

Nottingham & Nottinghamshire Councils

Local Government Reorganisation

September 2025 - Option Bii (Composite Proposal) Comparative Analysis



Nottingham
City Council

Contents

	Section	Page
1	Executive Summary	3
2	Background & Context	10
3	Impact on Financial Analysis	15
4	Thematic Papers Review	24
5	Comparative analysis	32
6	Conclusion	35
7	Appendix	40

1. Executive Summary

Nottingham and Nottinghamshire Local Government Reorganisation (LGR)

This document provides an options analysis for local government reorganisation (LGR) in Nottingham and Nottinghamshire. It supports and builds on analysis undertaken to support the submission of an interim plan by the Nottingham and Nottinghamshire councils to MHCLG in March 2025, and subsequent detailed appraisal of shortlisted options against outcomes set out by the government.

Phase 1 (January - March 2025):

MHCLG officially set out their formal LGR criteria to all councils in Nottingham and Nottinghamshire on 5th February 2025, with supplementary guidance provided (in response to the interim plan) in June 2025.

Through independent analysis, engagement with Chief Executives and Section 151 officers, an options appraisal for future council arrangements in Nottingham and Nottinghamshire was developed. This led to the identification of three potential options for LGR (from a long list of eight) which, on agreement with the Leaders / Mayor were included within the interim plan submitted to Government.

Given the rapid timeframe, it was agreed that further work should be undertaken following the interim plan, including a range of activities to deepen the appraisal of the three options.

Phase 2 (May - June 2025):

In considering how each shortlisted option might satisfy the MHCLG criteria, it was agreed in May 2025 that the identified options should be further appraised through additional analysis against the government's framework. Additional analysis was therefore undertaken by officers through the development of thematic papers, drawing on internal and publicly available data.

The additional analysis particularly focussed on:

Sensible Economic Area
Sensible Geographic Area
Impact on Critical Services

Each of the three options offered different strengths and challenges. The additional analysis undertaken demonstrated that Option 2 is the least aligned, and that the differences in alignment between Options 1(b) and 1(e) were marginal.

Phase 3 (August - September 2025):

A composite option was developed by Nottingham City Council, to encompass parts of Broxtowe, Gedling and Rushcliffe. This option has been assessed, reviewed, and compared against the other two options (1b and 1e) that have been progressed forwards for detailed financial review, along with option 1a as it bears close similarity to Bii (Composite Proposal).

Bii (Composite Proposal) has been compared to the other options through three lenses:

Financial Model (Phase 1)

Thematic Papers (Phase 2)

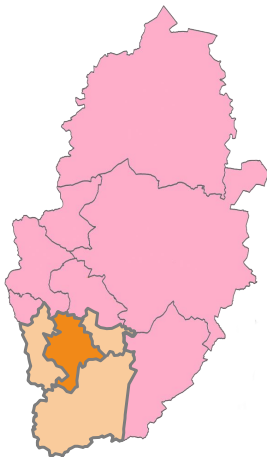
Comparative Analysis (Phase 1)

This review therefore compares a variety of quantitative factors, ranging from internal costs and benefits to local government, to external service delivery, and also to the level of socio-economic imbalance between the two regions.

Overview of Proposed Option

The proposed option Bii (Composite Proposal) creates a unique footprint, that extends beyond current district boundaries to encompass urban and suburban areas of Broxtowe, Gedling, and Rushcliffe, within the wider Nottingham City conurbation.

Proposed Option Bii (Composite Proposal)



Source: ONS	Conurbation	County
Current (2023)	612,557	561,213
Projected (2035)	660,520	604,125

Overview of Option

The previously articulated options (1a - 1f and 2) are not optimal in terms of planning for and delivering housing growth and economic growth.

The creation of two unitary authorities that have distinct footprints will enable one to focus on communities in and around **Nottingham city** and delivering services in an urban context as a conurbation. The **county authority** will be more focussed on delivering services and promoting inclusive growth across a polycentric geography of towns and villages.

The creation of a conurbation authority would seek to reflect how the city **functions** and ensure **local identity** is preserved. The ability to plan for **sustainable growth** and having financial capacity to meet needs and provide effective services will be crucial success factors, as well as being able to address Nottingham's historic 'under-bounding'.

MHCLG Criteria

[MHCLG](#) have issued guidance over boundary change which highlights that district footprints are the preferred *building blocks* for LGR proposals. However, options with boundary changes can be put forward, but government has set out that "there will need to be a strong public services and financial sustainability justification" for such proposals.

Guidance published by the [LGA](#) suggests two routes for government to consider a proposal which modifies district boundaries - as in the case of option Bii (Composite Proposal).

- Final proposal using district building blocks, with request for subsequent Principal Area Boundary Review (PABR) - Minister or new councils will request the Local Government Boundary Commission for England to incorporate this PABR into their work programme.
- Final proposal using district building blocks as best fit with request to minister to modify and implement new boundaries to achieve desired configuration.

Methodology and Approach

Three approaches were taken in order to assess option Bii (Composite Proposal) against the other options by deploying the same methodology for the appraisal of the existing shortlisted options. This approach allowed for an assessment that covers the internal financial viability, the impact on services, and the imbalance between the two regions.

Lens



A

Financial Viability

Financial Modelling

The financial modelling utilises a set of assumptions, built off the previous high level financial modelling, to estimate the benefits and costs to the authorities of reorganising. Certain costs are assumed to be higher under option Bii (Composite Proposal), affecting the net benefit after 7 years and also the payback period duration.

Lens



B

Thematic Papers Review

Review of key internally developed papers

This revolves around utilising the data provided in the thematic papers to approximate the likely outcomes under Bii (Composite Proposal). Topics include economic area, geographic area, and crucial services, in order to understand the impact on these services.

Lens



C

Comparative Analysis

Socio-economic factors analysis and comparison

This includes analysis of publicly available data to understand the geographic synergy of the two unitary authority options. Metrics consist of, but are not limited to, the proportion of rural and urban populations, average time to receive key services, debt to reserve ratios, and Council Tax take in relation to social care demand. This aims to find which options are likely to result in the establishment of two councils that are broadly balanced.

Summary of findings

This analysis shows that option Bii (Composite Proposal) can achieve the same level of benefits as options 1b and 1e and that there are marginal differences between all options as set out in the comparative analysis. The complexity of disaggregating services from existing district footprints is likely to incur additional one off transition costs. Option Bii (Composite Proposal) could provide greater coherence in service delivery for primarily rural and urban communities, and is similar in terms of the balance of geographic and economic indicators to option 1b & 1e.



Comparative analysis

All options being considered across the Nottingham and Nottinghamshire footprint have marginal differences between them and would require some mitigations as part of implementation.

The comparative analysis indicates that Option Bii (Composite Proposal) performs similarly to Options 1b and 1e across most key metrics, suggesting it is comparable to these other options.

Option Bii (Composite Proposal) demonstrates strong balance in areas such as population projections, debt to reserve per capita, and deprivation.

More detailed work will be required through the development of a detailed financial case and full proposal to demonstrate that this option meets MHCLG's requirements to implement an option with varied district boundaries.



Thematic Papers Review

The review of thematic areas suggests that Option Bii (Composite Proposal) is broadly comparable to Options 1b and 1e on these domains, with several indicators pointing to stronger outcomes from a service delivery perspective.

In areas like Children's Social Care and SEND, Bii (Composite Proposal) presents a more even spread of demand. When analysing the economic and geographic areas, Bii (Composite Proposal) presents no significant material difference to 1b or 1e.

Overall, there is potential for Bii (Composite Proposal) to provide a configuration of local government that provides a viable model for service delivery and a distinctive remit for the respective urban-focused and rural-focused authorities that would be created.



Impact on financial analysis

The financial comparison highlights that whilst all options deliver the same annual benefits of £24.6 million (based on the analysis undertaken at this stage) options 1b & 1e are more financially efficient, with lower transition costs (£28.8 million), a shorter payback period of 1.3 years, and a higher net benefit of £64.7 million over five years.

Option Bii (Composite Proposal) has higher one-off transition costs (£31.6 million) arising from additional anticipated programme and design requirements due to the added complexity of change. There is therefore a longer payback period of 1.7 years and a lower net benefit of £62.0 million after 5 years.

It should also be noted that there may be additional financial complexities for the wider public service delivery system where partners currently organise or deliver services aligned to a district footprint.

Appraisal of options

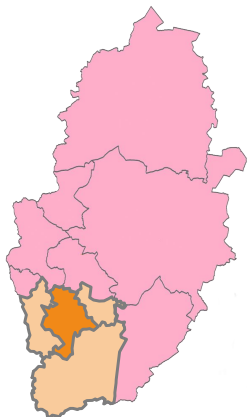
Additional analysis was completed focussed on MHCLG criteria for unitary local government, comparing option Bii (Composite Proposal) to 1b and 1e. This, and previous analysis, has informed the evaluation of each option against all MHCLG criteria. The analysis indicates that all three options put forward a configuration for local government that are likely, on balance, to address the criteria (with mitigations likely to be required in some instances). The RAG rating indicates relative alignment to the criteria among the options (those highlighted in pink are factors that allow for detailed comparative grading).

Criteria	Key factors	Option 1b	Option 1e	Option Bii
1 Sensible single tier of local government	Establishes a single tier of Local Government for the whole of the area concerned	Medium	High	High
	Sensible economic area: with a tax base which does not create undue inequalities			
	Sensible geographic area: which will help increase housing supply and meet local needs			
2 'Right-sized' local government	A population of 500,000 or more (unless specific scenarios make this unreasonable)	High	High	Medium
	Supports efficiencies and value for money for council taxpayers			
	Improves capacity and supports the council to withstand financial shocks			
	Manageable transition costs			
3 High quality, sustainable services	Improves local government & service delivery, avoiding unnecessary service fragmentation	High	Medium	High
	Opportunity for public service reform including where this will lead to improved value for money			
	Improves delivery of, or mitigates risk to negative impact on crucial services			
4 Meets local needs	Meets local needs and is informed by local views	High	Medium	Medium
	Improves / mitigates risk to issues of local identity, cultural and historic importance			
	Addresses local concerns			
5 Supports devolution arrangements	Helps to support devolution arrangements / unlock devolution	High	High	High
	Sensible population size ratios between local authorities and any strategic authority			
6 Local engagement and empowerment	Enables stronger community engagement	Medium	Medium	Medium
	Delivers genuine opportunities for neighbourhood empowerment			

Options Appraisal: Detailed analysis of Option Bii (Composite Proposal)

Set out below is further rationale to underpin the comparative RAG rating against the MHCLG criteria for option Bii (Composite Proposal). For those areas which carry a “medium” amber rating, specific areas of difference compared with option 1b and 1e are highlighted, but which could be contextualised or mitigated through the development of a narrative and evidence base for a full proposal to government.

