on 1 May 2025.

They could continue to be used without any additional effort for a new unitary structure (option a), simply by doubling the number of councillors in each division.

If existing district boundaries were used for option (b), then the 2025 county divisions could also easily be used for the two unitary councils. However, the councils remain undecided as to whether a boundary review would benefit the option (b) proposal.

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Option (c) proposes the need for a principal area boundary review to align those neighbouring parishes adjacent to Gloucester within the Greater Gloucester area. This Greater Gloucester area would likely require a total of 52 members. The remainder of the county area would likely require a similar number, if one additional unitary. Should two be proposed, this will likely need a greater number of members.

To summarise:

Option (a) – a unitary council of 110 members;

Option (b) – a unitary council for Western Gloucestershire of 58 members and a unitary council for Eastern Gloucestershire of about 52 members.

Option (c) – a unitary council for 'Greater Gloucester' of about 52 members and possibly 50 members across the remaining county area, should this be one unitary council. If two additional unitary councils are proposed the number of members will likely be greater.

All options would represent a reduction of about 185 councillors (-63%) compared to the current structure of 295 councillors. Assuming that the basic allowance for a unitary councillor would be broadly similar to the basic allowance of c.£12k paid in nearby unitaries, all options would provide an estimated saving of about £490k a year.

Adopting the proposed arrangements for the first elections to the new structure would not preclude a subsequent review by the Boundary Commission, for example to reduce councillor numbers further or to create single member divisions.

Should unitarisation proceed towards a vesting date of 2028, consideration would need to be given as to whether the district elections scheduled for 2027 in Cotswold District, Forest of Dean District, and Tewkesbury Borough should proceed.

Engagement

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.

Wider engagement with stakeholders hasn't been possible within the timescales to date. A local engagement plan is being developed to ensure consistent, joined-up, and meaningful engagement with the public, businesses, parish and town councils and partners ahead of submission of full proposals in November 2025.

Plans currently assume that local engagement will take place during Summer 2025, allowing time for a new administration to be formed following the County Council elections in May. A stakeholder map has been produced and analysis is underway to identify the most appropriate engagement methods. Although the engagement plan

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is not yet completed or agreed, we are considering establishing a neutral website and/or via the councils' existing websites as a place for stakeholders to access factual explanatory content, a library of key documents, and FAQs; organising a number of webinars / face to face meetings for partners to be updated and share their views; and establishing an agreed set of 'key questions' to enable responses from the public and partners. Key outputs from our joint engagement will be set out as part of proposals submitted in November.

Our engagement period will also have specific focus on:

- Place / locality: A 'Place Model' workstream has been established to consider arrangements for locality working and engagement within unitary structure(s). This workstream has been established with a wide membership which includes representatives from the Gloucestershire Association of Town and Parish Councils, the Gloucestershire Voluntary and Community Sector Alliance, the Society of Local Council Clerks, the Office of the Police and Crime Commissioner, Gloucestershire Constabulary, and the Integrated Care Board. Over the engagement period, it is intended that this will be expanded to include a mix of meetings and online engagement to test an emerging 'place model' with business, the VCSE sector, Town and Parish Councils, and other strategic partners. The engagement process and workstream outputs developed will be applicable to any potential submission through the range of options considered.

  The Place Model workstream has developed initial early thinking about how a place model could develop and be incorporated within firm unitary proposals for November 2025. The workstream is exploring how we differentiate larger settlements with a greater degree of delegation and autonomy, and would use the engagement period to consult and engage more widely on these.

- Vision and ambition: There is already a strong consensus between councils on the economic, social, technological, and environmental challenges and opportunities for the county. A specific vision and ambition workstream has been established to develop and crystalise our thinking, and is actively working with a developing Leadership Conference grouping of 100 leaders from 20 organisations across the private, public, and voluntary sector in the county. Their next session in April will be focused on vision and ambition for place and its people, with specific reference to local government reorganisation and devolution. The work to date and planned is independently facilitated by the Leadership Centre for Local Government. We will aim to ensure any proposals for reform can be informed by this.

- Devolution: We recognise the importance of a clear roadmap for Devolution for Gloucestershire. Plans are forming about how this clarity (and consensus) can be established with wider stakeholders in order to inform proposals for November.

Appendix 4: Gloucestershire Leaders' Letter of response to the Minister of State

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Preparatory costs

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.

The councils are preparing to undertake engagement work with public and businesses; to take other steps to prepare proposals (including the work already commissioned by the County Council from PwC); and to set up an implementation team involving staff from all councils.

Gloucestershire councils seek Government funding to cover transition costs arising as a direct consequence of Government policy as set out in the English Devolution White Paper. In effect they are a new burden, representing additional work when there are no offsetting savings to fund them.

Our preparatory costs are estimated as at least £3.6m, to cover both the period up to November 2025 submission and some post-submission (but pre-implementation) costs beyond that point. These costs are borne by a combination of the seven Councils in Gloucestershire and cover the research, financial modelling and appraisal work associated with the three options being explored. Where possible, some of the potential cost has already been defrayed by deploying a principle of transparency to ensure all councils have an understanding of the range of analyses that can be utilised commonly. In addition to expert appraisal capacity, there is an increasing programme/ project management and data/information cost associated with the joint workstream arrangements set up from January 2025.

Although only minor communications costs have been borne to date, the Councils are currently planning an extensive engagement exercise with stakeholders and citizens, to commence shortly. This exercise will require discrete external and internal specialist resources.

Further programme infrastructure will be set up over 2025 and 2026 to prepare for the significant people, systems, and legal changes to come, and will need to be in place over 2026, 2027 and 2028. Some of these costs will be conditional on Ministerial decisions, but as Ministers would expect, Gloucestershire aims to be well prepared. These preparations will require the deployment of capacity to assess property, ICT/systems, and service specific information, as well as ongoing programme and data/information support.

We are content to describe in more depth the assumptions governing the above. As previously stated, these are 'at the least' assumptions.

Joint working on reorganisation and devolution

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

The seven principal councils in Gloucestershire have a strong record of working together positively. The Councils have committed to collaborating in the development of these proposals including mutual commitments to share data with each other in support of evaluation of all the different options.

Six workstreams have been created, with participation from any of the seven councils plus some other key partners, and co-chaired by district and county council officers. These are:

- Combined Authority options
- Unitary Options
- Vision and Ambition
- Place Models
- People and Culture
- Communications

These workstreams are coordinated and supported through a programme management group. The workstreams are accountable through a Chief Executives Group to a Political Leadership Board, comprising the Leaders of the seven principal authorities. Terms of Reference for all these groups have been developed and agreed.

Barriers or challenges requiring Government action

Identify any barriers or challenges where further clarity or support would be helpful.

- Early confirmation of the level of funding that will be made available for preparatory costs to submit proposals and to prepare for reorganisation.
- Early confirmation of the Government's policy position on splitting areas of police, fire, and integrated care boards.
- Clarification of the route and timescale for joining WECA, should that be Gloucestershire's preferred devolution option.
- Clarification of the circumstances under which Government will consider proposals that would result in a unitary council with a population of less than 500,000.
- The establishment of a clear indicative decision-making process and timings for Ministers post receipt of proposals. Should the process for Ministerial decision-making be significantly longer than circa 3 months, risks will develop,

Appendix 4: Gloucestershire Leaders' Letter of response to the Minister of State

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including additional direct costs to the Councils involved to 'double-run' key workstreams, the opportunity cost of delays to preparations for unitary authorities, and the consequences of increased public / stakeholder uncertainty.

Next Steps

We will continue to work collaboratively across Gloucestershire to develop full proposals for submission to Government by 28 November 2025.

Your sincerely,

Cllr Rowena Hay

Leader, Cheltenham Borough Council

Cllr Joe Harris

Leader, Cotswold District Council

Cllr Adrian Birch

Leader, Forest of Dean District Council

Cllr Jeremy Hilton

Leader, Gloucester City Council

Cllr Stephen Davies

Leader, Gloucestershire County Council

Cllr Catherine Braun

Leader, Stroud District Council

Cllr Richard Stanley

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Appendix 4: Gloucestershire Leaders' Letter of response to the Minister of State

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Leader, Tewkesbury Borough Council


Decision records from each council:

- Cheltenham Borough Council - *insert hyperlink*
- Cotswold District Council - *insert hyperlink*
- Forest of Dean District Council - *insert hyperlink*
- Gloucester City Council - *insert hyperlink*
- Gloucestershire County Council – *insert hyperlink*
- Stroud District Council - *insert hyperlink*
- Tewkesbury Borough Council - *insert hyperlink*

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Mission-led, technology-enabled:
Transforming Gloucestershire's public sector

March 2025
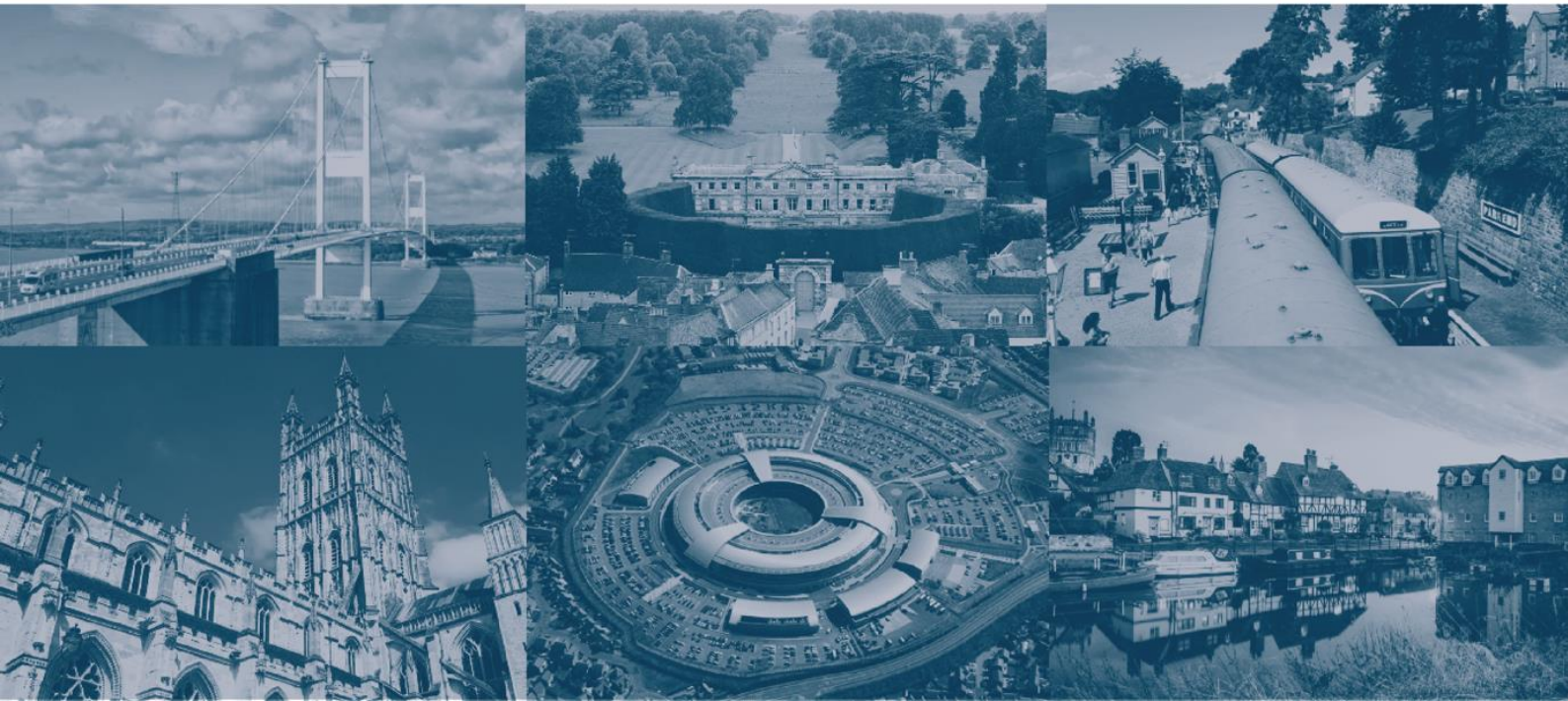
Mission-led, technology-enabled: Transforming Gloucestershire's public sector

Once in a generation opportunity

UNIQUE OPPORTUNITIES
- Clean energy cluster
- Secure technology cluster

MATERIAL CHALLENGES TO ADDRESS
- Inequalities and deprivation
- Ageing population
- Caring for our young people
- Infrastructure and connectivity

GETTING THE BALANCE RIGHT

Cost

Reform

Growth

Community

Two unitary councils within the West of England Combined Authority with these missions

1 Kickstart economic growth

2 Make Britain a clean energy superpower

3 Breakdown barriers to opportunity

4 Support an NHS fit for the future

Cheltenham and the Cotswolds

Gloucester, Forest and the Stroud Valleys

Our two unitary authorities—Gloucester, Forest and the Stroud Valleys to the west, and Cheltenham and the Cotswolds to the east—will:

- Establish a single tier of local government in Gloucestershire
- Be the optimal size to achieve efficiencies
- Deliver high quality and sustainable public services
- Prioritise local needs and local views
- Support further devolution with WECA
- Enable stronger community engagement and empowerment

CONTENTS

Foreword

Gloucestershire is a county of diverse and powerful identities. Our cities, towns, and landscapes define us, fuelling our economy and enriching our communities. We are home to unique historical and cultural assets alongside areas of outstanding natural beauty. Our county boasts a Roman cathedral city, thriving docks, and a festival town renowned for its culture, technological innovation, and as the home of GCHQ. We have a national forest, market towns set in rolling countryside, and industries spanning advanced manufacturing, aerospace, agri-tech, and clean energy.

