Interim plan for local government reorganisation in Worcestershire

1 Worcestershire: an introduction

Worcestershire is one of the historic counties of England formed in the Anglo-Saxon period. It is located in the West Midlands and is bounded to the north by the southern tip of the county of Staffordshire as well as the metropolitan districts of Dudley, Birmingham and Solihull; to the east by the county of Warwickshire; to the south by the county of Gloucestershire; and to the west by the unitary councils of Herefordshire and Shropshire.

The boundaries of Worcestershire have changed many times over the centuries, with areas being added to and taken from the county, particularly areas to the north that now form part of Dudley. From 1974 to 1998, the counties of Hereford and Worcester were formed into a single county council which was not a success and ultimately led to the creation of the unitary Herefordshire council.

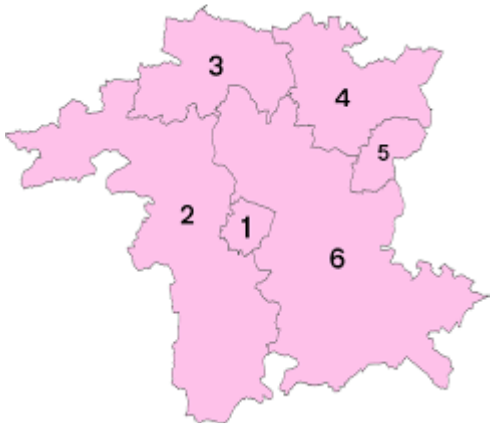
Worcestershire falls within the area of West Mercia Police, which also serves Herefordshire, Shropshire and Telford & Wrekin. Fire and rescue services are delivered under the oversight of the Hereford and Worcester Fire Authority. The Herefordshire and Worcestershire Integrated Care Board covers the area of the two counties.

The map below shows the ceremonial counties that surround Worcestershire.

There are six districts in the county of Worcestershire, all of which have been on their present boundaries since 1974 apart from changes made to the boundaries of Malvern Hills district when Herefordshire was created as a unitary council.

Key to map of districts

1 Worcester; 2 Malvern Hills; 3 Wyre Forest; 4 Bromsgrove; 5 Redditch; 6 Wychavon



The table below shows the population of the districts and the county area using ONS's 2023 mid year estimates and ONS's population projections for 2043 (ONS, 2018-based projections, 24 May 2020). 2021-based projections will be published in May 2025

Blank cell	**Mid year population estimate as of 2023**	**Population projection by 2043**
Bromsgrove	100,679	117,014
Redditch	87,059	86,293
Wyre Forest	103,253	112,713
Sub-total: North Worcestershire	290,991	316,020
Malvern Hills	81,822	92,799
Worcester	105,143	106,719
Wychavon	136,229	163,042
Sub-total: South Worcestershire	323,194	362,560
Total Worcestershire	**614,185**	**678,580**

2 Worcestershire's approach to reorganisation

The seven principal councils in Worcestershire have worked positively together since the current local government structure came into effect in 1998. Across that period, there has not been a shared appetite across the councils for further reorganisation. The seven councils make clear that they have not sought reorganisation at this time.

However, the Government's policy set out in the English Devolution White Paper makes clear that the structure which continues to work successfully in Worcestershire must be replaced with a unitary structure. (In this plan, "unitary structure" means a local government structure that involves only unitary principal authorities. The singular "structure" does not imply any view about the number of unitary authorities.) It is in that context that the seven principal councils of Worcestershire expect reorganisation on 1 April 2028 as well as the county's participation in devolution. It is recognised that a unitary structure would represent a simplification and be clearer for residents, businesses etc. as it would remove the transactional boundary between county and district functions. They would welcome feedback from the Government on this interim plan.

3 Options for a unitary structure

The councils believe that a unitary structure would be implemented across Worcestershire with effect from 1 April 2028, with elections being held in May 2027. Worcestershire councils and the Government should provide this clarity on the timetable, as it is essential in order to provide certainty for staff, councillors, partners and others.

Any proposal submitted will address the full range of the Government's criteria set out in the statutory guidance issued on 5 February. For the interim plan, it has not been possible in the time available to undertake detailed assessment against all criteria.

The seven councils support reorganisation being within the boundaries of the county of Worcestershire only and using whole districts as building blocks.