Bii
Unitary Authorities:
 Nottinghamshire and
 Nottingham Conurbation



Criteria	Areas of strength and suggested further development
Criteria 1	Strengths: strong alignment with sensible geography and economic area criteria.
Criteria 2	Strengths: retains balanced projected population levels (with c.51k higher projected population in the conurbation authority). Areas for development: There are higher transition costs than under 1(b) or 1(e) due to the proposed division of existing district boundaries through reorganisation. Specifically, additional programme and engagement capacity, and external design and implementation support are likely to be required to manage the transition and realise the financial benefits.
Criteria 3	Strengths: Provides a balanced distribution of demand and services for homelessness, ASC, CSC and SEND. Creates two distinct areas enabling tailored and specialised service delivery models in line with local population needs and contexts.
Criteria 4	Strengths: Combines portions of authorities that are the most alike in terms of rural / urban settings. Areas for development: Approach to managing any complexities arising from disaggregating services currently delivered at a district footprint, and allaying any local concerns that may arise as a result of different areas within Broxtowe, Gedling and Rushcliffe aligning to different unitary authorities.
Criteria 5	Strengths: Combined authority already exists within the Nottingham City conurbation and meets the requirements for a sensible population size ratio (661k for Nottingham Conurbation and 604k for Nottinghamshire by 2035).
Criteria 6	Strengths: Similar clustering of Mosaic segments and some overlap with Hospital Trusts and Nottingham City Council boundaries; delineation between urban and rural areas may offer new opportunities for neighbourhood empowerment. Areas for development: New local fora and channels may be required to effectively engage communities.

Definition of RAG ratings

High

A green rating shows a high congruence with MHCLG criteria. It is expected that this would be an advantageous element to set out in a full proposal.

Medium

An amber rating shows good degree of alignment with MHCLG criteria, but where additional rationale, detail, mitigation, or explanation may be beneficial when developing a full proposal.

Low

A red rating shows a low congruence with MHCLG criteria. It is expected that this will not meet the criteria required for MHCLG to approve this option.

Alignment to MHCLG criteria



Next steps

The below timetable articulates the key deadlines relating to local government reorganisation within the region, and what should happen in order to progress option Bii forwards.

Timeline

- 1 12th September 2025 - Comparative options appraisal**
The draft report, covering a high level options appraisal of option Bii (Composite Proposal), is issued.
- 2 28th November 2025 - Submission to MHCLG**
A proposal, along with a full business case, is due to be submitted to MHCLG by the 28th November.
- 3 Early 2026 - Feedback from MHCLG**
Feedback is provided by MHCLG, ensuring final proposals include clear rationale, financial assessments, and evidence of public engagement.
- 4 April 2027 - Shadow Authority established**
Shadow authorities will be formed and take responsibility of the future Council over the year ahead, before vesting day.
- 5 April 2028 - Vesting Day**
New unitary authorities will formally take control over all responsibilities.

Areas for development

-  An **internal decision** needs to be reached about the viability of option Bii (Composite Proposal), and whether it should be progressed forwards to develop a full business case and proposal for submission to MHCLG.
-  **External stakeholders** should be engaged, to inform them of the plan and proposal. Feedback gathered can be used in the drafting of the proposal.
-  A **detailed financial analysis** of option Bii (Composite Proposal) will be needed, in order to effectively compare it as an option to 1b and 1e. These two options are currently being developed through detailed financial modelling.
-  Once the modelling has been completed, a **business case and proposal** needs to be drafted, reviewed and approved, for submission to MHCLG by 28th November.

2. Background & Context

Nottingham and Nottinghamshire Local Government Reorganisation (LGR)

This document provides an options analysis for local government reorganisation (LGR) in Nottingham and Nottinghamshire. It support and builds on analysis undertaken to support the submission of an interim plan by the Nottingham and Nottinghamshire councils to MHCLG in March 2025.

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Given the rapid timeframe, it was agreed that further work should be undertaken following the interim plan, including a range of activities to deepen the appraisal of the three options.

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The additional analysis particularly focussed on:

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Phase 3 (August - September 2025):

An alternative option was developed by Nottingham City Council, to encompass parts of Broxtowe, Gedling and Rushcliffe. This option has been assessed, reviewed, and compared against the other two options (1b and 1e) that have been progressed forwards for detailed financial review, along with option 1a as it bears close similarity to Bii (Composite Proposal) .

This option, Bii (Composite Proposal), has been compared options through three lens:

Financial Model (Phase 1)

Thematic Papers (Phase 2)

Comparative Analysis (Phase 1)

This review therefore compares a variety of quantitative factors, ranging from internal costs and benefits to local government, to external service delivery, and also to the level of socio-economic imbalance between the two regions.

National Policy Context

MHCLG have published set criteria against which all proposals should meet. In addition, they have released information when considering amending district boundaries.

MHCLG Criteria on proposals

1

Establishing a single tier of government for the whole area:

Proposals should feature a sensible economic area with an appropriate tax base, and a suitable geographic area for housing plans.

2

Improve efficiencies, capacity and withstand financial shocks:

Financial standing should be improved, and regions should aim for ~500,000 people.

3

Unitary structures must prioritise the delivery of high quality & sustainable public services to civilians:

Proposals should improve service delivery and minimise impact.

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 of local views

5

New unitary structures must support devolution arrangements:

Proposals should document the plans and intentions for future interaction with a Combined Authority, if relevant.

6

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

Proposals will need to document how communities will be engaged.

MHCLG Guidance on redrawing boundaries



Boundary changes are possible, however “existing district areas should be considered the building blocks for proposals”.



A strong justification in terms of financial sustainability and public service delivery is required for MHCLG to consider more complex boundary changes.



Any boundary changes proposed should be **clear in the final proposal**, whether parish or ward boundary, or if creating new boundaries, by attaching a map.



Any boundary changes should ensure they meet the **overarching criteria** for all proposals.



Boundary change can be implemented at the same time as structural change, however proposals can use existing district building blocks, before requesting a Principal Area Boundary Review (PABR) at a later date.

Local Policy Context

The previously articulated and assessed options focus on redrawing boundaries utilising current district boundaries. This alternative option sets a new geographic footprint which seeks to align to local community areas and more specifically urban areas rather than maintain the existing district boundaries.

Option limitations

All options being considered across the Nottingham and Nottinghamshire footprint would require mitigations as part of implementation. Summaries of the relative benefits and alignment to the LGR framework have been set out in the interim plan submission to Government*.

Geographical patterns about how residents live and organisations work are important for the delivery of services as are the need for further growth and housing delivery and the analysis of option 1b (ii) more closely aligns to the 'sensible economic area' criteria. The options proposed (1b and 1e) align Nottingham with Broxtowe and either Gedling or Rushcliffe councils and it has already been identified that some mitigations would be needed in order to deliver the housing and economic growth required.

*<https://committee.nottinghamcity.gov.uk/documents/s169382/3.%20Local%20Government%20Reorganisation.pdf>

Vision and Logic

The creation of two unitary authorities that have distinct footprints will enable one to focus on enabling expansion of the existing urban areas of Nottingham city and delivering services in an urban context. The county authority will be more focussed on delivering services and promoting inclusive growth across a polycentric geography of revitalised towns and buoyant villages.

Through the creation of a city-focussed authority, it will reflect how the city functions and ensure local identity is preserved. It will enable planning for sustainable growth and would have the financial capacity to meet needs and provide effective services. This proposed authority would be able to address Nottingham's historic 'under-bounding'.

An option with boundaries that correlate closely to how individuals interact with services can help set a landscape for effective implementation and service reorganisation.

Option Bii (Composite Proposal)

Redrawing the district boundaries of the neighbouring Gedling, Rushcliffe, and Broxtowe regions would deliver this vision.

This option would include all of Gedling, with the exception of Bestwood St Albans, Calverton, Dumbles, and Newstead Abbey.

It would include all of Rushcliffe, with the exception of Bingham North, Bingham South, Cranmer, Cropwell, East Bridgford, Nevile & Langar, and Newton.

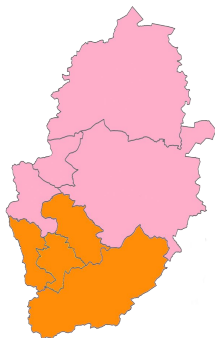
Finally, all of Broxtowe, with the exception of Eastwood Hall, Eastwood Hilltop, Eastwood St Mary's, Brinsley, and Greasley would be included.

A map is included on the following page.

Proposed option for consideration

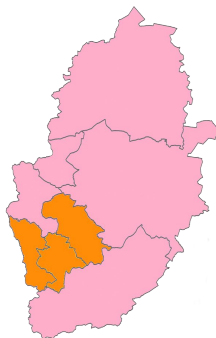
For the purpose of this appraisal, Bii (Composite Proposal) will be compared against options 1b and 1e, as these options remain under active consideration and development. 1a has also been compared against as this option coheres most closely to that put forward in Bii (Composite Proposal).

Option 1a



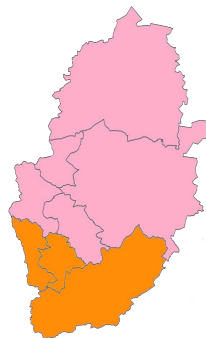
Population	
City + Gedling + Broxtowe + Rushcliffe	684,865
Notts County + Remaining LAs	488,905

Option 1b



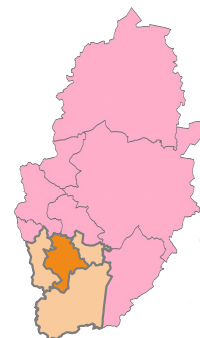
Population	
City + Gedling + Broxtowe	561,011
Notts County + Remaining LAs	612,759

Option 1e



Population	
City + Broxtowe + Rushcliffe	566,302
Notts County + Remaining LAs	607,468

Option Bii (Composite Proposal)



Population	
City + portions of Gedling + Broxtowe + Rushcliffe	612,557
Notts County + Remaining LAs	561,213

In summary...

Four structural options are proposed for Nottingham City Council's Local Government Reorganisation (LGR), each presenting different population splits. To support assessment against criteria 2 (sensible population levels), the summary highlights how each option stacks up in broad terms. Options 1a and Bii (Composite Proposal) share similar population figures, while Options 1b and 1e suggest alternative configurations. Geographic coverage is noted but not the primary focus. Some figures may differ from previous findings due to PwC's population approximations. District level figures are sourced from ONS 2023, ward level figures for Bii (Composite Proposal) have been proxied through ONS mid-2021 data.

3. Impact on financial analysis

Financial Modelling: Methodology

The previous options analysis utilised a financial analysis model to compare the potential benefits and costs posed by each option. This analysis is primarily based on publicly available outturn data, information from each council's own transparency data, or by applying changes which have been demonstrated across previous LGR proposals. Information highlighted in green displays benefits for the client and those in yellow visualise costs.