For the last 50 years, Gloucestershire has been governed by a two-tier local government that attempted to balance local identity with county-wide scale. Now, it is time for modernisation and reform to ensure our public services effectively serve citizens, drive regional growth and play a key role in the UK economy for the next 50 years.

However, like many counties, Gloucestershire faces critical challenges. Our population is ageing, increasing demand for health and care services. At the same time, we are struggling to retain young talent, leading to a slow-growing workforce that cannot sustain future needs. We are also in the midst of a mental health crisis. School exclusions are high, and children face long waits for essential support. While funding is necessary, financial efficiency alone cannot fix a fundamentally broken system. We need radical reform—one that empowers localities to drive growth and leverage early intervention to address health and social care challenges.

A two-unitary model in Gloucestershire can enable targeted governance and investment strategies that foster innovation clusters in Gloucester and Cheltenham. Two distinct authorities, each with its own urban centre and rural reach, balance scale with local connectivity, strengthens regional identity, and fosters economic growth. Celebrating and enhancing our unique places will attract investment, create jobs, and develop innovative, locality-based programmes rooted in technology and cooperation. Additionally, shifting from reactive crisis care to a prevention-focused health system will improve outcomes and reduce costs.

As part of a wider West of England Combined Authority, Gloucestershire can push for critical regional infrastructure, enhancing the M5 economic corridor and advancing high-tech industries such as AI, quantum computing, clean energy, and aerospace. Two unitary authorities will also ensure balanced governance, aligning with other regional strategic partners and supporting the increasing mayoral responsibilities over police, fire, and key services.

A single-unitary approach cannot deliver these benefits. It risks short-term cost savings at the expense of long-term prosperity, leaving residents feeling disconnected from an impersonal system. It would stifle economic growth, diminish our unique local identities, and weaken our visitor economy.

Gloucestershire has a clear choice: a forward-thinking two-unitary structure, built for the future, fostering innovation and prosperity—or an outdated, centralised approach that fails to address systemic challenges. We choose ambition, creativity, and progress for our county.

Executive Summary

The last major reform of Gloucestershire's local government took place 50 years ago. Today, we are presented with a once-in-a-generation opportunity to unlock devolved powers, redesign services to meet current and future needs, and embrace the productivity gains and economic transformation that technology can enable. While efficiency and excellence in public services remain vital, we must move beyond a mindset focused solely on cost savings. This is the time to think bigger, be more innovative, and challenge outdated structures that have failed to deliver.

Gloucestershire has unique opportunities but also growing challenges, such as an ageing population and prevailing inequalities. To address these issues effectively, we must ensure our local government operates at the right scale within a strategic authority that fosters a healthier, more prosperous, and more inclusive future. Our distinct urban, town, and rural identities offer a strong foundation for progress—one that would be hindered by the continuation of a county-wide structure.

Through a two-unitary approach to local government reorganisation, we have the opportunity to galvanise around focused technology-led clusters that cause a multiplier effect through specialism, draw together significant capability, for which we can be globally renowned. Cheltenham can expand its reputation as a leading cyber-tech and digital hub, while Stroud can enhance its potential in clean energy, both benefiting from knowledge spillovers, shared infrastructure, and specialist talent pools. By concentrating investment and policy support around Gloucestershire's unique sectoral opportunities, the region can accelerate collaboration, attract high-growth businesses, and enhance global competitiveness.

OUR PROPOSAL: TWO MISSION-LED COUNCILS, ONE GLOUCESTERSHIRE WITHIN THE WEST OF ENGLAND COMBINED AUTHORITY (WECA):

We will create two unitary authorities[1] built on our strong identities that will be driven by our unique economic opportunities:
  1. **Gloucester, Forest and the Stroud Valleys – Clean energy cluster**
  2. **Cheltenham and the Cotswolds – Secure technology cluster**

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[1] The proposed place names are a working title and subject to change based on further consultation.
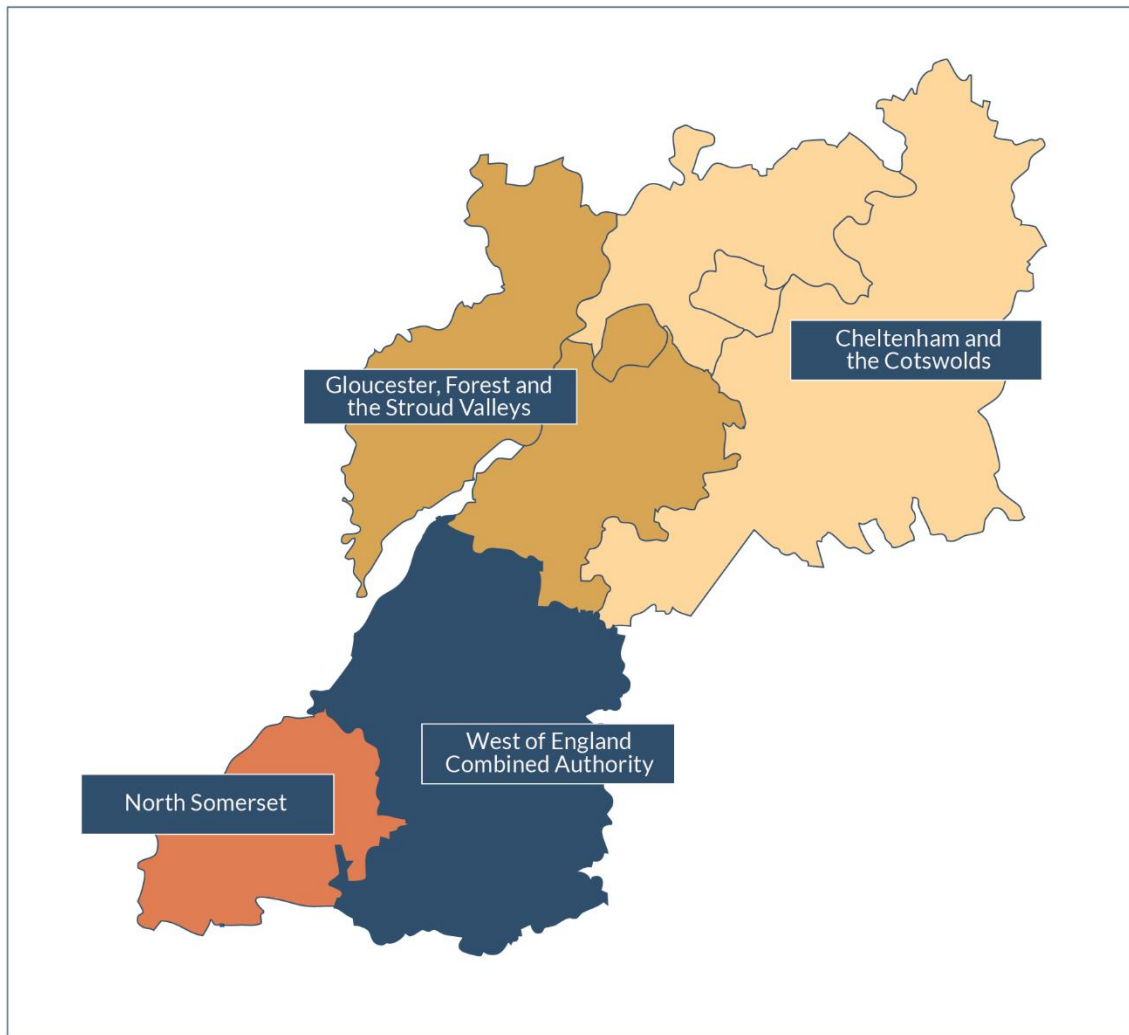
Figure 1: Map of proposed two unitary authorities for Gloucestershire, alongside West of England Combined Authority and North Somerset

Our mission-led councils will:

- **Kickstart economic growth** - Cities and towns are key drivers of growth and prosperity. Each urban centre of Gloucester and Cheltenham will sit within their own unitary and drive growth in their respective clusters. The west will specialise in the creation of a clean energy cluster around the site of Berkeley and Oldbury, while the east will cultivate a secure technology cluster building on its rich heritage in cyber and secure government.
- **Make Britain a clean energy superpower** - The western unitary, Gloucester, Forest and the Stroud Valleys, will establish itself as a nationally significant asset to improve energy security and reduce carbon emissions.
- **Break down barriers to opportunity** - Two unitary authorities will allow greater investment and a more tailored approach to deliver further improvements in our children's services. This will improve the outcomes they deliver for our young people and ensure they get the best start in life.
- **Support an NHS fit for the future** - Our two unitary authorities will coordinate their approaches to tackle the wider determinants of health and alleviate pressures on our NHS. Implementing a preventative, locality-based model for our children and adult social care services will support early intervention and reduce the need for acute care, saving the health system millions in the long term.

THE CASE FOR A TWO-UNITARY MODEL

Two unitary authorities will set Gloucestershire up for success in its local government reorganisation. It will:

Establish two single-tier local governments in Gloucestershire:
- Two unitary authorities will be created for Gloucestershire: Gloucester, Forest and the Stroud Valleys to the west, and Cheltenham and the Cotswolds to the east.
- Council tax collection is balanced across east and west.
- While deprivation is higher in the western unitary, the eastern unitary will age more rapidly, balancing out need and allowing each authority to specialise.

Be the optimal size for Gloucestershire:
- Two unitary authorities will have a population of over 300,000 each. By 2040, this is projected to grow by 8% for Gloucester, Forest and the Stroud Valleys and 14% for Cheltenham and the Cotswolds. While this falls under the 500,000 population threshold, this provides the right size for Gloucestershire to balance achieving efficiencies with protecting local identity and enhancing community engagement.
- Implementing two unitary authorities is estimated to cost £15.6 million, with a payback period of 1.25 years. It can save Gloucestershire between £15.7 million (base) to £29.2 million (stretch).
- Each unitary authority will have their own urban centres and surrounding towns and rural communities. They will deliver more manageable geographies than a single unitary, thus allowing for swifter and less complex aggregation of district services into a unitary model.
- Where limited services are disaggregated, investment in strategic capacity will help to realise increased locality-based savings by enabling greater early intervention.
- Gloucestershire councils have already worked in partnership to co-commission shared services. We will use our expertise and competitive advantage of existing shared service delivery models to scale operational services more efficiently.

Table 1: Summary of cost savings calculation[2]		
Existing cost base assessed	**Efficiencies under a two unitary authority**	
	Base	**Stretch**
£464.7 million	£15.7 million	£29.2 million

Deliver high quality and sustainable public services:
- Current projects show that the future care demands of Gloucestershire's ageing population will overwhelm both budgets and the available workforce. Fundamental reform is needed and preventative care located in the community is the only viable route to addressing this challenge.
- The manageable geographies of a two-unitary model can achieve deeper engagement with communities. This will enable councils to design and deliver more responsive and locally tailored services.
- Two councils will provide dedicated focus to cultivate their respective area's unique cultural and economic strengths.

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[2] Full details of the cost savings calculations and assumptions can be found in Appendix A.

Prioritise local needs and local views:
- Establishing two unitary authorities will enable the creation of a new council culture and an ethos of balancing scale with local connection.
- Two unitary authorities built on the distinct identities of Gloucester, Forest and the Stroud Valleys to the west, and Cheltenham and the Cotswolds to the east can allow residents to retain their identities, instead of a one-size fits all county that will threaten the unique place-based characteristics that underpins Gloucestershire's success.

Support further devolution:
- WECA serves as a strategic partner for Gloucestershire not only due to its geographic proximity but also its complementary economies, demonstrated by its existing collaboration through the Western Gateway Partnership.
- Joining WECA will enable the strategic authorities to make a better contribution to the government's growth mission by delivering greater number of high-value, high-productivity jobs in the region.

Enable stronger community engagement and empowerment:
- Under a two-unitary authority, decisions made by the councils will, by their very nature, be closer to the communities that they serve.
- We aim to support a cooperative approach to service delivery where the citizen and state will be re-balanced to ensure that local people help to devise and design services that better meet their needs.
- A two-unitary model will allow for the recognition of both Gloucester and Cheltenham in each respective council but will also allow for the further development and strengthening of the town and parish model currently in existence. Where possible and appropriate, we will enhance empowerment of our local communities and neighbourhoods through devolved powers so they can have more oversight on the delivery of public services.