Based on formal resolutions agreed by several councils, there are only two options for a unitary structure in respect of size and boundaries:

a unitary council for the whole county of Worcestershire, population 614k (2023 mid-year estimate). This accords with the statutory guidance that "As a guiding principle, new councils should aim for a population of 500,000 or more";

two unitary councils in Worcestershire, one comprising the districts of Malvern Hills, Worcester and Wychavon (population 323k) and the other comprising the districts of Bromsgrove, Redditch and Wyre Forest (population 291k). This accords with 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”.

Position of each of the councils

Below is a list of the formal position of each of the seven councils at the time of submission of the interim plan.

- **Worcester City Council** – Resolution of 11 February: “preferred option is for a South Worcestershire unitary council…builds on the strength of our partnerships with the other South Worcestershire district councils and our strategic planning policy, the South Worcestershire Development Plan.
- **Malvern Hills District Council -** Resolution of 25 February: “a two unitary council option for Worcestershire with one council for South Worcestershire comprising the districts of Malvern Hills, Worcester City and Wychavon is likely to provide the better solution…. so this is currently our first preference”.
- **Wyre Forest District Council -** Resolution of 26 February: “the best deal for Wyre Forest residents is a “One Worcestershire” approach of a Worcestershire unitary council …. It considers that a North Worcestershire unitary and South Worcestershire unitary would not meet the Government’s own policy agenda”
- **Wychavon District Council -** Resolution of 26 February: “their preferred view regarding local government reorganisation and devolution at the present stage was that both the One Worcestershire model and the North (Bromsgrove, Redditch, Wyre Forest) / South (Malvern Hills, Worcester City and Wychavon) model should be explored”.
- **Bromsgrove District Council -** Want to see the evidence in support of the two options, and wish to look at both options.
- **Redditch Borough Council -** Prepared to look at and explore both options but preference is for two unitary councils.
- **Worcestershire County Council -** Worcestershire County Council only supports one option, a single Unitary Authority covering the whole county as detailed in the PWC report that will also be submitted to government in response to the interim plan.

All councils accept that the options set out above are the only two options, but they all recognise that views differ on the level to which both options meet the full range of the Government’s criteria.

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

4 Costs of a unitary structure

Work is being done on the costs and savings associated with moving to a unitary structure, including an initial assessment that has been commissioned by the county

council from PwC. At this stage, there has not been time for PwC's assumptions to be fully tested by all councils. Further work will be done on costs and savings in preparing final proposals.

No work has yet been done on planning for future service transformation opportunities. In Worcestershire, some district services are already organised on a basis that is either county-wide, aligned with option (b) or on a shared service basis/shared management arrangements across districts and borough councils. In that respect, there is more limited scope for service transformation than exists in some other county areas where districts each continue to make their own arrangements.

5 Devolution

The seven principal councils in Worcestershire wish to realise the benefits of devolution for the county's communities, residents and businesses. Initial discussions have been held between some Worcestershire councils and councils in neighbouring areas. Ultimately the footprint and timing of the devolution process will involve decisions with neighbouring areas about what area represents a sensible economic geography to support and drive growth. Worcestershire's councils commit themselves to working with neighbouring and nearby county and district councils and unitary authorities to provide clarity about the footprint and timetable as part of final proposals.

The earliest timetable would see elections for a mayor or mayors in May 2027, with the unitary council or councils being constituent members of a mayoral combined authority from that date. Later timetables are possible such as mayoral elections in May 2028. Whether there are one or two unitary councils in Worcestershire, their population would be comparable to or larger than other unitary authorities that exist in neighbouring areas; and they would be unlikely to be significantly smaller than any new unitary authorities that are created in neighbouring areas that have county and district councils. It would therefore be easy to incorporate one or two councils within a mayoral combined authority footprint in a way that did not lead to unwieldy governance arrangements.

There is a range of options for the footprint of a mayoral combined authority. It is recognised that, under option (b), it is possible that the two councils could be in different mayoral combined authorities. Discussions with councils in neighbouring areas will be taken forward by all seven councils in order to identify a position that is supported not only in Worcestershire but also in the other areas that would participate in a devolution structure.

In advance of Worcestershire councils being able to produce a proposal for reorganisation that is aligned with devolution, it will be essential that the Government sets 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. 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.

6 Electoral arrangements

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

To avoid repeating work done only recently by the Commission, they could continue to be used without any additional effort for a unitary structure. There is no county electoral division in the Worcestershire (Electoral Changes) Order 2024 that crosses a district boundary. The divisions could therefore easily be used for two unitary councils in option (b), and they should be used in the event of a single unitary council.