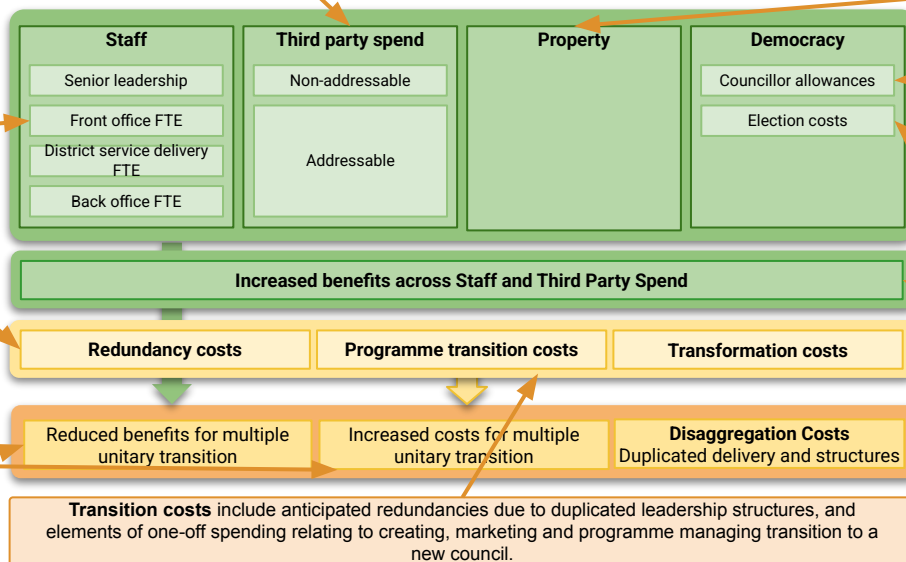
Third-party spend refers to all payments made by local councils for goods and services from external suppliers, excluding grants, taxations, and other charges. Addressable spend is the portion of this expenditure that can be influenced through procurement or commissioning strategies such as negotiating contracts or seeking competitive bids. In contrast, non-addressable spend includes costs that are less flexible and mandated by law, making them harder to influence.

Property expenditure relates to the cost associated with acquiring, maintaining, and managing both **operational** properties (used for delivering council services) and **investment** properties (held for income or capital appreciation). This includes expense such as maintenance, utilities, insurance and management fees.

FTE is calculated as a proportion of spend as supplied in public spending data. **Net revenue expenditure** is used to avoid double-counting any income or grant transfers. **Senior leadership** salaries are calculated across the top three organisational tiers as per transparency reporting.

Redundancy costs do not include actuarial strain as this is highly individualised. A payment of 30% of salary is assumed.

Costs such as the creation of new councils, marketing, ICT and consultation are increased proportionately where more than one new council is to be formed. Similarly, fixed **benefits of transition** are shared across all new bodies.



Member allowances are based on rates of Basic and Special Responsibility payments published in transparency reporting. These costs are used to determine the likely cost of one or more new democratic structures in new authorities.

Election costs use a total of votes cast in a previous election cycle across all council elections, and a cost-per-vote of £3 calculated by the Electoral Commission.

Benefits are profiled to be fully effective in Year 3, to account for the need to complete staff changes and undertake contract renegotiations.

Disaggregation Costs are incurred where an option involves dividing a county level authority into two or more unitaries, and represents the ongoing cost of duplicating management and operations of statutory services, including social care, education and public health. **An element of disaggregated costs therefore recur each year in options with more than one unitary authority**.

Financial Modelling: Proposed impact of Bii (Composite Proposal) on model

This appraisal has considered whether any changes to the model are required to be able to compare the existing “2UA” options with an option which proposes forming two Unitary Authorities through amending district borders. The areas of the model where the configuration proposed by option Bii (Composite Proposal) has a material impact over the existing shortlisted options are summarised in colour, with unaffected elements of the model in grey.

It has been assumed that there are additional costs attributable to **third party spend** under the Bii (Composite Proposal) option. This is due to the fact that any contracts held by Gedling, Rushcliffe, and Broxtowe District Councils will need to be renegotiated, terminated, or even re-procured. This additional cost has been reflected under the additional internal programme management.

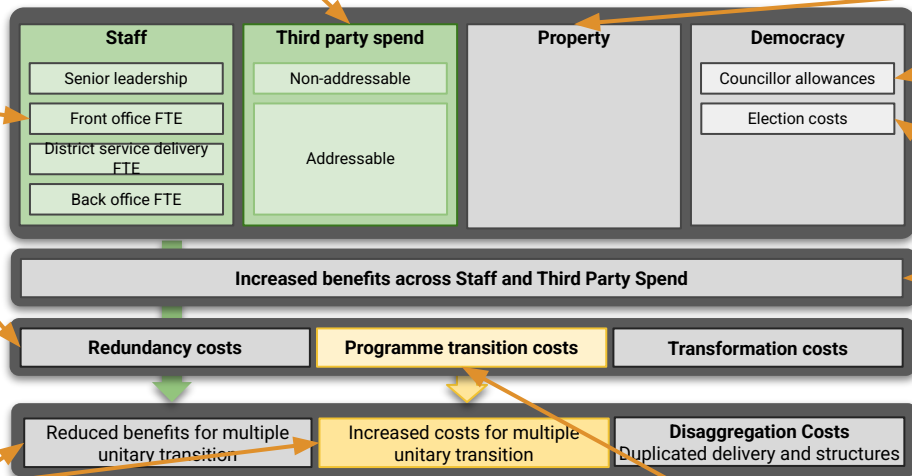
For savings realised through **property expenditure**, they have been assumed to remain the same. Amending District borders should not pose a greater or reduced opportunity to consolidate property.

As the model examines the overall savings across the region and future authorities, the savings from **FTE reduction** have remained the same under option Bii (Composite Proposal). However, the ability to realise these reductions through aggregation may be affected by a model which divides existing district boundaries in the formation of new unitaries.

Redundancy costs are assumed to be 30% of the FTE savings. As FTE savings do not change, redundancy costs will not be impacted under option Bii (Composite Proposal).

Certain costs relating to the formation of new councils have been assumed to be higher. This includes costs relating to the **registration of new councils**, due to the redrawing of boundaries, and **comms and marketing**, due to the added complexity of redrawn boundaries.

Other costs, including **ICT and consultation** have been assumed to remain the same.



As the **member allowances** relate to the Basic and Special Responsibility payments to the councillors and members, these will not be impacted under option Bii (Composite Proposal).

The savings from **election costs** will not be impacted. There are still the same number of elections being abolished.

Benefits have been modelled under the same **phasing**, and will be fully realised by year 3.

Disaggregation Costs are incurred where an option involves dividing a county level authority into two or more unitaries. This is not impacted by dividing across district borders. As such, these are the same under option Bii (Composite Proposal).

Transition costs relate to the one off costs of managing the transition to the new council. Due to the added complexity, costs relating to the **external transition, design, and implementation support** and the **internal programme management** are higher under option Bii (Composite Proposal). In addition, the **contingency** will also increase, in order to reflect the unknown potential impact of the additional complexity. It has been assumed that the other transition costs are not impacted under this option.

Overview of assumptions (1/2)

The table below identifies the key assumptions underpinning different aspects of the financial model to quantify the potential costs and benefits of different options. There are no differences on the assumptions listed on this page for option Bii (Composite Proposal) , compared to options 1a, 1b, or 1e.

Area	Assumption	Key Figure	
		Option 1a, 1b and 1e	Option Bii
Benefits of aggregation: Staff	Proportion of net revenue expenditure spent on staff	31.33%	
	Front Office FTE	36%	
	Service Delivery FTE	37%	
	Back Office FTE	27%	
	Reduction in front office FTE	4%	
	Reduction in service delivery FTE	1.5%	
	Reduction in back-office FTE	3%	
	Reduction in senior leadership costs	£8,681,498	
Benefits of aggregation: Third party spend	Proportion of net expenditure spent on third parties	65.7%	
	Proportion of third party spend (TPS) which is addressable	75%	
	Reduction in third party spend	1.5%	
Benefits of aggregation: Property	Proportion of net expenditure spent on property	3%	
	Reduction in property spend	12.5%	
Benefits of aggregation: Democracy	District SRA and base allowances incurred as part of the democratic structure	£351,915	
	Annual cost incurred per District election	£165,530	
	Cost per vote during an election	£3.00	

Overview of assumptions (2/2)

The below lists the assumed values that are proposed to use to modify the financial model for the comparative analysis. Any assumption for Bii (Composite Proposal) that differs from 1b and 1e is in bold and highlighted in yellow. This indicates that the primary area where option Bii (Composite Proposal) has a material difference compared with other 2UA options is in increased transition costs.

Area	Assumption	Key Figure	
		Option 1a, 1b & 1e	Option Bii
Aggregation and Disaggregation Costs	Proportion of additional FTE undertaking service delivery management & supervision	0%	
	Additional senior leadership costs	0%	
	Members in upper tier local authorities	121	
	Member base allowance	£1,088,297	
	SRA costs per new unitary authority	£0	
Costs of Transition	Redundancy cost as a proportion of salary	30%	
	External communications, rebranding and implementation	£732,000	£823,500
	External transition, design and implementation support costs	£8,540,000	£9,607,500
	Additional programme management costs of disaggregating services	£0	
	Internal programme management	£3,806,400	£4,282,200
	Creating the new council	£1,220,000	£1,372,500
	Contingency	£6,775,853	£7,726,489
	Organisation Closedown	£305,000	
	Public consultation	£411,750	
	Information, Communication & Technology (ICT) costs	£2,385,000	
	Shadow Chief Exec/ Member costs	£622,200	

Rationale for changes to assumptions

For each assumption that has changed from Option 1b and 1e, the explanation and rationale for the number has been displayed in the table below. This table has applied a 12.5% uplift to indicate what an applied change would be against individual cost areas under the model.

Area	Assumption	Key Figure		Rationale
		Option 1a, 1b and 1e	Option Bii	
Costs of Transition	External communications, rebranding and implementation	£732,000	£823,500	In order to effectively communicate to residents, businesses, and individuals, there will need to be an additional cost of approximately 2 FTE to conduct targeted engagement with specific areas affected by boundaries being redrawn. A 12.5% uplift from options 1b and 1e has been used.
	External transition, design and implementation support costs	£8,540,000	£9,607,500	Due to the complexity, it is likely that additional external support will be required. In addition, the added costs originating from renegotiating, terminating, and re-procuring contracts in the short term has been reflected in this assumption. A 12.5% uplift from options 1b and 1e has been applied here.
	Internal programme management	£3,806,400	£4,282,200	This equates to the internal comms to staff, management of the project, as well as designing of future services, operating models and subsequent realignment of staff into the new unitary authorities. This will involve considerable engagement with key stakeholders, as well as approvals and confirmation from senior leadership. A 12.5% uplift has been applied from the 1b and 1e scenario.
	Creating the new council	£1,220,000	£1,372,500	There is an estimated additional cost of approximately 2 - 3 FTE. This will relate specifically to the additional processes of engaging with LGBCE (e.g. provision of data and facilitating engagement and consultation requirements), to facilitate the redrawing of new unitary boundaries. A 12.5% uplift from options 1b and 1e has been applied.
	Contingency	£6,775,853	£7,726,489	The contingency will increase due to the additional costs identified, and the added complexity of this option. As such, a 12.5% uplift is applied to account for these unknown costs.