1 | Context

Once in a generation opportunity

Our places, landscapes and communities make Gloucestershire a unique and vibrant county. Our heritage, economy and outstanding natural landscapes have a truly global footprint, attracting businesses and visitors from across the UK and internationally. We have a high-potential economy that contains critical growth sectors in technology and clean energy that can make a significant contribution to the UK economy, delivering investment, jobs and enhancing our reputation as a global leader.

We must harness this potential because Gloucestershire is also a county of contrasts and challenges. Many families experience the acute challenges of poverty. Despite areas of affluence across the county, there are pockets of deprivation manifesting in poor health, high unemployment and lack of general social prosperity.

We are also an ageing county. Over the next two decades we will experience a huge increase in the older population and a decline in the number of young people. Without intervention, the care needs of the county will outstrip and overwhelm the capacity of the workforce of an already stretched health system.

The last time Gloucestershire underwent local government reorganisation was in 1974. We must not squander this once-in-a-generation opportunity to make transformative changes to our local government. We must do more with less and drive efficiency, but management savings and economy of scale will only give short term respite. The change required is greater than savings through rationalisation. This must be about getting it right for our citizens and businesses, which in turn will reduce costs and increase productivity in the long term.

Gloucestershire needs a local government structure that, in line with national devolution ambitions, can deliver high-quality services to maximise outcomes for our residents. Our communities and places deserve responsive local leaders that are committed to understanding and championing their needs. It is our view that a county-wide unitary authority significantly risks diluting the diverse identities, needs and strengths of Gloucestershire, and thus is not conducive for fostering accountability at a time when public trust in local government needs to be critically restored.

We are committed to supporting the government's devolution ambitions of empowering local places and communities to co-shape solutions to address key issues that matter to them through place-based reforms. Therefore, this report puts forward a proposal to create two unitary authorities for Gloucestershire: Gloucester, Forest and the Stroud Valleys to the west, and Cheltenham and the Cotswolds to the east[3].

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[3] The proposed place names are a working title and subject to change depending on further consultation.

Gloucestershire's unique opportunities

A COUNTY WITH TWO CENTRES OF GRAVITY

Gloucestershire county has two centres of gravity, each with an urban centre surrounded by a mosaic of market towns, villages and natural landscapes.

To the west lies Gloucester, a city renowned for its gothic cathedral and rugby heritage. It enjoys a vibrant arts and culture scene, which it celebrates all-year round. It is bordered by the rolling hills of the Stroud Valleys to the southwest. To its northwest, you can find the Forest of Dean, one of England's oldest surviving forests and is said to have inspired J.R.R. Tolkien's The Lord of the Rings. The River Severn meanders through the west, cutting in between Stroud and the Forest of Dean. Along it, you can find two Ramsar sites, or wetlands of international significance: Walmore Common and the Severn Estuary.

To the east, you have Cheltenham, a growing hub for cyber and secure government and dubbed as the most complete regency town in England. It borders Tewkesbury to the northwest, known for its historic abbey, medieval streets and an annual medieval festival that re-enacts the War of the Roses. Cheltenham and Tewkesbury are surrounded by the Cotswolds, a designated Area of Natural Beauty that attracts over 20 million visitors per year, and home to an array of Sites of Special Scientific Interest such as Coombe Hill, Cotswold Water Park and Bourton Down.

Amidst the backdrop of historic architecture and rural landscapes is a county with a rich heritage in technology and innovation. Both the western and eastern half of Gloucestershire are home to clusters, each with their large-scale missions that have a strong potential to support local, regional and national economic prosperity.

Gloucester, Forest and the Stroud Valleys: Clean energy cluster

Energy has played a defining role in Gloucester, Forest and the Stroud Valleys. Historically, the Forest of Dean had a coal mining sector and became a major supplier of coal during the Industrial Revolution. Fast forward to today, plans are in place to explore the region's potential for tidal and nuclear energy. Recently, the Berkley Nuclear Power Plant in Stroud has been acquired by Chiltern Vital Group and received investment as part of the Western Gateway's Severn Edge Project.

- The Severn Edge Project will:
  - ➢ Establish a Low Carbon Energy Park with exciting potential for new nuclear, hydrogen and synthetic aviation fuel.
  - ➢ Support the development of our national low carbon supply chains and generate export opportunities.
  - ➢ Develop STEM skills infrastructure through partnership with academic institutions, such as SGS Berkely Green campus.

Cheltenham and the Cotswolds: Secure technology cluster

Cheltenham has a rich history in secure government, being home to GCHQ for the last 70 years. GCHQ's long-standing presence has shaped Cheltenham's economy by cultivating a thriving cyber ecosystem, fostering strong multi-sector partnerships and

attracting both talent and investment into the region. This primes Cheltenham and the Cotswolds to support the government's ambitions to strengthen the cyber, technology and defence sectors in line with its Industrial Strategy. The Golden Valley Development, a state-of-the-art multi-use technology campus, further enhances this potential.

The Golden Valley Development will:

- Establish a mixed-use cyber park that will create around 11,700 jobs, deliver around 2,400 homes and generate more than £835 million of GVA output.
- Create a new Innovation Centre, a nationally significant asset that will support businesses and create jobs that could generate a GVA of £140 million.
- Serve as a hub for the UK's tech community, bringing in the public, private and academic sectors to collaborate and promote the application of technologies to bolster the UK's economic competitiveness and resilience.

County-wide strength: Agri-tech cluster

Gloucestershire's strong focus on innovation in sustainable farming, precision agriculture and food production technologies makes it a leading hub for agri-tech in the UK. At the forefront of this specialism are two institutions: Hartpury University and College in Gloucester, which specialises in agricultural research, and the Royal Agricultural University (RAU) in Cirencester, home to the Farm491 incubator, which supports agri-tech startups to develop cutting-edge solutions to challenges around agricultural productivity and food security.

Gloucestershire's rich heritage in agricultural innovation brings the county at the forefront of revolutionising how we respond to food security challenges through smart farming technologies.

Gloucestershire's material challenges

Gloucestershire has four key challenges that underscore its need for public sector reform.

INEQUALITIES AND DEPRIVATION

Both the east and west of Gloucestershire experience issues of deprivation. According to the 2019 Index of Multiple Deprivation (IMD), while Gloucestershire overall is placed in the least deprived quintile for overall deprivation amongst upper-tier authorities, some of our neighbourhoods, notably in Gloucester and Cheltenham, are in the top 20% of the most deprived in England[4].

Critically, when comparing with figures from the 2015 IMD, while some neighbourhoods have reduced their levels of deprivation, pockets of our urban areas have been worse off, raising implications to future demand of our public services. Figures from the Department of Health and Social Care's Fingertips database[5] show that, between 2009 to 2013, the difference in life expectancy between those living in the 10% most deprived and 10% least deprived in Gloucestershire is around 11 years. Continued failure to address the root cause of deprivation under the current local government structure provides a stronger case to make radical reforms to our public sector.

AGEING POPULATION

Gloucestershire's population is ageing more quickly than the UK average. Our over 65 population is expected to increase by 34% between 2024 and 2040 (based on mid-2018 population projections), which is greater compared to 30% for the Southwest average and 29% for the England average. Conversely, our working age population (ages 16-64) is expected to show much slower growth of 3% within the same time period, although this figure is slightly higher than the England (1%) or Southwest (2%) average.

Faster growth in our older population predicts increased demand for our critical frontline services. According to figures provided by the One Gloucestershire Integrated Care Board (ICB), the number of people over 65 years old in Gloucestershire is expected to increase to 77,000 by 2030[6].

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[4] https://www.gloucestershire.gov.uk/media/0ukjwgon/gloucestershire_deprivation_2019_v13.pdf
[5] https://fingertips.phe.org.uk/search/healthy%20life%20expectancy
[6] https://www.nhsglos.nhs.uk/wp-content/uploads/2023/04/GREEN-PlanFINAL.pdf

CARING FOR OUR YOUNG PEOPLE

According to the 2024 Children's Social Work Workforce data[7], the average caseload per FTE social worker is 13.2, which is lower than the Southwest average (15.0) and the England average (15.4). Although Gloucestershire's children's services has achieved progress, it continues to require improvement. Their recent Ofsted visit on February 2025 particularly notes that sufficient oversight from managers on casework is not always evident, and it has also announced an overspend of £12m in 2023. Improving waiting times to receive care also remains a challenge. Over 350 referrals are made per month in Gloucestershire for a Special Education Needs and Disability (SEND) assessment, and the waiting time is currently 2.5 years[8].

INFRASTRUCTURE AND CONNECTIVITY

The two urban centres in Gloucestershire—Gloucester and Cheltenham—are surrounded by an array of market towns and natural landscapes, from farmlands to ancient forests. Critically, rural isolation is a challenge that continues to affect residents in Gloucestershire. Some of our neighbourhoods are over 45 minutes by walk or public transport to critical services like GPs, yet 14.9% or 40,000 households in Gloucestershire do not have access to a car or van.

While we are home to one of the most thriving cyber ecosystems in the UK, we have a slightly higher proportion of our population that are at risk of digital exclusion compared to the national average. For example, 7% of premises do not have access to superfast broadband in Gloucestershire, compared to 4% in England. 19.5% of people in Gloucestershire do not own a smartphone, and 25% do not own a laptop. In contrast, this figure stands at 18% and 23.5% respectively for the national average[9]. All six districts of Gloucestershire have pockets of high risk areas for digital exclusion, raising implications as to how we can ensure our public services are accessible.

Table 2: High risk areas for digital exclusion in Gloucestershire, by district [10]	
District	**Ward**
Gloucester	The Centre, Westgate, Matson and Robinswood
Forest of Dean	Cinderford, Newnham and Blakeney
Stroud	Stroud Town, Minchinhampton and Amberley
Cheltenham	Pockets in Hesters Way, Arle and Oakley
Tewkesbury	Shurdington and Badgeworth
Cotswold	Moreton, Stow and Cirencester Central

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[7] https://explore-education-statistics.service.gov.uk/find-statistics/children-s-social-work-workforce
[8] https://www.gloucestershire.gov.uk/education-and-learning/families-in-partnership-newsletters/families-in-partnership-newsletter-december-2024/single-service-for-the-delivery-of-send-assessments/
[9]https://static1.squarespace.com/static/617abf9b742ed51f29193232/t/62443b42ccb53108a1cc2792/1648638801092/Data+Mapping+Gloucestershire+Digital+Divides.pdf
[10] https://www.gloucestershire.gov.uk/health-and-social-care/public-health/reports-publications-and-strategies/director-of-public-health-report-2022/5-digital-connections/

Getting the balance right

Local government reorganisation presents an exciting opportunity to achieve positive outcomes for our public service delivery. However, it is also undoubtedly complex, with a range of often seemingly competing factors to consider. Ultimately, we need to make sure that Gloucestershire's local government transformation presents the best opportunity to realise long-term positive outcomes for our people and places. We must get the balance right.

MHCLG Criteria		Two unitary authorities (West / East)
Establishes a single tier of local government	🟢	Meets the criteria to establish a single tier of local government. It also lessens the potential for wealth inequality, creating two successful, adjacent clusters, each centred around one key centre with its own identity.
Is the right size to achieve efficiencies, improve capacity and withstand financial shocks	🟡	Delivers viable population sizes of >300,000 in line with the evidence base supporting other successful examples of devolution. The initial restructuring costs of the two options (single or two unitary) are comparable. By locating more effective service delivery closer to citizens, the two unitary model mitigates the primary cost issue: the escalating cost of health and social care.
Prioritises the delivery of high quality and sustainable public services to citizens	🟢	Will enhance service quality by ensuring councils operate within more manageable geographic areas, allowing for deeper engagement with communities and more responsive, locally tailored interventions. This proximity will strengthen preventative measures, reducing long-term costs by addressing issues earlier and minimising failure demand across public services.
Shows 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	🟢	Gloucestershire councils have a strong track record of collaboration, jointly delivering services such as waste management, legal support, and economic development to maximise efficiency and responsiveness. Building on this foundation, the proposed two-unitary model has been shaped through ongoing engagement with local leaders, businesses, and residents to ensure it reflects community priorities and delivers tailored, place-based solutions.
Supports devolution arrangements, ensuring there are viable population size ratios between local authorities and any strategic authority, with timelines that work for both priorities	🟢	Aligns with devolution by creating balanced population sizes between local authorities. Does not meet the recommended target of 500,000 but delivers viable population sizes of >300,000. Ensures each hub has the scale to deliver services effectively while maintaining strong local accountability. This structure also supports a smooth transition into a strategic authority like WECA, with implementation timelines designed to align with upcoming devolution priorities and electoral cycles, facilitating a seamless shift in governance.
Enables stronger community engagement and delivers genuine opportunity for neighbourhood empowerment	🟢	Delivers strong community engagement by operating through an existing hub and spoke model and working with defined identities. The two-unitary model will enable stronger community engagement by creating councils with more focused geographic areas, allowing decision-making to be closer to residents and more responsive to local priorities.