One option could be to double the number of councillors in each division, a simple solution that would provide councils of the following sizes:

- Option (a) – a unitary council of 114 members;
- Option (b) – a unitary council for southern Worcestershire of 60 members and a unitary council for northern Worcestershire of 54 members.

This would represent a reduction of 143 councillors (-56%) compared to the current structure of 257 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 such as Shropshire and Telford & Wrekin, it would provide an estimated saving of about £300k a year.

Holding elections to the unitary structure in May 2027 results in extra cost, which constitutes a preparatory cost for which we seek funding. District councils have whole council elections in May 2027 except Redditch (one third of councillors to be elected) and Worcester (May 2028). The district council elections in May 2027 should be cancelled and the term of office of district councillors that is due to end then should be extended to 31 March 2028. In line with arrangements for unitary councils elsewhere, elections to the new structure should be held every four years from 2027 i.e. 2031, 2035 etc.

Adopting the proposed arrangements for the first elections to the unitary structure would not preclude a subsequent review by the Boundary Commission, for example to reduce councillor numbers further or to create single member divisions.
If mayoral elections were held in May 2027, at the same time as elections to the unitary structure, we advocate a different timetable for subsequent mayoral elections. Holding elections in different years is preferable as it ensures that there is a clear, separate mandate for a mayor and for unitary councillors. If the first mayoral elections were held in 2027 at the same time as elections to the unitary structure, this separation could be achieved by the first term of office for a mayor being either three or five years, so that subsequent mayoral elections would be in 2030 or 2032. We will address this issue as appropriate in discussions with neighbouring areas about devolution.

7 Engagement

The Ministerial letter of 5 February has provided insufficient time for engagement with the public, businesses, staff or other stakeholders, although there have been informal conversations with some neighbouring councils and stakeholders in Worcestershire. The councils will undertake wide engagement before submitting a proposal and will set out the results as part of the proposal.

8 Preparatory costs

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

Worcestershire councils seek Government funding to cover these preparatory costs, as they are a direct consequence of Government policy as set out in the devolution white paper. They are a new burden, representing additional work when there are no offsetting savings to fund them: the Government's decision not to postpone the May 2025 elections means that an opportunity for savings has been lost.

The preparatory costs that can be identified or estimated at present are set out in the list below. **These are early estimates and may not include all preparatory costs that will arise. Worcestershire councils reserve the right to submit updated estimates as the process goes forward.**

- No cost for Opportunity cost of existing staff time in producing interim plan and proposals: not charged
- Up to £70,000 for PWC business case submitted in March 2025.
- £500,000 to £1 million for Policy and consultancy support for preparation of proposals Assumption: preparation of proposals subsumes public engagement to underpin proposals (including weighted opinion survey that produces reliable indications from each district area). Based on £500k for each potential proposal.
- £100,000 to £120,000 for Additional cost of unitary elections in Worcester in May 2027 (plus minor additional costs in Redditch) Elections in Worcester would be a year earlier than normal but the saving from not holding those elections will not be available to fund costs in 2027-28.
- £275,000 to £565,000 for Additional basic allowances for members, 11 months, May 2027 to March 2028. The costs vary depending on the structural arrangements in the shadow period, but the higher end of the range assumes elections will be held to a unitary structure in May 2027. Special responsibility allowances for shadow period to be estimated.
- Up to £500,000 for Statutory officers for shadow period. Costs arise if there is one shadow council that is not the present county council or there are two shadow councils.
- Sum to be confirmed as part of final proposals for implementation team/programme management office, miscellaneous professional and

consultancy support e.g. valuations of properties, legal advice, HR support in period to March 2028.

The minimum estimated total cost is £1 million to £2.3 million.

9 Joint working on reorganisation and devolution

The seven principal councils in Worcestershire have a record of working together positively. The leaders in the guise of the Worcestershire Leaders' Board have confirmed the commitment of all councils to openness and collaboration, and have also supported the principle of a memorandum of understanding on collaboration, which is being drafted.

10 Barriers or challenges requiring Government action

Early written feedback and views from Government following submission of the interim plan, and deadline by which they will be provided.

Early written confirmation of the level of funding that will be made available for preparatory costs to submit proposals and to prepare for reorganisation, and which councils would receive the funding.

Early confirmation of the Government's policy position on splitting areas of police, fire and integrated care boards.

Confirmation of the Government's preferred date for devolution embracing Worcestershire, and the dates by which a footprint for devolution would need to be agreed with neighbouring areas in order to allow mayoral elections in May 2027 or in May 2028.