Impact on costs

Under Option Bii (Composite Proposal), the formation of two unitary authorities with amended district boundaries will have an impact on costs. Recent LGR exercises suggest considerations around any existing cross-boundary shared service arrangements are a particular driver of complexity.

Disaggregation costs

There are **no additional costs arising from disaggregation** in any of the two Unitary Authority options proposed. Disaggregation costs relate to any recurring costs associated with reorganisation which would require *additional* expenditure over and above existing unitary/upper tier arrangements.

In particular, they are born out of three areas, namely, the need for **senior leadership**, the need for **management of service delivery** teams, and the need for a **democratic structure**.

Under all of the two unitary authority options, it has been assumed that the cost of the senior leadership structure at Nottingham City and Nottinghamshire County will remain. As such, there is no additional costs arising from the need to create with creating a new senior leadership team.

This is also true for the management of service delivery teams. There is no additional cost as it has been assumed that existing management structures will remain in place.

Finally, the existing upper tier democratic structure has also been assumed to remain, with the same number of members and associated costs.

If an option proposed forming **three unitary authorities**, there would be **disaggregation costs** due to the additional structures needed.

Service disaggregation

There are few cases of local government reorganisation that span across unitary and non-unitary authorities, especially for areas that redrew boundaries. As such, there is little evidence to understand and estimate the level of costs.

An assumption has been made, utilising a 12.5% uplift for any **transition** costs that could be impacted by the additional complexity of dividing districts. This 12.5% is a similar figure used by other authorities currently undergoing local government reorganisation where a "split district" option is being proposed in the formation of two new unitary authorities.

Whilst there is very limited precedent for reorganisations that involve dividing district boundaries, some recent examples highlight that reorganisation can require the reconfiguration, and - in some cases, dissolution of shared service agreements and procured third party provisions. The reconfiguration of local government arrangements in Northamptonshire, for instance, led to the need to [dissolve shared service agreements with neighbouring district authorities](#).

These costs have been reflected in the assumptions developed for option Bii (Composite Proposal).

Indicative financial comparisons

An initial financial comparison has been prepared for the Bii (Composite Proposal) option, on the basis of the financial analysis, methodology and assumptions applied previously shared, tested and talked through with s151 officers. This shows that it is likely to take slightly - but not significantly - longer to recoup the enhanced transition costs posed by this option.

	Transition costs (£)	Annual benefits (£)	Net benefit after five years (£ total)	Payback period (years)
Option 1: 1(b) & 1(e)	£28,848,294	£24,620,878	£64,711,043	1.3
Option Bii: Nottingham City, Broxtowe (exc. Eastwood), urban Gedling wards and S&W Rushcliffe	£31,586,230	£24,620,878	£61,973,107	1.7

Financial Modelling: Phasing of costs and benefits

The review has indicated a potential reduction in realisable benefits through additional transition costs, particularly to achieve third party spend reductions. This information does not propose that this affects the phasing of benefits and costs from the original analysis.

Impact of Phasing

In modelling the impact of costs and benefits, assumptions have been made to reflect their realistic phasing. This ensures that one-off costs are spread over multiple years rather than being incurred immediately, alongside the ongoing costs of transition.

Benefits are phased over a 3 year period, recognising that some efficiencies - such as senior leadership reductions - can be realised quickly, while others, like contract realignment and third-party spend savings, will take longer to achieve. This approach accounts for operational complexities, contract obligations, and the time required for full implementation.

It is important to note that the benefits outlined here relate solely to system aggregation, rather than service transformation. The efficiencies modelled do not include potential improvements from broader service redesign, which would be considered separately.

The phasing of the annualised **benefits** is over three years, due to the varying timescales for different aspects of delivery, after 3 years the full annual benefit is assumed. This includes ongoing cost reduction programs, the timing of the next election, and the expiry of third-party contracts. Transformation benefits have not been included.

	Year 1	Year 2	Year 3	Year 4 -10
Benefits (cumulative)	30%	50%	100%	100%
Transition Costs (one-off)	30%	30%	30%	10%
Disaggregation Costs	No disaggregation cost			

Transition costs are spread over a longer period rather than being completed within a single year, ensuring a more realistic and feasible approach. Costs are incurred over three years, with Years 2 and 3 primarily covering recontracting, system migrations, workforce adjustments, and other transition-related expenditures. This phased approach accounts for contractual constraints, the complexity of workforce changes, and the time required to reorganise services, reducing financial risk and operational disruption.

Disaggregation costs arise from splitting county services into new councils, leading to ongoing expenses for duplicated leadership and operations but excluding service delivery costs.

4. Thematic Papers Review

Methodology

To support the more detailed appraisal of shortlisted options, thematic papers were produced by officers across the authorities covering key policy domains and critical services. These papers and the data collated within them, have been reviewed and analysed to understand the impact of option Bii (Composite Proposal).

Introduction to Thematic Papers

Thematic papers were reviewed in order to understand how options 1b, 1e, and 2 has previously been appraised. These thematic papers have been produced internally. In total, seven papers were reviewed:

- 1 Critical Services: Adult Social Care
- 2 Critical Services: Children Social Care
- 3 Critical Services: SEND Provision
- 4 Critical Services: Homelessness
- 5 Critical Services: Public Safety
- 6 Sensible Economic Area
- 7 Sensible Geographic Area

From here, hypotheses were developed and tested in order to understand whether option Bii (Composite Proposal) would pose a material difference when compared with options 1b or 1e.

Approach

Through reviewing the papers, it was found that there was no material difference between options 1b and 1e regarding homelessness and public safety. As such, there would be no material difference between these options and Bii (Composite Proposal), and therefore have not been included in the findings here.

The thematic papers contained a variety of qualitative and quantitative data. Where possible, quantitative data was used, through a proxy measurement of population (ONS ward level data), to understand how the service would be impacted under option Bii (Composite Proposal). In order to compare results fairly, measures for option 1a were also calculated, either using specific figures provided in the paper, or through proxy measurements based on population.

On each page, the thematic paper is introduced and briefly surmised, before insight and analysis is applied to the findings. Options which identify a low degree of imbalance between the two regions have been deemed as preferential. As this data has been developed utilising proxy estimates, in order to identify precise metrics, additional district-level data granularity is required.

For the avoidance of doubt, a shorthand has been developed:

City +: Nottingham City and any other districts

County: The remaining LAs and regions not included in the other option.

Con.: Conurbation; the areas of Nottingham City, Broxtowe, Gedling, and Rushcliffe to be merged under option Bii (Composite Proposal).

Critical Services: Adult Social Care

In terms of Adult Social Care, option Bii (Composite Proposal) will produce an outcome with a balance between the two regions that is comparable to the other options.

What did the papers find?

Overall, the paper identified that contracts, assets, and services are not equally distributed across the region or by population, and that significant work will be required to manage this risk during transition.

The assessment found that although there is a risk posed to service quality posed by disaggregating services, there is no greater risk when comparing 1b and 1e.

1b was found to be more balanced than 1e in terms of numbers of self-funders. It was also more advantageous for strategic and operational needs. Given that Broxtowe and Gedling are more densely populated than Rushcliffe, there is closer alignment for service delivery between Nottingham City and these two districts, rather than expanding into Rushcliffe.

Insight from findings

Combining projected social care spend for adults and childrens compared with to council tax receipts suggests that Bii (Composite Proposal) would produce a closer degree of balance than under any other option. Across both regions, there are high levels of spend compared to Council Tax receipts. Additional income sources such as grants can be explored to ensure financial sustainability. For further detail on this ratio please refer to the appendix.

Under option Bii (Composite Proposal), the Conurbation will see a higher spend and also number of people receiving long term support, when compared to 1b and 1e.

This Conurbation may align closer to the strategic and operational needs, as the conurbation focuses specifically on the urban areas of Broxtowe, Gedling, and Rushcliffe.

Metric		Combined social care spend to council tax (2032/33)	ASC spending (2032/33)	People receiving social care (2023)
1a	City +	0.84	£211.3m	10,228
	County	0.98	£190.5m	7,960
1b	City +	0.94	£177.0m	8,891
	County	0.87	£224.8m	9,297
1e	City +	0.87	£173.4m	8,605
	County	0.92	£228.4m	9,583
Bii	Con.	0.94	£188.7m	9,330
	County	0.93	£213.1m	8,858

Key: **City +:** Nottingham City, Rushcliffe, Broxtowe & Gedling

Con: The % of Rushcliffe, Broxtowe & Gedling + City

Critical Services: Children's Social Care

Option Bii (Composite Proposal) appears to provide the most equal option in terms of spending and demand for Children's social Care support.

What did the papers find?
As an entirety, the previous assessment concluded that whilst dividing services poses a risk to quality, this risk is not significantly larger in either Option 1b or 1e. On the contrary, Option 1b was discovered to offer a more balanced distribution of elements, including demand and resource, which attained better alignment with strategic and operational needs.
The analysis highlighted that Broxtowe and Gedling share higher levels of need around abuse, substance misuse and safeguarding with Nottingham City in comparison to Rushcliffe. Additionally, Gedling's proximity and integration with City's postcodes suggests stronger alignment for service delivery as observed by their school attendance patterns.
As a result Option 1b presents a more favourable approach for an expanded city unitary authority supporting delivering CSC.

Insight from findings
As with ASC, the spend to council tax receipts is higher than expected under this option. Further detail can be found in the appendix.
If Option Bii (Composite Proposal) is selected to move forward with, the CSC spend on the city / conurbation would be higher than under option 1b or 1e, due to higher demand.
There is a 211 difference between the Conurbation and County under option Bii (Composite Proposal), thereby producing a greater degree of balance than under 1b and 1e. If preferring an option which minimises imbalance between the two regions, this option could be considered.
This option would align with 1b in terms of strategic and operational delivery, as this region seeks to identify the urban population of the region.

	Metric	Combined social care spend to council tax (2032/33)	CSC spending (2032/33)	People receiving social care (2023)
1a	City +	0.84	£185.2m	3,577
	County	0.98	£159.3m	3,166
1b	City +	0.94	£160.4m	3,084
	County	0.87	£184.1m	3,659
1e	City +	0.87	£158.3m	3,042
	County	0.92	£186.2m	3,701
Bii	Con.	0.94	£169.6m	3,266
	County	0.93	£174.9m	3,477

Key: **City +:** Nottingham City, Rushcliffe, Broxtowe & Gedling
Con: The % of Rushcliffe, Broxtowe & Gedling + City

Critical Services: SEND

As with Social Care, option Bii (Composite Proposal) produces a fairly balanced outcome for SEND provision across the region when compared with options 1b and 1e.

What did the papers find?
The thematic paper that assessed SEND services in Nottingham and Nottinghamshire found that 1b would be more suitable than 1e.
Both options are closely aligned with the overall aims of LGR, with demand balanced well between the two regions. However, the levels of demand are significantly lower in Rushcliffe, and this could therefore present challenges stemming from an imbalance in income and demand for services.
Overall, the key risk for all options relates to the sufficiency of specialist SEND provision. This could be mitigated against through joint work during the shadow authority, however due to the imbalance under option 1e, the impact may be greater than under option 1b.