Scoring

🟢 Meets the criteria

🟡 Partially meets the criteria

🔴 Does not meet the criteria

⚫ Could not be assessed

Figure 2: Assessing the two-unitary model for Gloucestershire against the MHCLG criteria

2 | Recommendation

Two mission-led councils

Whilst districts across Gloucestershire share similar issues, they possess distinct opportunities and challenges that deserve tailored responses to ensure long-term improvements to residents' quality of life, community wellbeing and economic prosperity. This can be better facilitated by two, rather than one, unitary authorities.

Therefore, we propose creating two unitary authorities for Gloucestershire's local government reorganisation: Gloucester, Forest and the Stroud Valleys to the west, and Cheltenham and the Cotswolds to the east.[11]
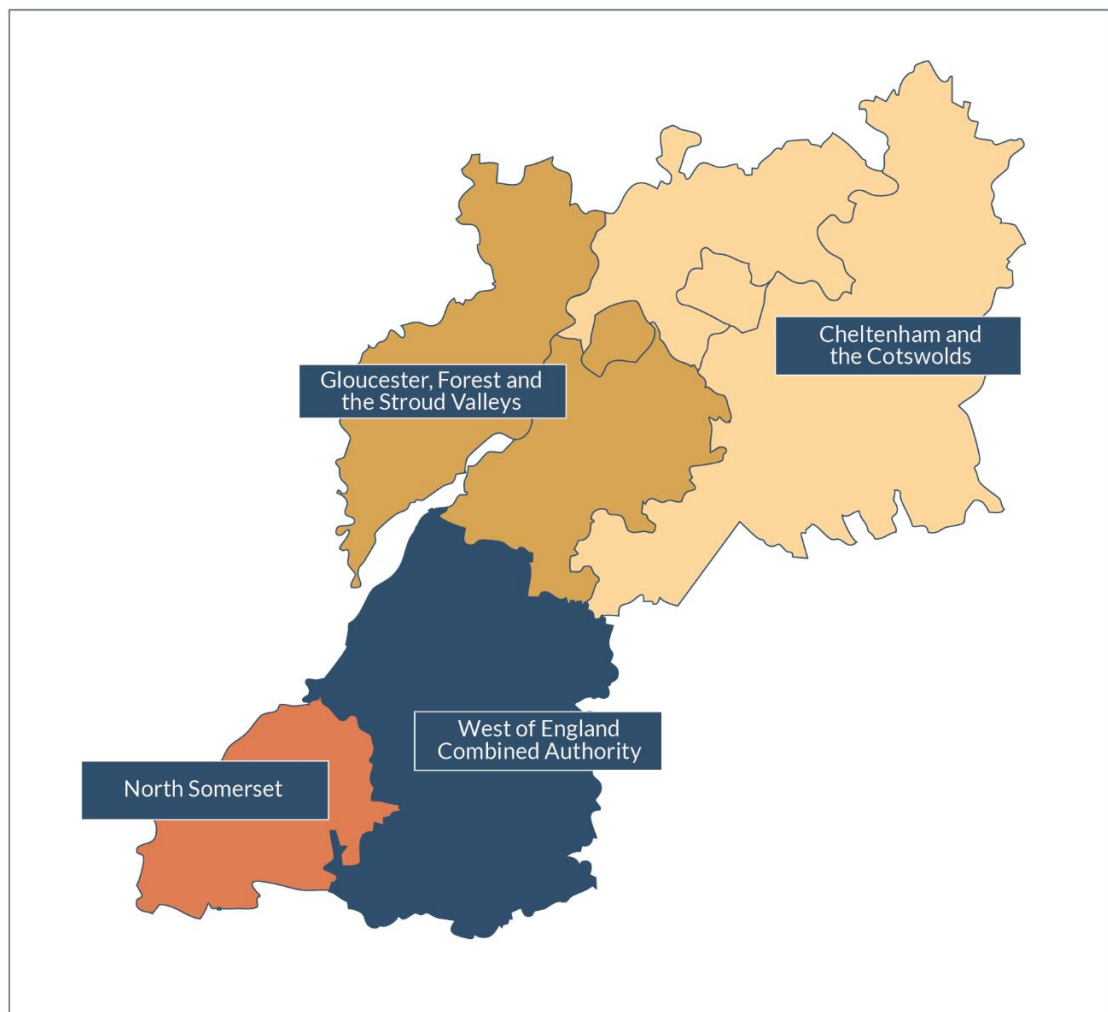
Figure 3: Map of proposed two unitary authorities for Gloucestershire, alongside West of England Combined Authority and North Somerset

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[11] The proposed place names are working titles and subject to change depending on further consultation.

ESTBALISHING A SINGLE TIER OF LOCAL GOVERNMENT IN GLOUCESTERSHIRE

Two unitary authorities overseeing smaller geographies will balance the benefits of achieving economies of scale with the advantage of having better bandwidth to engage with local communities as well as empower place-based strengths and identities. Thus, two unitary authorities will be able to unlock the potential of Gloucestershire's innovation clusters, which it will use to support the government in achieving its missions.

We have two significant urban centres that each require their own unitary council and unique sense of identity. An exemption is required from a minimum of 500,000 people to achieve that.

In Oxfordshire, Oxford is the obvious economic driver. In Essex, a circa 500,000 population is achievable with Colchester or Chelmsford as the major urban centre. In Gloucestershire, that isn't the case. The town/parish model does not work as well in a single unitary authority with two urban centres of such significance. This is a key part of our rationale for special consideration, in addition to the geographic diversity of the county.

These two unique and distinct geographies are not well served by town councils – our ambition needs to be bigger and bolder. A single unitary authority risks creating a two-tier model again, pitching Cheltenham and Gloucester against each other which is not good for either. Two unitary authorities, each with their own centre of gravity, is a far more fitting option – enabling our county to retain and expand the existing town and parish model and in doing so, create greater equality.

Table 3: Key statistics for Gloucestershire's proposed two unitary authorities		
	Gloucester, Forest and the Stroud Valleys	**Cheltenham and the Cotswolds**
Districts	Gloucester, Forest of Dean and Stroud	Cheltenham, Tewkesbury and Cotswold
Total Population	348,635	310,641
Predicted Total Population by 2040[12]	375,419	352,827
Total Land Area (km²)	1,027.49	1,625.53
Population Density (people per km²)	339.31	191.10
Key clusters	Clean energy, advanced manufacturing, agri-tech	Cyber, agri-tech, aerospace and aviation
Key large-scale developments	Severn Edge Project (Berkeley Site Expansion)	Golden Valley Development
Key assets	Gloucester Business Park, Hartpury University Agri-Tech Hub	GCHQ, Cotswold Business Park, Royal Agricultural University

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[12] Based on mid-2018 population projections

KICKSTART ECONOMIC GROWTH

Despite successes in attracting investment, Gloucestershire lacks a strong and coordinated narrative for its cyber and clean energy specialism under a two-tier authority system. This puts these clusters at risk of being left behind by more proactive economic hubs in the country. A dedicated unitary authority for both the eastern and western areas of Gloucestershire empowers each council to establish a focused narrative to cement their leadership in their respective sector specialisms and attract the necessary investment to maximise the growth potential of its clusters.

The clean energy cluster in the west and the secure technology cluster in the east presents an exciting opportunity for Gloucestershire to support government's aim to stimulate economic growth as it aligns with the Industrial Strategy's growth-driving sectors. Now, more than ever, Gloucestershire needs strong leadership to proactively champion our clusters to draw the necessary investment that can allow it to unlock its potential. Importantly, the economic benefits brought by Gloucestershire's clusters goes beyond its county borders. For example, the Golden Valley Development's technology campus could act as a base for innovation specialists and communities across the nation to come together to bolster the UK's leadership in technology—from devising solutions that can enhance national cyber resilience to cultivating the next generation of tech talent.

MAKE BRITAIN A CLEAN ENERGY SUPERPOWER

There is strong, county-wide commitment to become carbon neutral by 2045. Stroud in particular has an exemplary track-record for climate action leadership, with its Council being Europe's first carbon neutral authority. Its potential in nuclear and tidal energy also presents an exciting opportunity to support the government in making Britain a clean energy superpower.

Stroud's roots in nuclear energy dates back to the 1960s with the operation of the Berkley Nuclear Power Plant. The Berkeley site has recently been acquired by Chiltern Vital Group and received investment as part of the Western Gateway's Severn Edge Project, which will see both the Berkley site and the Oldbury nuclear power plant in South Gloucestershire transformed into a low-carbon energy park, creating around 1,500 jobs. Stroud District and the wider Gloucester and Forest of Deans sits at an exciting place in the resurgence of nuclear energy as part of the government's mission to transform Britain into a global leader in clean energy.

Critically, Gloucestershire has already felt the effects of climate change. This has taken the form of severe flooding and wildfires affecting communities, farmlands, roads and wildlife habitats across the county. With the effects of the climate crisis set to worsen, Gloucestershire must take advantage of its unique potential to spearhead efforts in supporting the region and the country to become carbon neutral by 2045.

BREAK DOWN BARRIERS TO OPPORTUNITY

Our residents—whatever their age, background and postcode—deserve access to opportunities that will allow them to thrive in their communities and live fulfilling, independent lives. However, some of our resident's face challenges in accessing these opportunities. Specifically, an increasing number of our young people require specialist care and support to ensure they are not held back from succeeding in their education and personal development.

The smaller geographies made possible through adopting a two-unitary model provides councils with the capacity to gather deeper, locality-based knowledge that will allow them to respond proactively and effectively. This will give our young people the best chance to get early access to critical, high-quality support that will enable them to get the best start in life to thrive in the classroom and beyond.

Unlocking Gloucestershire's economic potential will be a critical component to supporting wider prosperity in the county. A healthy economy generates jobs for our residents, provides investments for infrastructure improvements and enhance living standards for our communities. Given our cluster specialism, Cheltenham and the Cotswolds and Gloucester, Forest and the Stroud Valleys are in an opportune position to unlock incoming opportunities in their growth-driving sectors. Through leveraging multi-sector partnership, they can translate it into wider economic prosperity for residents and communities.

For example, industry demands for advanced digital skills (e.g. AI and software development) and green skills are increasing, and it will continue to rise in light of the government's plans to strengthen investment in the digital and technology sector. Partnership between key stakeholders and anchor institutions will be critical to ensure this economic prosperity is felt across Gloucestershire. The strong multi-sector partnerships fostered by Gloucestershire's cluster ecosystem puts us in a strong position to realise this.

SUPPORT AN NHS FIT FOR THE FUTURE

It is widely recognised that a preventative approach is critical to achieving sustainable public services. Fostering a comprehensive and locality-based understanding of community needs will allow us to address the root causes of issues and intervene before it worsens.

We also know that a sustainable healthcare system needs to fully leverage technology in order to repurpose finite clinical time to solving human needs. Cheltenham is a leader in AI and data security: these two components are crucial enablers of a healthcare system utilising predictive healthcare, advanced population health analysis, intelligent scanning, and workforce optimisation.

Local authorities have an enabling role in improving health and wellbeing outcomes for residents. Well-cited research reveals that wider determinants of health, such as environmental and socioeconomic factors, contribute to 50% of a patient's health outcomes. In contrast, clinical care only accounts for 20%. The continuous and ever-increasing pressures that our NHS and community health services face makes it important for local authorities, partners and stakeholders to come together to improve broader influencers of health.

From enhancing access to high skilled employment opportunities in our tech clusters to improving active travel options within and between our urban and rural areas, our two unitary authorities will use their levers to positively influence our residents' lived experiences. In the long-term, this will create healthy, productive communities that require less from our NHS and community health services, enabling them to become more sustainable.

Gloucestershire's technology and clean energy clusters will:

➢ Generate high skilled, high value jobs in Industrial Strategy priority sectors like clean energy, cyber and advanced manufacturing.

➢ Leverage its strong multi-sector partnerships to establish opportunities for people to upskill into these priority sectors, spearheading efforts to plug its skills gaps.

➢ Pave the way for the design and implementation of innovative technologies to transform public service delivery, such as in improving public health outcomes.

➢ Contribute to efforts to enhance national security and resilience to overcome external shocks, particularly by:
   o Supporting energy security through Gloucester, Forest and the Stroud Valleys clean energy cluster.
   o Supporting cyber security through Cheltenham and the Cotswolds secure technology cluster.
   o Supporting food security through Gloucestershire's agri-tech cluster.

3 | Why a two-unitary model?

The case for two unitary authorities

Two unitary authorities will set Gloucestershire up for success in its local government reorganisation. Assessing it against the MHCLG's criteria for local government reorganisation, a two-unitary model will:

BE THE OPTIMAL SIZE TO ACHIEVE EFFICIENCIES FOR GLOUCESTERSHIRE

MHCLG Criteria 2: Unitary local government must be the right size to achieve efficiencies, improve capacity and withstand financial shocks.
a) As a guiding principle, new councils should aim for a population of 500,000 or more.
b) There may be certain scenarios in which this 500,000 figure does not make sense for an area, including on devolution, and this rationale should be set out in a proposal.
c) Efficiencies should be identified to help improve councils' finances and make sure that council taxpayers are getting the best possible value for their money.
d) Proposals should set out how an area will seek to manage transition costs.

Consolidating council services under a unitary authority enables local government to avoid duplication of efforts, as well as facilitate deeper and easier coordination between interdependent functions, such as transport, housing and regeneration.

However, the goal of achieving efficiencies should be balanced with the need to serve local needs and identities. Gloucestershire is better placed to achieve this with two unitary councils each looking after a smaller geography.

Our county has two densely populated metropolitan areas that face considerably more pressures in critical services such as adult social care. In contrast, our surrounding rural areas continue to experience challenges with rural isolation and accessibility to key services. With a resident population of over 300,000 each, the unitary authorities will be under the population threshold of 500,000. However, this will be the right size for the two unitary councils to target their focus and resources on a manageable population size and geographic diversity, allowing them to improve their capacity to foster more meaningful, collaborative engagements with the local communities.

It will provide Gloucestershire with more flexibility to maximise outcomes for citizens than a single unitary model by allowing the two unitary authorities to come together to achieve scale where it can provide better value for residents and operate independently where it needs to deliver tailored approaches to serve its respective geographies.

A two-unitary model could save Gloucestershire between £15.7 million to £29.2 million per annum (see Table 4), subject to the decisions and ambitions of the future unitary authorities. While a single unitary approach offers more upfront management savings, our stretch target locality savings under a two unitary approach will be greater. In addition, significant additional savings can be achieved through the deployment of technologies in transforming public service delivery. The

implementation costs are expected to be around £15.6 million (see Appendix B) and we expect these to be paid back through savings in year three, following the vesting of the new unitary authorities.

The two new unitary authorities will lead to a decrease in councillor numbers, from 295 councillors under the current two-tier system to 110 councillors in total between Gloucester, Forest and the Stroud Valleys and Cheltenham and the Cotswolds. Establishing two unitary authorities will also reduce the number of elections held over a four-year period. The estimated savings from democratic arrangements is £1.9 million per annum with a further estimated saving of £0.4 million per annum on elections. In addition, compared to a single unitary authority, decision makers will be closer to the population they serve given the smaller geographic size.

Table 4: Summary of cost savings calculation[13]			
Category	**Existing cost base assessed £'000**	**Efficiencies**	
		Base £'000	**Stretch £'000**
Management	2,658	1,981	1,981
Workforce	53,928	2,696	3,775
Services [14]	150,396	3,521	6,482
Other Third Party Spend	219,183	3,288	6,576
Elections	806	434	434
Office Space	15,072	1,507	2,261
Democratic Arrangements	3,150	1,967	1,967
Sales, Fees and Charges Equalisation	19,551	2,737	3,421
Prevention			5,373
Additional Leadership Costs		(2,465)	(3,081)
Total	464,744	15,666	29,189

Table 5: Changes to Councillor numbers in Gloucestershire			
District	**Total Councillors (District and County)**	**New Unitary Councillors**	**Reduction**
Cheltenham	50	20	-30
Cotswold	42	16	-26
Tewkesbury	46	16	-30
Gloucester	49	20	-29
Forest of Dean	46	16	-30
Stroud	62	22	-40
Total	295	110	-185

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[13] Full details of the cost savings calculations and assumptions can be found in Appendix A.
[14] Calculations include culture and heritage, planning, environmental and regulatory, waste, housing, local tax collection

DELIVER HIGH QUALITY AND SUSTAINABLE PUBLIC SERVICES

> **MHCLG Criteria 3**: Unitary structures must prioritise the delivery of high quality and sustainable public services to citizens.
> a) Proposals should show how new structures will improve local government and service delivery, and should avoid unnecessary fragmentation of services.
> b) Opportunities to deliver public service reform should be identified, including where they will lead to better value for money.
> c) 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 for public safety.

We know that the cost of health and social care is becoming unsustainable. According to its Medium Term Financial Strategy 2025/26 to 2028/29, Gloucestershire County Council reports a £6.1 million of unidentified savings required in 2026/27 to achieve a balance budget. This figure rises to £1.3 million in 2027/28 and £3.4 million in 2028/29[15].

Waiting lists are continuing to grow longer, whether that be young people waiting for their mental health assessments, or adults waiting for their social care needs to be reviewed. Crucially, Gloucestershire's population is ageing more quickly than the UK average, therefore requiring further support from our health and social care services.

Preventative care located in the community is the only viable route to addressing this challenge, and this is something that our existing local public service strategies acknowledge. Gloucestershire has already adopted a locality-based approach in the provision of county services. Its adult health and social care services, for example, has six locality teams to cover each district. However, an independent assessment conducted by the Care Quality Commission in January 2025 notes that while some improvements to assessment waiting times have been achieved, sustained improvements are yet to materialise.

The quality of public service provision across the county also remains uneven. The majority of areas with the greatest needs are concentrated in our two urban centres, Gloucester and Cheltenham. For example, residents in Gloucester and Cheltenham face longer waiting times for adult social care assessments compared to other districts. In June 2024, 12.5% of cases in Cheltenham and Gloucester had to wait 100 days or more, while the county average in that period was 47 days[16].

Two unitary authorities focusing on an anchor urban area and its surrounding rural and suburban areas will enhance existing locality-based service provisions as it allows councils to dedicate their efforts over a more manageable geography, compared to stretching resources over an expansive, county-wide footprint. This will facilitate closer engagement with communities, thus enhancing their capacity to successfully deliver preventative care. Preventative care, after all, must be a collective responsibility to be effective, thus making strong place-based partnerships and collaboration critical.

By leveraging our unique place-based opportunities, particularly in mobilising our technology heritage, the two unitary authorities could trial novel and innovative

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[15]
 https://www.gloucestershire.gov.uk/media/tbanyebo/medium-term-financial-strategy-2025-26-to-2028-29-and-budget-2025-26.pdf
[16] https://www.cqc.org.uk/provider/RTE

approaches to public service delivery. This will enable them to reduce pressure on our services and even hit stretch targets that will achieve transformative outcomes for our residents.

Spotlight: Harnessing Gloucestershire's technology heritage to deliver whole systems savings

Digital transformation presents a major opportunity for the NHS and local healthcare services, driving efficiency while generating substantial cost savings.

Evidence from national and regional NHS studies, alongside industry reports, highlights key areas where technology can make a difference:

- **AI-powered diagnostics** – Reducing misdiagnoses and improving efficiency at Gloucestershire Royal Hospital and Cheltenham General Hospital, reducing unnecessary tests and delays in treatment. Studies indicate AI-assisted diagnostics can reduce diagnostic errors by **30–40%**, cutting associated costs (NHSX, 2022).
- **Telemedicine** – Reducing unnecessary hospital visits and easing GP workload across the county, particularly in rural areas. NHS England data shows virtual consultations reduce face-to-face GP appointments by **25–30%**, helping alleviate demand (NHS Long Term Plan, 2019).
- **Predictive analytics** – Supporting early intervention and preventative care, helping to manage long-term conditions such as diabetes and cardiovascular disease. Evidence from NHS Digital suggests predictive analytics can reduce emergency admissions by **10–15%** (Health Foundation, 2021).

Projected cost savings for Gloucestershire's health system:

- **Preventative care and early intervention** – A shift towards proactive care could reduce acute care costs by **10–15%**, translating to estimated savings of **£50 million to £75 million annually** (based on NHS England's 2019 Prevention Green Paper projections).
- **Hospital admissions and bed days** – NHS data indicates digital tools can lower avoidable admissions by **20–30%**, potentially saving Gloucestershire **£25 million to £50 million annually** (based on NHS England's Digital Transformation Savings Report, 2022).
- **AI and data integration** – Implementing AI-driven diagnostics and treatment planning could generate savings of **£10 million to £20 million per year**, improving operational efficiency across Gloucestershire's healthcare system (NHSX AI Report, 2023).

By fully adopting healthcare technology, Gloucestershire's health and social care system could achieve:

- **Annual savings of £150 million to £250 million**, reducing financial pressure across NHS Gloucestershire and local care providers (based on aggregated NHS England and Health Foundation reports).
- **Five-year cumulative savings of £750 million to £1.25 billion**, helping to secure the long-term sustainability of the county's health services.

These savings are not just financial projections—they represent the long-term viability of Gloucestershire's health system, ensuring resources are available for frontline care, workforce investment, and improved patient outcomes.

PRIORITISE LOCAL NEEDS AND VIEWS

> **MHCLG Criteria 3**: 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.
> a) It is for councils to decide how best to engage locally in a meaningful and constructive way and this engagement activity should be evidenced in your proposal.
> b) Proposals should consider issues of local identity and cultural and historic importance.
> c) Proposals should include evidence of local engagement, an explanation of the views that have been put forward and how concerns will be addressed.

Gloucestershire has endeavoured to bring a wide range of stakeholders and partners to the table when it comes to designing and delivering services for our communities. Unfortunately, our existing services do not always meet the needs of our residents, and, in some instances, it has worsened over time. For example, staff in Gloucestershire's Children's Services have worked hard to deliver improvements to their offer, and their recent Ofsted report recognises the positive relationships that they've fostered with the children and families in their care[17]. However, despite these efforts, Gloucestershire's Children's Services continues to require improvement [18]. This has led to dissatisfaction with the current system, with both practitioners and parents reporting that they feel like they are fighting to get their views heard with regards to children's SEND provision.

Local government reorganisation provides an opportunity for Gloucestershire to reset the leadership and culture of its council services. A two-unitary approach provides improved coordination through the amalgamation of council functions, whilst enhancing local engagement to deliver tailored services. Its smaller geographies compared to a single unitary authority covering a county-wide footprint will allow local leaders and practitioners to divert their focus on understanding and responding to the unique needs of their respective people and places through locality level engagement and intelligence, which will be critical to designing and delivering services that are proactive in addressing the emergence and escalation of needs.

Engagement with local partners will be instrumental to ensuring Gloucestershire's local government transformation is successful. Our two unitary authorities will build strong working relationships with local partners on the ground.

We now need to bring together what our communities are telling us with the best solutions available nationally and globally to deliver transformed outcomes in Gloucestershire by driving focus through our missions, utilising leading edge technologies, and making the most of the opportunity for change so that our two unitary authorities can shape decision making to effectively meet local needs.

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[17] https://files.ofsted.gov.uk/v1/file/50269660
[18] https://reports.ofsted.gov.uk/provider/44/80470

SUPPORT FURTHER DEVOLUTION

MHCLG Requirement 5: New unitary structures must support devolution arrangements.

a) Proposals will need to consider and set out for areas where there is already 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.

b) Where no CA or CCA is already established or agreed then the proposal should set out how it will help unlock devolution.

c) Proposals should ensure there are sensible population size ratios between local authorities and any strategic authority, with timelines that work for both priorities.

The West of England Combined Authority serves as a strategic partner for Gloucestershire not only due to its geographic proximity but also its aligned public service delivery (e.g. South West Ambulance Service) and complementary economies. As a member of the Western Gateway partnership, Gloucestershire already works together with local authorities in WECA to increase recognition, investment and innovation in its five key sectors, namely cyber and technology, renewable energy, fintech, creative and digital and advanced manufacturing (including aerospace and compound semi-conductors).

However, Gloucestershire currently lacks a strong, coordinated narrative to cement its leadership in its cluster strengths. Without this, it risks losing out to more proactive economic regions with a well-mobilised economic positioning. The two unitary authorities will support Cheltenham and the Cotswolds and Gloucester, Forest and the Stroud Valleys to cultivate this economic narrative, thus strengthening their ability to attract investment and talent to unlock further growth in their respective clusters.

Through joining WECA, Gloucestershire's unitary authorities can further bolster our clusters' regional and national significance by enhancing collaboration and coordination with other high growth cluster ecosystems.

A key area where devolution can help unlock Gloucestershire's potential is in obtaining greater strategic oversight over transport. The English Devolution White Paper identifies transport and local infrastructure as an area of competence where Strategic Authorities should have greater mandate and oversight. Whilst there are plans in place to enhance transport connectivity within the county, particularly in accessing its large-scale developments such as the Golden Valley Development, Gloucestershire's unitary authorities must think more strategically about how it can connect itself to other economic corridors to overcome constraints in growth and productivity brought by poor transport connectivity.

Improving transport connectivity within Gloucestershire will be imperative to ensure residents and communities have access to the opportunities brought by its key clusters. Enhanced connectivity with other economic hubs will reduce the friction for inter-regional collaboration, expands the pool of opportunities residents can access and improve Gloucestershire's competitiveness when attracting investment and talent.

ENABLE STRONGER COMMUNITY ENGAGEMENT AND EMPOWERMENT

> **MHCLG Criteria 6**: New unitary structures should enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment.
> a) Proposals will need to explain plans to make sure that communities are engaged.
> b) Where there are already arrangements in place it should be explained how these will enable strong community engagement.

Through a single tier of local government, the two unitary authorities can coordinate interconnected council functions to address local needs more strategically and achieve greater impact. It also simplifies engagement for communities by only having one layer of council to go to for their respective area. This improves democratic engagement and encourages residents to become more involved in shaping their places. In line with government's devolution ambitions, decisions should be made in collaboration with communities, rather than imposed on them.