Insight from findings
In order to compare 1b and 1e against 1a and Bii (Composite Proposal), the overall numbers were proxied utilising population data.
1a presents the greatest demand imbalance between the conurbation and county. Under option Bii (Composite Proposal), the approximated numbers show that there will be a greater demand imbalance when compared to 1b, however Bii (Composite Proposal) is more balanced than that of 1e.
By extending the conurbation to include only the urban areas of Gedling, Broxtowe, and Rushcliffe, this region may be able to mitigate against risks associated with service delivery.
As with 1b and 1e, it is likely there is a risk relating to specialist provision, especially during the transition.

Metric		Number of initial requests for an EHC Plan (2024)	New EHC Plans issued (2024)	Number of children subject of an EHC Plan (Jan 2025)
1a	City +	1,340	928	4,276
	County	956	662	3,052
1b	City +	1,131	731	3,611
	County	1,165	859	3,717
1e	City +	1,038	629	3,326
	County	1,258	961	4,002
Bii	Con.	1,201	832	3,833
	County	1,095	758	3,495

Key: **City +**: Nottingham City, Rushcliffe, Broxtowe & Gedling
Con: The % of Rushcliffe, Broxtowe & Gedling + City

Sensible Economic Area (1/2)

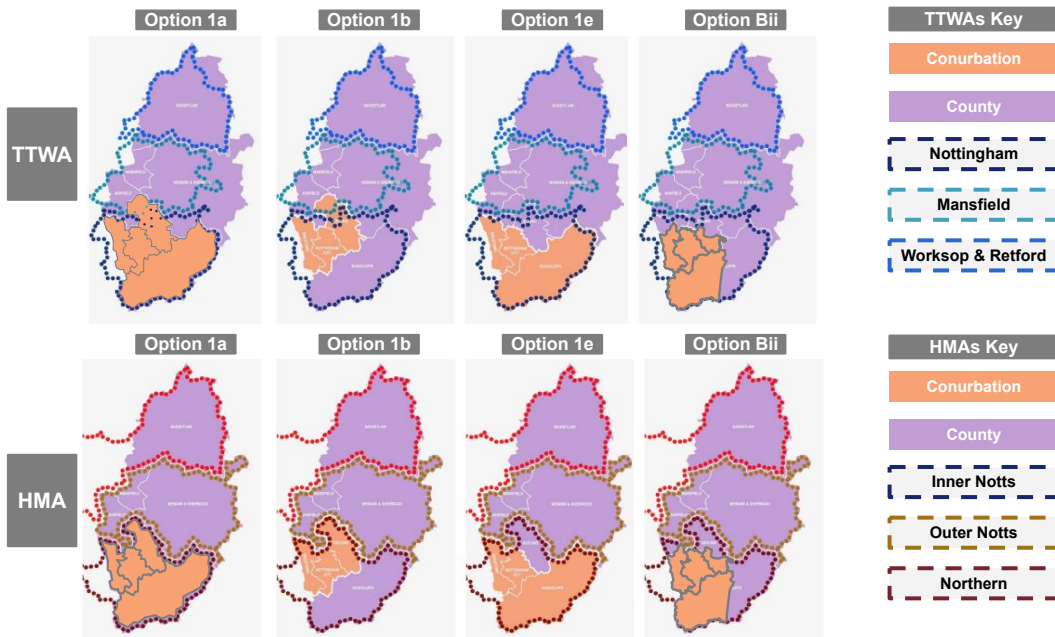
The findings from the original thematic papers are summarised here, with additional insight and analysis from the findings on the next page.

What did the papers originally find?

The Economic Area thematic paper assessed the options through a variety of metrics, including alignment to Travel To Work Areas (TTWAs) and Housing Market Areas (HMAs). Other metrics, including catchment areas for hospitals and key socio-economic areas, were also investigated.

TTWAs have been developed by the ONS to recognise self-contained areas where people live and work, and HMAs have been developed by MHCLG to identify the optimal areas within which planning for housing should be carried out. These areas are overlaid on top of the different boundaries under each option on the maps opposite, with the full findings on the next page.

Overall, the original paper found that option 1b would create a more urban-focused City authority and a rural County authority, with greater disparity in deprivation and income between the two. Option 1e would shift the City authority to a more rural profile, and would slightly improve alignment with TTWA and HMA geographies. It would reduce disparity between authorities, but introduce more internal inequality within the City authority.



Sensible Economic Area (2/2)

Through utilising insight and analysis of the TTWAs and HMAs, it was found that Option Bii (Composite Proposal) is broadly more aligned to both metrics than the other options, specifically for the areas around Nottingham.

Insight from findings
Through calculating the numbers of people within each TTWA and HMA, populations of each district were proxied to develop an estimate of comparable metrics.
These metrics allow for an understanding about alignment to a TTWA or HMA. 85.75% of the Inner Nottingham HMA would reside in Nottingham City under option 1a, and this number would reduce down to 76.74% under Bii (Composite Proposal) .
By comparing these metrics, option Bii (Composite Proposal) delivers an overall closer alignment to these factors than 1b and 1e, across both HMAs and TTWAs. Whilst the alignment to the Mansfield TTWA is worse under Bii (Composite Proposal) compared to 1a and 1b, this difference is slight, especially when compared to the benefits in the Nottingham TTWA.

HMA Analysis		% of pop. in Inner Notts	% of pop. in Outer Notts	% of pop. in Northern
1a*	City +	85.75%	0%	0%
	County	0%	100%	29.31%
1b	City +	70.41%	0%	0%
	County	15.33%	100%	29.31%
1e	City +	70.89%	0%	0%
	County	14.85%	100%	29.31%
Bii*	Con.	76.74%	0%	0%
	County	9.01%	100%	29.31%

TTWA Analysis		% of pop. in Inner Notts	% of pop. in Mans	% of pop. in W&R	% of pop. in Out of Area
1a*	City +	79.63%	2.76%	0%	0%
	County	6.04%	80.87%	91.21%	17.36%
1b	City +	65.21%	2.76%	0%	0%
	County	20.46%	80.87%	91.21%	17.36%
1e	City +	66.70%	0%	0%	0%
	County	18.98%	83.62%	91.21%	17.36%
Bii*	Con.	71.37%	2.18%	0%	0%
	County	14.3%	81.45	91.21%	17.36%

Key: **City +:** Nottingham City, Rushcliffe, Broxtowe & Gedling
Con: The % of Rushcliffe, Broxtowe & Gedling + City

Sensible Geographic Area

The surplus of housing over the next 15 years is expected to be beneficial for the City / Conurbation in all options. There is a degree of imbalance between the two regions, however this is comparable with the other options proposed.

What did the papers find?
The assessment found that while both Options 1b and 1e offer viable pathways for housing delivery, Option 1e presents a more coherent geography for strategic planning. Option 1b benefits from urban redevelopment potential and established planning partnerships, but is constrained by extensive Green Belt coverage and fragmented control over strategic growth areas south of the River Trent. In contrast, Option 1e consolidates Nottingham City, Broxtowe, and Rushcliffe—three authorities already collaborating on the Greater Nottingham Strategic Plan—into a single unitary, enabling more streamlined delivery of housing across major growth sites. Although Gedling's exclusion from Option 1e introduces a limitation, the inclusion of Rushcliffe offsets this by aligning the most significant future housing allocations under one authority, thereby enhancing coordination.

Insight from findings
Option Bii (Composite Proposal) produces an outcome that is the midpoint of options 1b and 1e, where the overall difference is higher for the City than 1b, and lower for the City than 1e. It is therefore comparable to these options, and provides no significant material difference. If emphasis is placed on delivering the greatest surplus supply to Nottingham City, then 1e should be considered. If emphasis is placed on minimising the imbalance between the two regions, 1b should be prioritised. Option Bii (Composite Proposal) could be considered as a compromise between these two factors. Quantitative analysis shows that under Option 1b, the City area has a surplus of 5,270 homes over a 15-year period, while the County area faces a shortfall of 3,000 homes. In contrast, Option 1e reveals a deficit in both areas, with the City short by 3,000 homes and the County by 6,525.

Metric		Houses Needed (15 year need)	Known housing supply (15 year supply)	Difference
1a	City +	51,270	57,800	+6,530
	County	34,950	30,690	-4,260
1b	City +	38,430	43,700	+5,270
	County	47,790	44,790	-3,000
1e	City +	41,805	50,600	+8,795
	County	37,890	37,890	-6,525
Bii	Con.	44,763	51,477	+6,714
	County	37,013	37,013	-4,444

Key: **City +**: Nottingham City, Rushcliffe, Broxtowe & Gedling
Con: The % of Rushcliffe, Broxtowe & Gedling + City

5. Comparative analysis

Methodology and Approach

This analysis of other relevant data points seeks to identify which options are likely to result in the establishment of two councils that are broadly balanced.

Utilising the proxy measurements developed through the thematic papers review, the metrics used in the previous phase were approximated for option Bii (Composite Proposal).

The outputs from 1a, 1b, and 1e were included for comparison purposes.

Developed proxy measurements

Approximated metrics

Averaged deprivation metrics

Compared outputs

Analysed comparators

Utilising ward level population data published by ONS, a proxy measurement was developed.

In order to assess deprivation of the two areas under option Bii (Composite Proposal), the average was found from the deprivation metrics.

A RAG rating was developed, comparing these 4 options against all other options considered. Green indicates an option where the future authorities are balanced, whilst red indicates imbalance.

Summary view of comparative analysis for the three options

A RAG rating has been applied to each metric, comparing the four options graded against all options, including those from the previous phase. This means that a metric that is graded red represents the least optimal configuration *of all the options*. For further detail, please refer to the appendix.

		Rural / Urban*	Time to key services	Debt to reserve per capita ratio	Social care spend to council tax (current)	Social care spend to council tax (2032/2033)	Population (2035)	Deprivation	Housing need	Business Growth*	Healthcare provision
1a	Nottingham City + Broxtowe + Gedling + Rushcliffe	20.30%	1.9	46.0	0.83	0.84	739,151	23	20.6	See appendix for further details	7,209
	Nottinghamshire with the remaining LAs			14.7	0.96	0.98	525,494	24.1	15.1		8,429
1b	Nottingham City + Broxtowe + Gedling	34.40%	3.5	53.5	0.94	0.94	603,185	26.5	19.6	See appendix for further details	7,101
	Nottinghamshire with the remaining LAs			14.0	0.84	0.87	661,460	20.7	17.2		8,281
1e	Nottingham City + Broxtowe + Rushcliffe	18.30%	1.7	47.4	0.87	0.87	611,518	24.7	20.5	See appendix for further details	6,906
	Nottinghamshire with the remaining LAs			14.7	0.90	0.92	653,127	22.3	16.3		8,556
Bii	Nottingham Conurbation	20.90%	2.2	50.0	0.86	0.94	660,520	24.3	20.5	See appendix for further details	7,123
	Nottinghamshire with the remaining LAs			14.6	0.91	0.93	604,125	22.5	15.9		8,376

Option Bii (Composite Proposal) ranks very similar to options 1b and 1e for the majority of the metrics. It performs significantly better than 1b on time to key services, and better on housing need.