With two distinct identities and more manageable geographies, two unitary authorities allows both councils to be closer to their communities, enabling them to better understand local needs and develop policies that align with the priorities of their respective areas. Locally responsive councils can make residents feel like their interests are being represented and addressed. A two unitary authority can therefore lead to better community engagement compared to a single unitary authority that will have to balance competing desires and needs from diverse groups across a larger geography. Gloucestershire's two councils will learn from unitary authorities that have successfully fostered close engagements and partnerships with communities. Examples include North Northamptonshire Council's Big50 Plan and Cornwall Council's Community Network Areas.

A plan for engaging with our stakeholders, including our communities, is laid out in this document. We will work with all Gloucestershire councils and partner organisations (e.g. statutory partners like the Integrated Care Board, community and voluntary organisations) to refine this plan and design a framework for stakeholder engagement that will facilitate ongoing and meaningful collaboration throughout all phases of local government transformation—from planning to realisation.

4 | How will we deliver this?

Implementation plan

It is currently unclear when the Secretary of State will approve the implementation of new unitary authorities for two-tier councils that are not under the Devolution Priority Programme. It is therefore difficult to set indicative timelines for Gloucestershire's local government reorganisation. However, we will continue to engage with local stakeholders and partners to develop our proposal.

Table 6: Confirmed timelines for LGR and devolution, as of March 2025	
March 2025	Submission of interim LGR proposals
May 2025	Gloucestershire County Council elections
November 2025	Submission of full LGR proposals
May 2027	Elections (Shadow authorities)
April 2028	Vesting day for new unitary councils

INDICATIVE COSTS

Both unitary authorities will achieve significant savings through local government reorganisation, which will quickly offset initial implementation costs and provide unitary authorities that are financially sustainable.

Implementation costs reflect the estimated investment required to receive the benefit of the potential savings. The transition would require a total one-off investment of around £15.6 million. Based on the forecast savings and implementation costs, we calculate that the two unitary model will provide a net contribution in the third year after implementation. The table below shows the indicative costs to implement two unitary authorities. A full version of the table with additional commentary can be found in Appendix A.

Table 7: Implementation costs for two unitary authorities		
Category	**Description**	**Total £'000**
Workforce	Redundancy and pension allowances	5,668
Systems	Aligning systems and digital infrastructure	2,000
Estates and facilities	Rebranding premises, reconfiguration of buildings and disposal costs	300
Shadow Council costs	Costs of member allowances and chief executives of new councils	1,309
Culture and communications	Communications, branding, training and support	300
Transition team	Implementation programme team	4,000
Sub Total		**13,577**
Contingency (15%)	To allow for any unforeseen additional costs	**2,037**
Total		**15,614**

KEY RISKS AND MITIGATIONS

Local government reorganisation is complex and must be appropriately resourced throughout the entire process. According to a report published by Grant Thornton on how local governments can successfully reorganise[19], the expertise and skillset required for transformation will be different from those that are conducting business-as-usual activities. Designing and delivering new operational models requires specialist skills that may not be available in-house.

Furthermore, it will be critical for local government reorganisation to be owned by all local authorities involved to ensure a seamless transition of powers, responsibilities and assets to the new unitary structures. Therefore, the process and governance structures for Gloucestershire's local government reorganisation will require further consultation with, and buy-in from, relevant local authority officers from the county and districts.

We must harness our existing institutional strength in delivering shared service delivery models to scale services efficiently. Capacity building will be key to ensure we have the right mindset and skills to successfully realise our two new unitary authorities. Local government reorganisation presents an opportunity to make transformative changes to how we deliver our public services and engage with our communities. An innovative ethos will be paramount to designing our new unitary authorities, or else we risk inheriting the same systems. Learning from other local authorities that have underwent local government reorganisation will help us make informed decisions about how we can navigate areas of unfamiliar terrain.

PROVEN COLLABORATION WHERE SCALE IS NEEDED

Gloucestershire councils have a strong track record for collaborating. Operationally, local authorities in Gloucestershire have come together to jointly deliver back-office functions and council services, as demonstrated in Table 8. Gloucestershire's county and district councils have also collaborated on strategic partnerships around cross-boundary issues and themes (see Table 9). This allows them to achieve economies of scale, pool expertise and coordinate activity to best serve its communities and places. For Ubico (shared waste and environmental services), this has translated into in excess of £5.5 million on ongoing savings since its creation in 2012.

Strong, collaborative relationships between council authorities undergoing local government reorganisation is critical to ensuring coherent and coordinated plans all throughout the reorganisation process - from proposal and planning to transformation and, inevitably, devolution. The organisational expertise and strong collaborative ethos that Gloucestershire councils have cultivated provides them with a blueprint to navigate the undoubtedly disruptive process of local government reorganisation. Further discussions will be needed to establish where there may be changes required to current shared arrangements. However, this provides Gloucestershire councils with a ready set of options to kickstart discussions for planning organisational transformation and service delivery.

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[19] https://www.grantthornton.co.uk/globalassets/1.-member-firms/united-kingdom/pdf/publication/2025/local-government-reorganisation-and-devolution.pdf

Table 8: Example of services shared between Gloucestershire councils							
Shared service	**Gloucester**	**Forest of Dean**	**Stroud**	**Cheltenham**	**Tewkesbury**	**Cotswold**	**GCC**
Ubico - Waste and environmental services	✓	✓	✓	✓	✓	✓	✓
One Legal - Legal Services	✓		✓	✓	✓		
Publica – Finance and Payroll, IT		✓		✓		✓	
Building Control				✓	✓		
Shared HR service	✓						✓
Solace – Anti-social behaviour	✓	✓	✓	✓	✓	✓	
Audit Risk Assurance (ARA)	✓		✓				✓
Counter-Fraud Unit		✓	✓	✓	✓	✓	
Joint Strategic and Local Plan	✓			✓	✓		
Gloucestershire City Region Board (Economic Development)	✓	✓	✓	✓	✓	✓	✓
Climate Leadership Gloucestershire	✓	✓	✓	✓	✓	✓	✓

Table 9: Example of strategic partnerships between Gloucestershire councils							
Strategic partnership	**Gloucester**	**Forest of Dean**	**Stroud**	**Cheltenham**	**Tewkesbury**	**Cotswold**	**GCC**
Joint Strategic and Local Plan	✓			✓	✓		
Gloucestershire City Region Board (Economic Development)	✓	✓	✓	✓	✓	✓	✓
Climate Leadership Gloucestershire	✓	✓	✓	✓	✓	✓	✓

Engaging and empowering our stakeholders

APPROACH TO STAKEHOLDER AND PARTNER ENGAGEMENT

Big changes, such as a local government reorganisation, are likely to face resistance. This reform programme will remain committed to working closely with stakeholders throughout the process of Gloucestershire's local government reorganisation. It will:

- Conduct consistent and regular opportunities for dialogue, allowing our stakeholders and communities to shape the vision and plans for Gloucestershire's local government transformation. The two-unitary model for local government reorganisation advocates for a place-based approach to public service delivery, and this ethos should also be reflected in the transformation process itself.
- Inform stakeholders early on about plans for local government reorganisation and how this may affect them (e.g. as partners or as service users). This can be conducted through public information campaigns and workshops.
- Empower those directly involved in local government reorganisation by equipping them with the skills and mindset for the reform.
- Work closely with our vulnerable residents and relevant practitioners to ensure appropriate arrangements are in place to mitigate any disruption to accessing council support.

STAKEHOLDER ENGAGEMENT TO-DATE

This proposal has been informed and shaped through local engagement within the limited time frame available since the release of the white paper on 16 December 2024. The two unitary model and the suggested boundaries of the East and West unitary authorities have been built on the views of five Gloucestershire MPs:

- Max Wilkinson MP (Cheltenham)
- Alex McIntyre MP (Gloucester)
- Dr Roz Savage MP (South Cotswolds)
- Matt Bishop MP (Forest of Dean)
- Dr Simon Opher MP (Stroud)

Initial engagements have taken place, notably with the University of Gloucestershire, a key higher education institution, and a leading business network, CyNam. CyNam are a multi-sector group representing over 5,000 members within the cyber security and technology ecosystem in Gloucestershire.

At the time of submission, further initial briefings and engagement meetings have been offered to the following groups and strategic partners:

- Hartpury University
- Gloucestershire College
- Integrated Care Board
- Office of the Police and Crime Commissioner (OPCC)

PLANS FOR FUTURE STAKEHOLDER ENGAGEMENT

A full engagement plan will be developed following this interim submission. This can be delivered in the summer of 2025 and will include:

- Resident groups
- Businesses
- Voluntary and third sector groups
- Parish and town councils
- Relevant business associations and groups

We will work together with the county and district councils alongside local, regional and national partners to refine this list and ensure comprehensive stakeholder engagement.

Alongside the proposal for the structure of local government, the engagement plan will include the following considerations:

- Confirm the proposals for devolution but also consider priorities to be included within a devolution deal limited to the expanded WECA partners, recognising that the existing WECA authorities already have an agreed ringfenced deal with the government, which Gloucestershire authorities would not want to impact.
- Ensure that any new authorities have the right model for the representation of places and communities. The consideration of embedding a cooperative ethos and rebalancing the relationship between the state and the citizen will be at the heart of this workstream.
- Ensure that the vision and ambition for each unitary authority and for Gloucestershire as part of a strategic authority is tested and right for both council and strategic authority.
- The two unitary model would, in the future, provide an opportunity for further strengthening of local identities by welcoming a review from the Local Government Boundary Commissions for England
- Ensure proposed areas aligned to each council provide the strongest local connections. We welcome a review from the Local Government Boundary Commission for England and will undertake engagement and consultation to ensure that our two unitary model enhances local identities.

Case studies: Key insights from other transformations

CASE STUDY 1: WEST BERKSHIRE – HARNESSING AI TO TRANSFORM CITIZEN SERVICES

Summary

West Berkshire's deployment of AI technologies has:

- **Enabled staff to achieve efficiencies in everyday processes**, particularly in identifying existing or emerging issues more quickly than traditional methods.
- **Freed up staff time to focus on more complex issues**, with the digital assistant handling around 11,000 enquiries per month.
- **Improved resident's experience of accessing services**, with 80% of users reporting a 'good' or 'satisfactory' experience.
- **Achieved operational savings**, with the initial project costing only around £2 a month to run.

West Berkshire Council has openly embraced AI and made significant strides in deploying it to support its staff and drive efficiency in public service delivery.

Successes:

Empowering workforce through technology

- West Berkshire's deployment of AI has allowed staff to free up time to focus on more complex issues. For example, West Berkshire Council's HR team uses ChatGPT to generate job adverts and LinkedIn posts. Staff can focus on refining the content generated by ChatGPT, rather than having to write it from scratch, and dedicate more time to aspects of the jobs which require direct human intervention [20].
- AI has enabled staff to address issues much quicker compared to traditional methods. For example, AI is being used to detect existing and emerging cracks and potholes in roads, allowing staff to address road issues faster compared to manually reviewing video footage [21].

Improving experience for resident users

- The council implemented an AI-powered translation tool that can translate documents into 75 languages while preserving formatting. This tool has increased annual savings and improved accessibility.
- The council is testing AI assistants on their website to help residents with inquiries. These assistants are customised to answer specific questions, such as recycling queries, and provide internal policy information to employees.

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[20] https://www.local.gov.uk/case-studies/west-berkshire-council-development-generative-ai-tools
[21] https://www.westberks.gov.uk/article/43511/Using-AI-to-improve-local-services-with-people-always-in-control

- Enhanced efficiency has improved customer satisfaction, 80% of users reporting a 'good' or 'satisfactory' experience, compared to the national average satisfaction of 68%[22].

Cost efficiency and savings

- West Berkshire Council has achieved operational cost savings in employing AI with the GOSS Digital Platform to enhance content creation and case management. This integration has led to substantial time and cost savings by automating processes such as redacting sensitive data, adjusting readability, and managing case[23].
- Implementation costs are also affordable, with West Berkshire Council reporting that the initial project cost £300 in staff time to set up and £2 a month to run.

Key learnings for Gloucestershire:

- West Berkshire demonstrates how technology can be a powerful enabler in driving organisational and operational efficiencies.
- West Berkshire's implementation of AI also shows that deploying new technologies does not need to come with a hefty price tag.
- This presents a stronger case for Gloucestershire to lean into its strengths by harnessing its rich heritage in technology. Through a two unitary model, Cheltenham and the Cotswolds can provide a conducive environment for its technology cluster to drive innovation in the application of AI in the public sector. As part of WECA, Gloucestershire can further enhance support for its technology cluster by connecting it with other key hubs in the South West region.

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[22] https://www.logicdialog.ai/resources/case-study-west-berkshire-council-empowering-citizens-with-conversational-ai
[23] https://www.gossinteractive.com/article/15156/West-Berkshire-creating-content-using-AI-case-study

CASE STUDY 2: THE BUURTZORG MODEL AND GLOUCESTERSHIRE'S TRANSITION TO A TWO-UNITARY SYSTEM

Summary

Buurtzorg has transformed its approach to community healthcare. This has:

- **Reduced hospital admissions by 30%** through early intervention and preventative care.
- **Increased patient satisfaction to over 9/10** due to continuity of care and personalised support.
- **Cut overhead costs to just 8% of total expenditure**, compared to 25% in traditional healthcare models.
- **Boosted staff morale**, with 60% lower absenteeism and a retention rate of over 90%, compared to national averages.

The Buurtzorg model, a pioneering approach to community healthcare in the Netherlands, has demonstrated how decentralisation, autonomy, and locality-based care can lead to greater efficiency, improved public services, and better community outcomes.

Successes:

Decentralisation improves efficiency

- Buurtzorg restructured healthcare in the Netherlands by shifting from top-down bureaucracy to small, self-managing teams[24], reducing administrative overheads by 40%.
- Gloucestershire's two-unitary model aims to move away from a rigid county-wide approach towards two authorities that can deliver more tailored, efficient services, potentially improving service delivery times by 20–30%.

Local autonomy strengthens service quality

- Buurtzorg nurses work independently, making decisions based on their community's specific needs[25], leading to 35% faster response times for patient care.
- Gloucestershire's proposed unitary authorities would have greater autonomy, allowing them to deliver services that are more responsive to local demands and reduce bureaucratic delays.

Preventative, community-based service delivery

- Buurtzorg's early intervention approach has cut emergency hospital admissions by 30% and reduced long-term care costs by 20%.
- Gloucestershire's two-unitary model could enable localised, preventative public service approaches, reducing reliance on crisis interventions and potentially cutting emergency social care costs by 15–25%.

Cost efficiency through simplification

- Buurtzorg eliminated unnecessary bureaucracy, reducing administrative costs from 25% to 8% of total expenditure.

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[24] https://www.library.hbs.edu/working-knowledge/this-company-lets-employees-take-charge-buurtzorg
[25] https://www.corporate-rebels.com/blog/buurtzorg-a-revolutionary-approach-to-community-healthcare

- Gloucestershire's unitary model could reduce administrative overheads by £10–£20 million per year, freeing up resources for frontline services.

Empowering local leadership & workforce
- Buurtzorg's decentralised structure gives nurses greater autonomy, improving job satisfaction and leading to a 60% lower absenteeism rate.
- Gloucestershire's two-unitary model could improve job satisfaction among public sector employees, leading to lower turnover rates and an estimated £5 – £10 million savings per year in recruitment and retraining costs.

Why this strengthens Gloucestershire's case
- The Buurtzorg model proves that smaller, self-managed units can outperform larger bureaucratic systems, supporting the argument for two unitary authorities rather than a single, centralised structure.
- It shows that technology-enabled, community-focused service delivery improves outcomes while reducing costs, aligning with Gloucestershire's ambition to modernise governance.

By adopting principles similar to Buurtzorg, Gloucestershire could achieve:
- £15–£30 million in annual cost savings through reduced bureaucracy and improved efficiency.
- Higher resident satisfaction scores, similar to Buurtzorg's 9/10 rating.
- Faster response times for local services, with a potential 20–30% improvement.
- A more engaged workforce, reducing turnover and absenteeism, with projected savings of £5–£10 million per year.

By applying a decentralised, locality-based model, Gloucestershire has the opportunity to build a more efficient, cost-effective, and community-driven public service system that delivers better outcomes for residents and employees alike.

CASE STUDY 3: BOURNEMOUTH, CHRISTCHURCH AND POOLE COUNCIL – WORKING WITH LOCAL PARTNERS

Summary

Bournemouth, Christchurch and Poole Council endeavoured to strengthen ties with its local communities and partners

- **Delivered exemplary multi-agency initiatives through fostering strong working partnerships with local stakeholders,** including the Police, the business community and the voluntary and community sectors.
- **Improved its children's services rating to 'good'.**
- **Unified and modernised the digital and data infrastructure of three districts**, allowing it to realised savings of over £25.7 million in recurring gross revenue as of March 2024

Since its establishment as a unitary authority in 2019, Bournemouth, Christchurch and Poole (BCP) Council has leveraged place leadership and local partnerships to drive ambitious reforms to better serve its 400,000 residents.

Successes:

Strengthened local partnerships:
- It has been praised for demonstrating exemplary place leadership through its 'Summer Response', a £3.5 million initiative that aimed to address issues experienced in seafronts, towns and other open spaces[26].
- The multi-agency initiative was led by members and officers, with residents and businesses engaged at every stage, and leveraged digital and data-driven solutions to keep visitors safe and the town clean.

Enhanced service delivery
- Improving front-end and back-office systems through technology solutions has enabled BCP Council to provide more efficient and responsive services to its residents. Partnering with Microsoft and KPMG, BCP Council has implemented a digital solution that allows residents to submit and track service requests for different council functions all in one simple platform.
- BCP Council has consistently invested in its children's services. This has translated in demonstrable improvements as its 2021 Ofsted inspection have praised BCP Council for positively transforming its children's services and received a 'good' rating[27].
- Improvements to their service delivery can be attributed to their strong leadership team, clear roles and strong accountability.

Sound financial management
- BCP Council came out post-reorganisation with a stable financial base.
- Their Finance team is appropriately resourced and has good working relationships with other statutory officers.
- Its robust financial management has also allowed it to effectively manage external shocks post-reorganisation, specifically the COVID-19 pandemic.

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[26] https://www.local.gov.uk/our-support/council-assurance-and-peer-support/peer-challenges-we-offer/corporate-peer-challenge-67
[27] https://www.bcpcouncil.gov.uk/news-hub/news-articles/bcp-council-childrens-services-receive-good-rating

Key learnings for Gloucestershire:

- BCP Council demonstrated the importance of having well-resourced finance team throughout local government reorganisation to ensure councils are in a solid financial position post-reorganisation.
- Having a committed senior leadership team with a clear vision for investing in service improvements will be critical to realising positive outcomes for residents.
- Building strong place leaderships and partnerships is important to enhancing service delivery. Securing buy-in from, and co-designing solutions with, local partners and stakeholders are critical to delivering locally tailored solutions that are effective.

5 | Appendices

Appendix A: Cost savings and efficiencies

EXISTING COST BASE

The following tables details the total expenditure across all councils included in the model which was used to calculate savings. County Council expenditure on cultural and related services, environmental and regulatory services, planning and development services and central services has been included but adult social care and education have not as they do not provide opportunities for integration efficiencies. Systems, office space, and democratic expenses have been subtracted from the County County's central services expenses as reported in revenue outturn data.

Table A1: Total expenditure		
Expenditure category	Districts (£m)	County (£m)
Workforce	42.4	14.2
Cultural Activities	13.9	4.9
Planning & Related	17.5	1.3
Environmental & regulatory	16.0	1.3
Waste	42.5	32.1
Housing services	15.2	0.5
Local Tax Collection	4.0	0.0
Other Third Party Spend	41.0	178.1
Elections	0.4	0.4
Sales, Fees and Charges	19.5	0.0
Office Space and Facilities	2.4	12.8
Democratic Arrangements	2.2	0.9
Total	217.00	246.50

Table A2: Breakdown of workforce expenditure		
Workforce category	Districts (£m)	County (£m)
Highways and transport	0.6	0.0
Housing (GFRA only)	7.5	0.1
Cultural and related	5.9	8.4
Environmental and regulatory	11.2	2.0
Planning and development	11.6	3.0
Local Tax Collection	3.4	0.0
Total	40.3	13.7

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FINANCIAL EFFICIENCIES

Our proposals for Local Government Reorganisation align with the government's commitment to fixing the foundations to build a country that works for working people. It's a vision for change with local government reorganisation in Gloucestershire at its very heart. Our proposal sets out how we align behind all of the government's missions – from delivering homes, including a new generation of secure, social and affordable homes, and an NHS and social care system that's back on its feet, to achieving the sustained growth that will raise living standards.

As the Deputy Prime Minister stated herself, she knows about the importance of good services and strong community institutions and what it means to know and trust your neighbours and neighbourhood, and to have grass-roots networks and teams you can rely on. In order to achieve this requires scale at a measured level where communities identify with place rather becoming an area so big that it becomes consumed by the drive for financial savings in the first instance that do not drive longer-term financial sustainability.

Our aim under the two Unitary proposal is for the two new councils to return to improving the lives and surroundings of residents rather than firefighting service failures, with targeted investment going into crisis prevention rather than its more expensive cure.

Annual efficiencies from our two-unitary proposal are estimated at £15.6 million and £29.2 million, depending on the decisions and ambitions of future unitary authorities. Additional savings could be achieved through broader transformation, including technology adoption and increased resourcing to expand capacity. Implementation costs are expected to be around £15.6 million and we expect these to be paid back through savings in year three following the vesting of the new unitary authorities.

Table A3: Description of expenditure categories	
Expenditure category	Description
Management	Costs of Statutory Officers
Workforce	Employee costs for the delivery of the services below
Services: Cultural Activities	Culture and heritage, recreation and sports inc. tourism and parks
Services: Planning & Related	Development applications and decisions
Services: Environmental & Regulatory	Regulatory, bereavement, community safety, flood defence and drainage
Services: Waste	Waste collection and disposal
Services: Housing	Housing management, housing benefit, homelessness and other welfare
Services: Local Tax Collection	Council Tax collection, business rates collection, Council Tax support
Other Third Party Spend	All other payments made for goods and services
Elections	Costs of delivering elections for seven different democratic areas
Office Space	Ability to centralise services in fit for purpose office space
Democratic Arrangements	Democratic process and number of members
Sales, Fees and Charges Equalisation	Car parking, garden waste
Prevention	Transformation savings from early intervention using technology and additional capacity
Additional Leadership Costs	Costs of additional leadership roles

For each of these expenditure categories, a base and stretch target for savings under a two unitary model have been identified. The basis for these targets are outlined in table A4.

Table A4: Calculations of cost efficiencies				
Expenditure category	Existing cost base assessed £'000	Efficiencies		Percentage of existing cost base
		Base £'000	Stretch £'000	
Management	2,658	1,981	1,981	Reduces the cost base to two sets of Statutory Officers.
Workforce	53,928	2,696	3,775	5-7% of the base cost.
Services: Cultural Activities	18,901	567	945	3-5% of the base cost.
Services: Planning & Related	19,774	593	988	3-5% of the base cost.
Services: Environmental & Regulatory	17,266	518	863	3-5% of the base cost.
Services: Waste	74,609	850	1,700	Assumes the savings will be generated from rationalising rounds and sharing of vehicles.
Services: Housing	15,755	787	1,575	5-10% of the base cost.
Services: Local Tax Collection	4,091	204	409	5-10% of the base cost.
Other Third Party Spend	219,183	3,287	6,575	1.5-3% of the base cost.
Elections	806	434	434	Assumes both unitary authorities go once every 4 years with a 20% stretch.
Office Space	15,072	1,507	2,260	10-15% of the base cost.
Democratic Arrangements	3,150	1,967	1,967	Reducing to 110 Councillors in total
Sales, Fees and Charges Equalisation	19,551	2,737	3,421	Equalisation between two areas - 80-100%
Prevention	-	-	5,373	10% cost reduction through early intervention.
Additional Leadership Costs	-	(2,464)	(3,080)	Costs of 20 Senior Management roles with on-costs and 25% extra in stretch figures
Total	464,744	15,667	29,188	

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Table A5: Profile of estimated base savings					
Category	Total £'000	Year 0	Year 1 £'000	Year 2 £'000	Total £'000	Comment
Management	1,981	-	1,981	-	1,981	Full saving in Year 1
Workforce	2,696	-	1,348	1,348	2,696	50% Year 1 & 50% Year 2 due to time taken to implement changes
Services: Cultural Activities	567	-	284	284	567	50% Year 1 & 50% Year 2 due to time taken to implement changes
Services: Planning & Related	593	-	297	297	593	50% Year 1 & 50% Year 2 due to time taken to implement changes
Services: Environmental & Regulatory	518	-	259	259	518	50% Year 1 & 50% Year 2 due to time taken to implement changes
Services: Waste	850	-	425	425	850	50% Year 1 & 50% Year 2 due to time taken to implement changes
Services: Housing	788	-	394	394	788	50% Year 1 & 50% Year 2 due to time taken to implement changes
Services: Local Tax Collection	205	-	102	102	205	50% Year 1 & 50% Year 2 due to time taken to implement changes
Other Third Party Spend	3,288	-	1,644	1,644	3,288	50% Year 1 & 50% Year 2 due to timing of contracts
Elections	434	-	434	-	434	Full saving in Year 1
Office Space	1,507	-	1,507	-	1,507	Full saving in Year 1
Democratic Arrangements	1,967	-	1,967	-	1,967	Full saving in Year 1
Sales, Fees and Charges Equalisation	2,737	-	2,737	-	2,737	Full saving in Year 1
Additional Leadership Costs	(2,465)	-	(1,232)	(1,232)	(2,465)	Full Cost in Year 1
Total	15,667	-	12,147	3,520	15,667	

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Appendix B: Implementation costs

Both unitary authorities will achieve significant savings through local government reorganisation which will quickly offset initial implementation costs and provide unitary authorities that are financially sustainable.