6. Conclusion

Summary of findings

This analysis shows that while option Bii (Composite Proposal) can achieve the same level of benefits as options 1b and 1e, the complexity of disaggregating third party contracts from existing district footprints is likely to incur additional transition costs. Option Bii (Composite Proposal) could provide greater coherence in service delivery for primarily rural and urban communities, and is similar in terms of the balance of geographic and economic indicators to option 1b & 1e.



Comparative analysis

The comparative analysis indicates that Option Bii (Composite Proposal) performs similarly to Options 1b and 1e across most key metrics, suggesting it is comparable to these other options.

Option Bii (Composite Proposal) demonstrates strong balance in areas such as population projections, debt to reserve per capita, and deprivation.

More detailed work will be required through the development of a detailed financial case and full proposal to demonstrate that this option meets MHCLG's requirements to implement an option with varied district boundaries.



Thematic Papers Review

The review of thematic areas suggests that Option Bii (Composite Proposal) is broadly comparable to Options 1b and 1e on these domains, with several indicators pointing to stronger outcomes from a service delivery perspective.

In areas like Children's Social Care and SEND, Bii (Composite Proposal) presents a more even spread of demand. When analysing the economic and geographic areas, Bii (Composite Proposal) presents no significant material difference to 1b or 1e.

Overall, there is potential for Bii (Composite Proposal) to provide a configuration of local government that provides a viable model for service delivery and a distinctive remit for the respective urban-focused and rural-focused authorities that would be created.



Impact on financial analysis

The financial comparison highlights that whilst all options deliver the same annual benefits of £24.6 million (based on the analysis undertaken at this stage) options 1b & 1e are more financially efficient, with lower transition costs (£28.8 million), a shorter payback period of 1.3 years, and a higher net benefit of £64.7 million over five years.

Option Bii (Composite Proposal) has higher one-off transition costs (£31.6 million) arising from additional anticipated programme and design requirements due to the added complexity of change. There is therefore a longer payback period of 1.7 years and a lower net benefit of £62.0 million after 5 years.

It should also be noted that there may be additional financial complexities for the wider public service delivery system where partners currently organise or deliver services aligned to a district footprint.

Appraisal of options

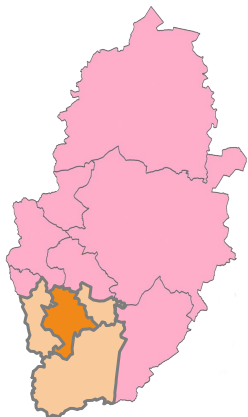
Additional analysis was completed focussed on MHCLG criteria for unitary local government, comparing option Bii (Composite Proposal) to 1b and 1e. This, and previous analysis, has informed the evaluation of each option against all MHCLG criteria. The analysis indicates that all three options put forward a configuration for local government that are likely, on balance, to address the criteria (with mitigations likely to be required in some instances). The RAG rating indicates relative alignment to the criteria among the options (those highlighted in pink are factors that allow for detailed comparative grading).

Criteria	Key factors	Option 1b	Option 1e	Option Bii
1 Sensible single tier of local government	Establishes a single tier of Local Government for the whole of the area concerned	Medium	High	High
	Sensible economic area: with a tax base which does not create undue inequalities			
	Sensible geographic area: which will help increase housing supply and meet local needs			
2 'Right-sized' local government	A population of 500,000 or more (unless specific scenarios make this unreasonable)	High	High	Medium
	Supports efficiencies and value for money for council taxpayers			
	Improves capacity and supports the council to withstand financial shocks			
	Manageable transition costs			
3 High quality, sustainable services	Improves local government & service delivery, avoiding unnecessary service fragmentation	High	Medium	High
	Opportunity for public service reform including where this will lead to improved value for money			
	Improves delivery of, or mitigates risk to negative impact on crucial services			
4 Meets local needs	Meets local needs and is informed by local views	High	Medium	Medium
	Improves / mitigates risk to issues of local identity, cultural and historic importance			
	Addresses local concerns			
5 Supports devolution arrangements	Helps to support devolution arrangements / unlock devolution	High	High	High
	Sensible population size ratios between local authorities and any strategic authority			
6 Local engagement and empowerment	Enables stronger community engagement	Medium	Medium	Medium
	Delivers genuine opportunities for neighbourhood empowerment			

Options Appraisal: Detailed analysis of Option Bii (Composite Proposal)

Set out below is further rationale to underpin the comparative RAG rating against the MHCLG criteria for option Bii (Composite Proposal). For those areas which carry a “medium” amber rating, specific areas of difference compared with option 1b and 1e are highlighted, but which could be contextualised or mitigated through the development of a narrative and evidence base for a full proposal to government.

Bii
Unitary Authorities:
 Nottinghamshire and
 Nottingham Conurbation



Criteria	Areas of strength and suggested further development
Criteria 1	Strengths: strong alignment with sensible geography and economic area criteria.
Criteria 2	Strengths: retains balanced projected population levels (with c.51k higher projected population in the conurbation authority). Areas for development: There are higher transition costs than under 1(b) or 1(e) due to the proposed division of existing district boundaries through reorganisation. Specifically, additional programme and engagement capacity, and external design and implementation support are likely to be required to manage the transition and realise the financial benefits.
Criteria 3	Strengths: Provides a balanced distribution of demand and services for homelessness, ASC, CSC and SEND. Creates two distinct areas enabling tailored and specialised service delivery models in line with local population needs and contexts.
Criteria 4	Strengths: Combines portions of authorities that are the most alike in terms of rural / urban settings. Areas for development: Approach to managing any complexities arising from disaggregating services currently delivered at a district footprint, and allaying any local concerns that may arise as a result of different areas within Broxtowe, Gedling and Rushcliffe aligning to different unitary authorities.
Criteria 5	Strengths: Combined authority already exists within the Nottingham City conurbation and meets the requirements for a sensible population size ratio (661k for Nottingham Conurbation and 604k for Nottinghamshire by 2035).
Criteria 6	Strengths: Similar clustering of Mosaic segments and some overlap with Hospital Trusts and Nottingham City Council boundaries; delineation between urban and rural areas may offer new opportunities for neighbourhood empowerment. Areas for development: New local fora and channels may be required to effectively engage communities.

Definition of RAG ratings

High

A green rating shows a high congruence with MHCLG criteria. It is expected that this would be an advantageous element to set out in a full proposal.

Medium

An amber rating shows good degree of alignment with MHCLG criteria, but where additional rationale, detail, mitigation, or explanation may be beneficial when developing a full proposal.

Low

A red rating shows a low congruence with MHCLG criteria. It is expected that this will not meet the criteria required for MHCLG to approve this option.

Alignment to MHCLG criteria



Next steps

The below timetable articulates the key deadlines relating to local government reorganisation within the region, and what should happen in order to progress option Bii forwards.

Timeline

- 1 12th September 2025 - Comparative options appraisal**
The draft report, covering a high level options appraisal of option Bii (Composite Proposal), is issued.
- 2 28th November 2025 - Submission to MHCLG**
A proposal, along with a full business case, is due to be submitted to MHCLG by the 28th November.
- 3 Early 2026 - Feedback from MHCLG**
Feedback is provided by MHCLG, ensuring final proposals include clear rationale, financial assessments, and evidence of public engagement.
- 4 April 2027 - Shadow Authority established**
Shadow authorities will be formed and take responsibility of the future Council over the year ahead, before vesting day.
- 5 April 2028 - Vesting Day**
New unitary authorities will formally take control over all responsibilities.

Areas for development

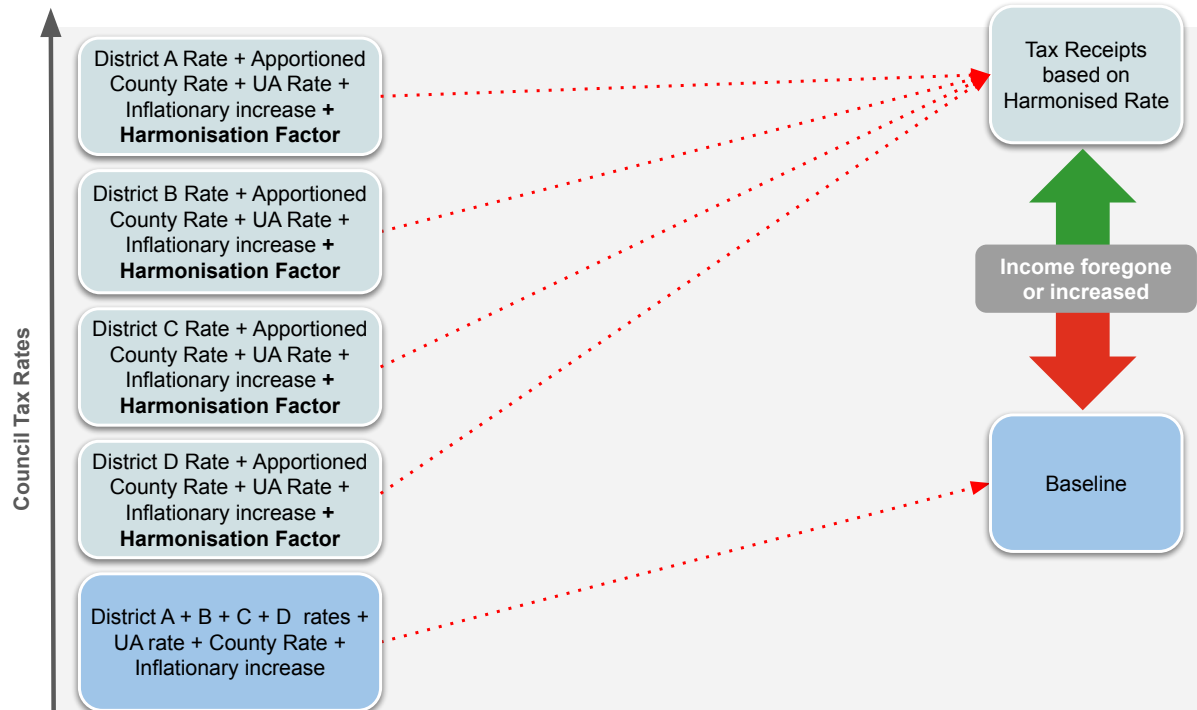
-  An **internal decision** needs to be reached about the viability of option Bii (Composite Proposal), and whether it should be progressed forwards to develop a full business case and proposal for submission to MHCLG.
-  **External stakeholders** should be engaged, to inform them of the plan and proposal. Feedback gathered can be used in the drafting of the proposal.
-  A **detailed financial analysis** of option Bii (Composite Proposal) will be needed, in order to effectively compare it as an option to 1b and 1e. These two options are currently being developed through detailed financial modelling.
-  Once the modelling has been completed, a **business case and proposal** needs to be drafted, reviewed and approved, for submission to MHCLG by 28th November.