Implementation costs reflect the estimated investment required to receive the benefit of the potential savings. The transition would require a total one-off investment of around £15.6 million. Based on the forecast savings and implementation costs we calculate that the two unitary model will provide a net contribution in the third year after implementation.

Table B1: Description of implementation cost categories	
Category	**Description**
Workforce	Redundancy and pension allowances
Systems	Aligning systems and digital infrastructure
Estates and facilities	Rebranding premises, reconfiguration of buildings and disposal costs
Shadow Council costs	Costs of member allowances and chief executives of new councils
Culture and communications	Communications, branding, training and support
Transition team	Implementation programme team including; Project Director, Programme Management, HR, Finance, ICT, backfill, programme costs and external assurance

Table B2: Implementation costs			
Category	Rationale	Total £'000	Comments
Workforce	Based upon the experience in previous reorganisations and the general assumption that exits costs generally have a 1 year payback. Management costs tend to be more expensive because of salary and pensions strain, therefore 150% of Management Savings allowed for. Will look to reduce these costs by effective management through the introduction of vacancy protocols across all of the councils.	5,668	The costs vary upon the individual and their person circumstances which will impact upon redundancy and pension strain. Assumption that exit costs are equivalent to the workforce savings achieved, so one year payback whilst recognising that Management exit costs tend to be more expensive and therefore costs are included at 150%. These costs can be significantly reduced by pro-active management of vacancies in the lead up to reorganisation and the introduction of a vacancy protocol across Gloucestershire.
Systems	Based upon previous reorganisations the cost of changed reporting requirements, security, systems licencing, storage capacity and data cleansing/migration.	2,000	There will be system costs in Adults & Children's as well as costs of alignment of systems across the new organisations
Estates and facilities	Based upon previous reorganisations the cost of rebranding premises, reconfiguration of buildings and disposal costs.	300	Buildings and car park signage will need to be rebranded and there will be costs associated with any reconfiguration of buildings and disposals
Shadow Council costs	Based upon 110 members from May 2027 and 2 Chief Executives from October 2027.	1,309	There will an election in May 2027 which will mean 11 months of additional member costs plus appointment of 2 chief executive which are assumed to be from October 2027. So 11 months of 110 members @ average of £11k plus 2 chief executives for 6 months @ £200k annual cost.
Culture and communications	Based upon previous reorganisations the cost of cultural change , branding, training and support	300	Support packages for staff leaving the organisation as well as change programmes to help staff adjust to the new councils.
Transition team	There will be a need for additional capacity to deliver the new councils. Previous reorganisation have used a combination of in-house staff being seconded to the programme team supplemented with additional specialist support.	4,000	There are some key areas such as HR, Finance and ICT which will require additional resources. The experience from previous reorganisations is that this is best supported by internal staff being seconded and then backfilling for them rather than using external consultants. Some form of external assurance is also required.
Sub Total		13,577	
Contingency (15%)		2,037	
Total		15,614	

Table B3: Transition team costs			
Role	Cost per FTE (£'000)	Number	Total Cost (£'000)
Project Director	200	2	400
HR Lead & Support	150	2	300
Finance Lead & Support	150	2	300
ICT Lead & Support	150	2	300
Dedicated Senior Programme Managers	100	6	600
External Assurance	250	2	500
Backfill, Acting up and programme costs	800	2	1,600
Total cost of transition team	-	-	4,000

Appendix C: Cost of late intervention

CHILDREN

All children deserve the best possible start in life, but too many encounter disadvantages that affect their development and threaten their future health, wellbeing and happiness. Early intervention can assist in giving these children and their families the necessary support to achieve their potential.

Effective early intervention aims to prevent problems from arising, or address them directly when they do before problems escalate. It can also aid in preparing children for adulthood by helping them develop a range of personal strengths and skills.

Early intervention can take various forms, from school-based initiatives focussed on improving children's social and emotional skills, to home visiting programmes supporting vulnerable parents, or mentoring schemes for young people at risk of criminal involvement. While some have argued that early intervention is most impactful when offered during the first few years of life, evidence shows that effective interventions at any stage during childhood and adolescence can improve children's life chances.

Early intervention approaches often focus on four key aspects of child development: their physical, cognitive, behavioural, and social and emotional development. By targeting these areas, early intervention has the potential to make the most significant differences and provide lifelong benefits.
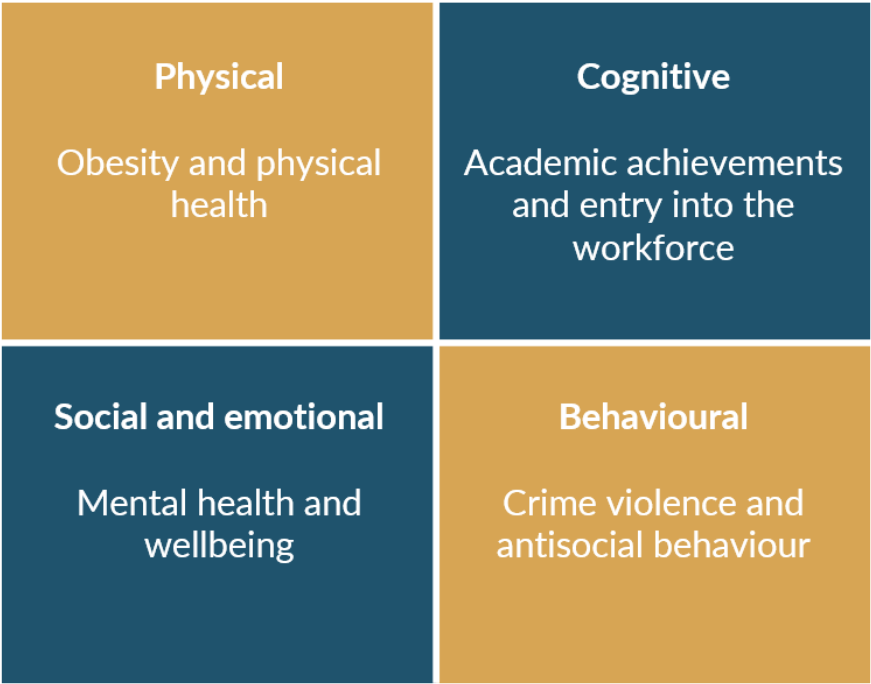
Physical Obesity and physical health	**Cognitive** Academic achievements and entry into the workforce
Social and emotional Mental health and wellbeing	**Behavioural** Crime violence and antisocial behaviour

Figure C1 Four key aspects of a child's development

Research indicates that addressing problems early also has the potential to yield significant economic benefits. Notably, improvements in earning and employment offer particularly large long-term payoffs. The scale of these benefits increases when considering overall productivity gains, which encompass not only higher earnings and employment benefits to the individual but also related increases in tax revenue and spill-over benefits to employers. In contrast, studies have shown multiple links between poor cognitive development and behavioural problems in childhood, and lower qualifications and earnings later in life. Overall, there is good evidence that even minor improvements in academic attainment at age 16 can lead to considerable long-term benefits.

BENEFITS TO THE PUBLIC SECTOR

Early intervention that is well targeted and implemented can lead to reductions in public service use and reduce demands on frontline practitioners. Conversely, failing to address problems can result in additional costs to the state due to the increased need for additional support throughout a person's life, and the strain on costly public services.

The cost of late intervention in England and Wales has previously been estimated to cost around £17 billion per year by the Early Intervention Fund (EIF). In Gloucestershire, the estimated cost of late intervention is £137.8 million per year, or £209 per head of population. About 39% of this cost is borne by Local Government. These figures reflect the costs of acute, statutory services that are needed when children and young people experience difficulties, many of which might have been prevented. These include the costs of children taken into care, the costs to the health system of youth alcohol and drug misuse, and the costs to criminal justice system from youth offending.

While it will never be possible to reduce the cost of late intervention to zero, this analysis highlights that significant resources are being spent tackling issues that could have been addressed earlier.

If savings of between 5% – 10% could be delivered using technology and additional capacity to provide early intervention, this would generate cashable savings of between £2.7 million and £5.4 million per annum. The savings across other elements of the public sector are also of significant scale.

Whilst early intervention shouldn't be viewed as a financial coping strategy for local or central government, early intervention can lead to cashable savings, immediate reductions in spending on support by government, local authorities and public services. However, reducing local demand will not generally lead to immediate reductions in the cost of running services at the local level. Arguments for early intervention that rest solely on short-term cashable savings miss the broader importance of why maintaining investment is critical.

Table C1: Cost of late intervention			
Local authority	Current population	Cost of late intervention per head of population (£)	Total cost (£)
Gloucester, Forest and the Stroud Valleys	348,635	209	72,864,715
Cheltenham and the Cotswolds	310,641	209	64,923,969
Total	659,276	-	137,788,684

Table C2: Cost of late intervention - Breakdown of Costs (£)							
Local authority	Local Government (39%)	NHS (22%)	Welfare (16%)	Police (10%)	Justice (9%)	Education (4%)	Total (100%)
Gloucester, Forest and the Stroud Valleys	28,417,239	16,030,237	11,658,354	7,286,472	6,557,824	2,914,589	72,864,715
Cheltenham and the Cotswolds	25,320,348	14,283,273	10,387,835	6,492,397	5,843,157	2,596,959	64,923,969
Total	53,737,587	30,313,510	22,046,189	13,778,868	12,400,982	5,511,547	137,788,684
Stretch Target Saving 10%	5,373,759	3,031,351	2,204,619	1,377,887	1,240,098	551,155	13,778,868

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ADULTS

On current projection, the future care demands of Gloucestershire's ageing population will overwhelm both budgets and the available workforce. Fundamental reform is needed.

Preventative care located in the community is the only viable route to addressing this challenge, and this is something which Gloucestershire's existing strategies across health and care already acknowledge. Crucially, we also recognise that preventative care must be a collective responsibility to be effective. Building two councils on identity and locality-based prevention services, breaking with the outdated culture and delivery model of a single county approach is the only way to deliver high quality and sustainable public services.

It is difficult to evidence the direct Return on Investment on prevention and early intervention activity within adult social care, and evidence at the national level is not available. However, individual evaluations of key programmes at both a national and local academic level have been conducted. The evidence from these studies strongly supports the view that early intervention and locality-based approaches in adult social care are both cost-effective and beneficial for individuals. By investing in these services, the two unitary councils can achieve long-term savings and improve the quality of care provided to their communities.

The two unitary councils will need to collaborate and analyse, at a more forensic level, the demographic make-up of wards, and target intervention accordingly rather than apply a blanket approach. However, there is also a critical need to evaluate these programmes, as so often they are commissioned and put in place for prolonged periods. Over time, as needs change, these services don't, therefore their impact is lessened.

Appendix D: Council tax harmonisation

Council tax collection is relatively balanced across the two proposed Unitary Council's, with an approach for council tax to be harmonised from the outset to avoid any loss of council tax income to Gloucestershire. Business rates retention and other government measures will equalise deprivation and demand through the fair funding review and business rates reset.

Based on the government's recently announced revised targets for the number of homes that councils must approve to be built in their areas over the next 5 years, Gloucester, Forest and the Stroud Valleys council tax income is forecast to increase by 8.82% whereas Cheltenham and the Cotswolds is forecast to increase by 9.69% based on the harmonised council tax band D charges.

Table D1: Council Tax - Gloucester, Forest and the Stroud Valleys										
District	Tax base (£)	County Precept (£)	County Band D (£)	District Precept (£)	District Band D (£)	Total Council Tax (£)	Total Band D charge (£)	Harmonised Band D (£)	Change on Band D	Change %
Gloucester	39,831	66,902,643	1,680	9,441,782	237	76,344,425	1,917	1,912	-4	-0.22%
Forest of Dean	31,791	53,397,216	1,680	6,738,030	212	60,135,246	1,892	1,912	21	1.10%
Stroud	47,762	80,223,410	1,680	11,609,946	243	91,833,356	1,923	1,912	-10	-0.54%
Total	119,384	200,523,269	-	27,789,758	-	228,313,027	-	-	-	-

Table D2: Council Tax - Cheltenham and the Cotswolds										
District	Tax base (£)	County Precept (£)	County Band D (£)	District Precept (£)	District Band D (£)	Total Council Tax (£)	Total Band D charge (£)	Harmonised Band D (£)	Change on Band D	Change %
Cheltenham	44,450	74,660,778	1,680	10,880,964	245	85,541,742	1,924	1,866	-59	-3.06%
Cotswold	44,456	74,670,789	1,680	7,065,418	159	81,736,207	1,839	1,866	27	1.47%
Tewkesbury	38,785	65,145,007	1,680	5,792,908	149	70,937,915	1,829	1,866	37	2.00%
Total	127,691	214,476,574	-	23,739,290	-	238,215,864	-	-	-	-