7a. Appendix

Social Care Spend to Council Tax

Council tax harmonisation approach (1/2)

Council Tax harmonisation refers to the process of aligning the existing tax bands from different districts into a unified set of bands for a new authority. This model has calculated by adjusting them towards a calculated mean.



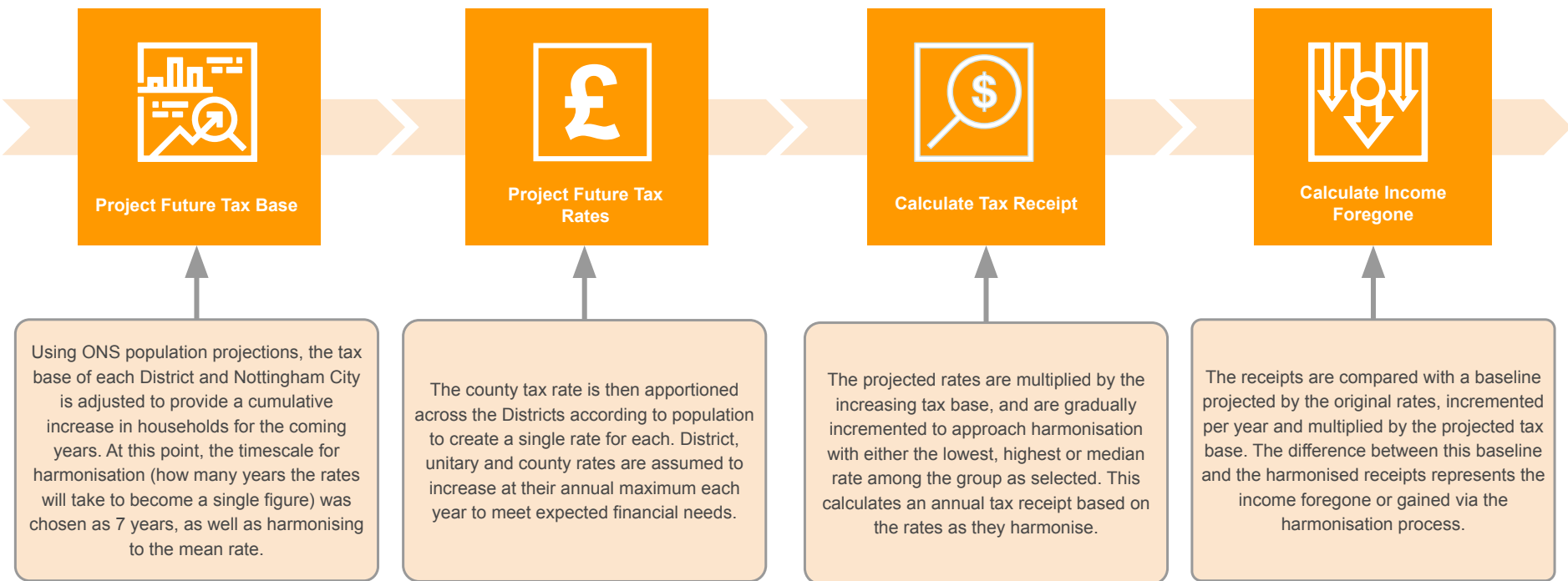
Harmonising to the highest current rate is likely to lead to larger increases for citizens paying less tax currently, but is also likely to forego less income - and potentially to generate additional income in some areas.

Harmonising to the mean will result in changes to all rates (as the mean is unlikely to exactly equal one of the existing rates). The overall impact will vary depending on the current tax structure.

Harmonising to the lowest current rate is likely to forego the greatest income, but has the lowest impact on rates in areas with lower taxation. This may be seen as more equitable but is more costly in terms of income

Council tax harmonisation approach (2/2)

Council Tax harmonisation refers to the process of aligning the existing tax bands from different districts into a unified set of bands for a new authority. This model has calculated by adjusting them towards a calculated mean.



Social care spend to council tax receipts

Combining the projected council tax receipts to the combined social care spend in 2032/33 produces the following ratio.

Metric		Combined social care spend (2032/33)	Council tax receipts (2032/33)	Combined social care spend to council tax (2032/33)
1a	City +	£396,599,429	£473,236,997	0.84
	County	£349,768,049	£356,250,576	0.98
1b	City +	£337,462,666	£359,340,174	0.94
	County	£408,904,812	£470,435,575	0.87
1e	City +	£331,744,281	£380,332,467	0.87
	County	£414,623,197	£449,735,749	0.92
Bii	Con.	£358,268,326	£380,705,437	0.94
	County	£388,099,152	£415,699,141	0.93

Analysis

Utilising this approach to council tax harmonisation yields a lower combined sum of council tax receipts under Bii (Composite Proposal) (~£796m), when compared with other options (£829m - £830m). This is due to the fact that Nottingham City has a significantly larger population than the surrounding areas, and also has the highest council tax rate. As such, by combining to the average of the four council tax rates across Nottingham City, Broxtowe, Gedling, and Rushcliffe, the conurbation foregoes receipts.

The sum of the combined social care spend does not change between any of the options, although is apportioned differently between the options.

For the conurbation, this means that whilst they receive as much in council tax as under 1e, their spend on social care is significantly higher (~£27m). Due to the foregone council tax receipts, the final ratios are marginally different to the pattern across the other 3 options.

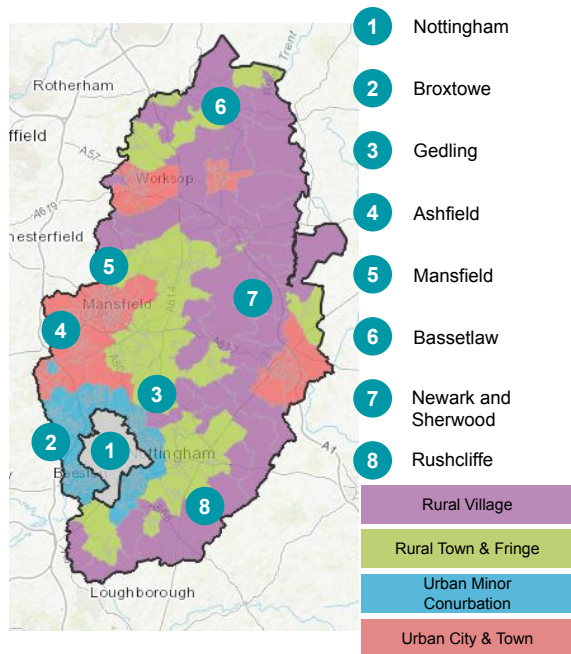
There are other methodologies and approaches to council tax harmonisation, each with advantages and limitations. Utilising a different methodology will impact this ratio and can be explored as part of a detailed financial case. This approach and methodology was used for the appraisal of options 1a, 1b, and 1e, and therefore has been used here in order to compare outputs.

7b. Appendix

Comparative Analysis

Analysis: Rural-Urban comparative analysis (current)

The table below sets out the types of areas that exist across the Nottingham and Nottinghamshire geography and how this is reflected when combined in the different LGR options that are under consideration.



Average proportion of rural population

[Department for Rural Affairs - Rural Urban Classification Map - Nottingham Observatory](#)

Option		Rural %	Urban %	Difference between %'s
1a	Nottingham City + Broxtowe + Gedling + Rushcliffe	13.4%	86.6%	20.30%
	Nottinghamshire + Remaining LAs	33.7%	66.3%	
1b	Nottingham City + Broxtowe + Gedling	3.9%	96.1%	34.40%
	Nottinghamshire + Remaining LAs	38.3%	61.7%	
1e	Nottingham City + Broxtowe + Rushcliffe	12.4%	87.6%	18.30%
	Nottinghamshire + Remaining LAs	30.7%	69.3%	
Bii	Nottingham Conurbation expanded	11.9%	88.1%	20.90%
	Nottinghamshire with the remaining LAs	32.8%	67.2%	

For the Rural-Urban analysis, an option with a greater difference between the two regions is assumed to be preferred.

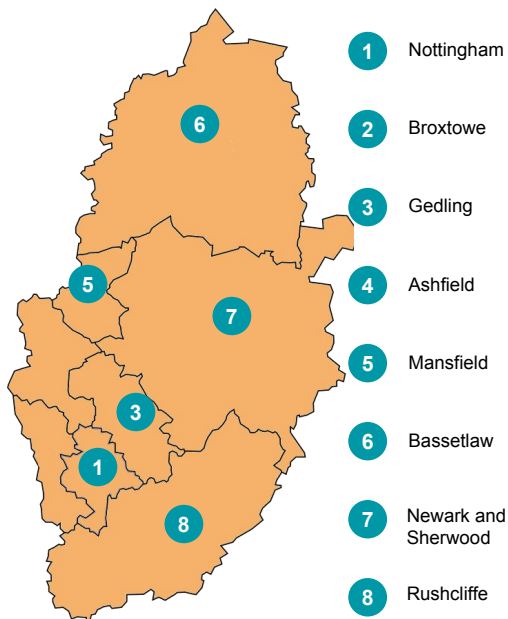
Key:

Options that are most alike in rural / urban

Options that are least alike in rural / urban

Analysis: Time to key services analysis

This table highlights which of the potential options are the most equitable in time taken to travel to key services e.g. employment centres, primary schools, secondary schools, further education, GPs, hospitals, food retail and town centres.



Option		Time to key services via public transport / walking (min)	Difference between options (mins)
1a	Nottingham City + Broxtowe + Gedling + Rushcliffe	15.6	1.9
	Nottinghamshire + Remaining LAs	17.5	
1b	Nottingham City + Broxtowe + Gedling	14.6	3.5
	Nottinghamshire + Remaining LAs	18.1	
1e	Nottingham City + Broxtowe + Rushcliffe	15.5	1.7
	Nottinghamshire + Remaining LAs	17.3	
Bii	Nottingham Conurbation expanded	15.4	2.2
	Nottinghamshire with the remaining LAs	17.5	

For the time to key service analysis, an option with the smallest difference between the two regions is assumed to be preferred.

Source: [Average time to key services \(Public Transport/ Walking\)](#)
[Department of Transport Journey Time Statistics](#)

Key:

Options with lowest difference

Options with highest difference

Analysis: Debt to Reserve per capita Ratio Analysis

Set out below are key components that underpin the debt-to-reserve per capita ratio analysis, as a potential indicator of relative financial health for each option.

Option		# of People (2023)	Total Debt (£000s, 24/25)	Total Reserves - (£000s, 23/24)	Debt per capita (£)	Reserves per capita (£)	Difference between %'s
1a	Nottingham City + Broxtowe + Gedling + Rushcliffe	684,865	£857,060	£18,633	£1,251	£27	46.0
	Nottinghamshire + Remaining LAs	488,905	£792,540	£45,130	£1,621	£110	14.7
1b	Nottingham City + Broxtowe + Gedling	561,011	£857,060	£16,029	£1,528	£29	53.5
	Nottinghamshire + Remaining LAs	612,759	£792,540	£56,611	£1,293	£92	14.0
1e	Nottingham City + Broxtowe + Rushcliffe	566,302	£846,248	£17,867	£1,494	£32	47.4
	Nottinghamshire + Remaining LAs	607,468	£803,352	£54,773	£1,322	£90	14.7
Bii	Nottingham Conurbation expanded	612,557	£835,298	£16,705	£1,364	£27	50.0
	Nottinghamshire with the remaining LAs	561,213	£814,302	£47,058	£1,451	£100	14.6

For the debt to reserve per capita analysis, an option with the smallest difference between the two regions is assumed to be preferred.

Sources:

[1] [Borrowing and Investment Live Tables, Q2 2024-25](#)

[2] [ONS Estimates of the Population for England and Wales Mid-2023](#)

[3] [Revenue outturn summary 2023-2024](#)

Key:

Options with lowest difference

Options with highest difference

Analysis: Social Care demand to Council Tax take (current)

The analysis set out below compares 2024/25 adult's and children's social care actual spend to council tax receipts in 2023/24 to gauge the potential strain on public services.

Option		Total ASC Spend (2024/25)	Total CSC Spend (2024/25)	Total Care Spend (2024/25)	Council Tax Receipts (2023/24)	Care to Council Tax Receipt Ratio
1a	Nottingham City + Broxtowe + Gedling + Rushcliffe	£ 195,697,007	£ 155,020,700	£ 350,717,708	£421,660,000	0.83
	Nottinghamshire + Remaining LAs	£ 175,347,993	£ 133,310,300	£ 308,658,292	£322,841,000	0.96
1b	Nottingham City + Broxtowe + Gedling	£164,626,206	£134,262,020	£298,888,226	£317,184,000	0.94
	Nottinghamshire + Remaining LAs	£206,418,792	£154,068,977	£360,487,769	£427,317,000	0.84
1e	Nottingham City + Broxtowe + Rushcliffe	£160,376,612	£132,493,533	£292,870,145	£335,799,000	0.87
	Nottinghamshire + Remaining LAs	£210,668,386	£155,837,464	£366,505,850	£408,702,000	0.9
Bii	Nottingham Conurbation expanded	174,771,824	£ 141,913,763	£ 316,685,587	367,214,446	0.86
	Nottinghamshire with the remaining LAs	196,273,176	£ 146,417,237	£ 342,690,413	£377,286,554	0.91

For the social care demand to council take tax analysis, an option with the smallest difference between the two regions is assumed to be preferred.

Sources:

[1] [Nottingham City Council Budget Monitoring Report FY24/25:](#)

[3] [Council Tax](#)

[2] [Nottinghamshire County Council revenue budget statement FY24/25](#)

Key:

Options with lowest
difference

Options with highest
difference

Analysis: Social Care demand to Council Tax take (projected)

The analysis set out below compares projected adult's and children's social care actual spend to projected council tax receipts to gauge the potential strain on public services.

Option		Total ASC Spend (2032/33)	Total CSC Spend (2032/33)	Total Care Spend (2032/33)	Council Tax Receipts (2032/33)	Care to Council Tax Receipt Ratio
1a	Nottingham City + Broxtowe + Gedling + Rushcliffe	211,335,342	£185,264,087	£396,599,429	£473,236,997	0.84
	Nottinghamshire + Remaining LAs	190,449,901	£159,318,148	£349,768,049	£356,250,576	0.98
1b	Nottingham City + Broxtowe + Gedling	£177,007,122	£160,455,544	£337,462,666	£359,340,174	0.94
	Nottinghamshire + Remaining LAs	£224,778,121	£184,126,692	£408,904,812	£470,435,575	0.87
1e	Nottingham City + Broxtowe + Rushcliffe	£173,402,244	£158,342,037	£331,744,281	£380,332,467	0.87
	Nottinghamshire + Remaining LAs	£228,382,999	£186,240,198	£414,623,197	£449,735,749	0.92
Bii	Nottingham Conurbation expanded	£188,668,243	£169,600,084	£358,268,326	380,705,436.50	0.94
	Nottinghamshire with the remaining LAs	£ 213,117,000	£174,982,152	£388,099,152	415,699,140.70	0.93

For the social care demand to council take tax analysis, an option with the smallest difference between the two regions is assumed to be preferred. It should be noted that this RAG rating is based on degree of difference between the two regions, and that ideally social care spend to council tax receipts should be a lower ratio.

Sources:

[1] [2024 England Taxbase - Taxbase data](#)

[2] [Tax Rate - Band D Council Tax Figures](#)

[3] [Nottingham City Council Budget Monitoring Report FY24/25](#)

[4] [Nottinghamshire County Council revenue budget statement FY24/25](#)

Key:

Options with lowest
difference

Options with highest
difference

Analysis: Population

The table below compares current and forecasted population estimates for Nottingham and Nottinghamshire across the different options under consideration.

Option		Population (2023)	Population (2035)
1a	Nottingham City + Broxtowe + Gedling + Rushcliffe	684,865	739,151
	Nottinghamshire + Remaining LAs	488,905	525,494
1b	Nottingham City + Broxtowe + Gedling	561,011	603,185
	Nottinghamshire + Remaining LAs	612,759	661,460
1e	Nottingham City + Broxtowe + Rushcliffe	566,302	611,518
	Nottinghamshire + Remaining LAs	607,468	653,127
Bii	Nottingham Conurbation expanded	612,557	660,520
	Nottinghamshire with the remaining LAs	561,213	604,125

For the population analysis, an option with the smallest difference between the two regions is assumed to be preferred.

Sources:

[1] [ONS Estimates of the population for England and Wales Mid-2023](#)

Key:

Options with lowest
difference

Options with highest
difference

Analysis: Deprivation

This table summarises the key findings from analysis of the indices of deprivation, highlighting the areas of greatest need.

Option		Average deprivation score
1a	Nottingham City + Broxtowe + Gedling + Rushcliffe	23
	Nottinghamshire + Remaining LAs	24.1
1b	Nottingham City + Broxtowe + Gedling	26.5
	Nottinghamshire + Remaining LAs	20.7
1e	Nottingham City + Broxtowe + Rushcliffe	24.7
	Nottinghamshire + Remaining LAs	22.3
Bii	Nottingham Conurbation expanded	24.3
	Nottinghamshire with the remaining LAs	22.5

For the deprivation analysis, an option with the smallest difference between the two regions is assumed to be preferred.

Analysis: Housing Need

This table summarises the findings from the housing need analysis, identifying which option will see a greatest difference in the number of homes per 1000 of the population.

Option		Population (current)	Forecast new homes (2022-2027)	Forecast new homes needed per 1000 people (2022-2027)
1a	Nottingham City Broxtowe + Gedling + Rushcliffe	684,865	14,110	20.6
	Nottinghamshire + Remaining LAs	488,905	7,400	15.1
1b	Nottingham City + Broxtowe + Gedling	561,011	11,000	19.6
	Nottinghamshire + Remaining LAs	612,759	10,510	17.2
1e	Nottingham City + Broxtowe + Rushcliffe	566,302	11,625	20.5
	Nottinghamshire + Remaining LAs	607,468	9,885	16.3
Bii	Nottingham Conurbation expanded	612,557	12,568	20.5
	Nottinghamshire with the remaining LAs	561,213	8,942	15.9

For the housing need analysis, an option with the smallest difference between the two regions is assumed to be preferred.

**Nottingham City figures reflect base need values. It excludes a 35% uplift.*

Sources:

[1] [Assessment of Housing Need and Capacity in Nottingham City, Dec 2022](#)

[2] [Nottinghamshire County Council: Draft Housing Strategy 2023-2028](#)

Key:

Options with lowest
difference

Options with highest
difference

Analysis: Business Growth

The analysis sets out which would be the three largest areas of potential growth across each of the options based upon Gross Value Added (GVA) figures, coupled with the UK GDP growth seen over the last five years. This is intended to give an indication of which options might be able to grow economies and where that might be more challenging. There are new opportunities - such as the freeport - which are not yet captured in this data.

Option		Largest Sector		2nd largest		3rd largest	
		Sector	%	Sector	%	Sector	%
1a	Nottingham City + Broxtowe + Gedling + Rushcliffe	Wholesale & Retail trade	11.9%	Real Estate	10.8%	Education	10.8%
	Nottinghamshire + Remaining LAs	Manufacturing	16.4%	Education	12.0%	Healthcare & Social Work	11.8%
1b	Nottingham City + Broxtowe + Gedling	Wholesale & Retail trade	12.2%	Education	11.5%	Healthcare & Social Work	10.8%
	Nottinghamshire + Remaining LAs	Manufacturing	14.5%	Wholesale & Retail trade	11.7%	Real Estate	11.2%
1e	Nottingham City + Broxtowe + Rushcliffe	Wholesale & Retail trade	11.6%	Education	11.2%	Professional services	10.1%
	Nottinghamshire + Remaining LAs	Manufacturing	16.3%	Wholesale & Retail trade	12.5%	Real Estate	11.6%
Bii	Nottingham Conurbation expanded	Wholesale & Retail trade	11.9%	Education	11.2%	Real Estate	10.5%
	Nottinghamshire with the remaining LAs	Manufacturing	16.2%	Wholesale & Retail trade	12.0%	Healthcare & Social Work	11.0%

For the business growth analysis, an option with the smallest difference between the largest two sectors is assumed to be preferred. This will minimise a region's vulnerability risk.

Sector	UK GDP growth rates over last 2020-24 (5 years)
Healthcare & Social Work	34.5%
Education	34.1%
Professional services	26.3%
Wholesale & Retail trade	12.8%
Real Estate	3.3%
Manufacturing	-3.6%

While historical GDP growth rates may provide indications of future sectoral resilience, actual future economic performance may diverge due to various factors. This includes potential local growth drivers, such as the development of the East Midlands Freeport, Spherical Tokamak for Energy Production (STEP) programme and interventions from the strategic authority (EMCCA), could influence sectoral vulnerability and economic prospects.

Analysis: Healthcare Provision

Set out below is a summary of the population numbers served per GP surgery in each of the options under consideration.

Option		Population (2023)	Number of GP surgeries (February 2025)	Number of people served per GP surgery
1a	Nottingham City + Broxtowe + Gedling + Rushcliffe	684,865	95	7,209
	Nottinghamshire + Remaining LAs	488,905	58	8,429
1b	Nottingham City + Broxtowe + Gedling	561,011	79	7,101
	Nottinghamshire + Remaining LAs	612,759	74	8,281
1e	Nottingham City + Broxtowe + Rushcliffe	566,302	82	6,906
	Nottinghamshire + Remaining LAs	607,468	71	8,556
Bii	Nottingham Conurbation expanded	612,557	86	7,123
	Nottinghamshire with the remaining LAs	561,213	67	8,376

For the healthcare provision analysis, an option with the smallest difference between the two regions is assumed to be preferred.

Sources:

[1] [ONS Estimates of the population for England and Wales Mid-2023](#)

[2] [ONS Number of GP surgeries in local areas, England and Wales](#)

[3] [ONS Number of GPs per local areas, England and Wales](#)

Key:

Options with lowest
difference

Options with highest
difference