

South Kesteven District Council Local Government Reorganisation Interim Proposal

March 2025



SOUTH
KESTEVEN
DISTRICT
COUNCIL

Local Government Reorganisation for Greater Lincolnshire - Executive Summary

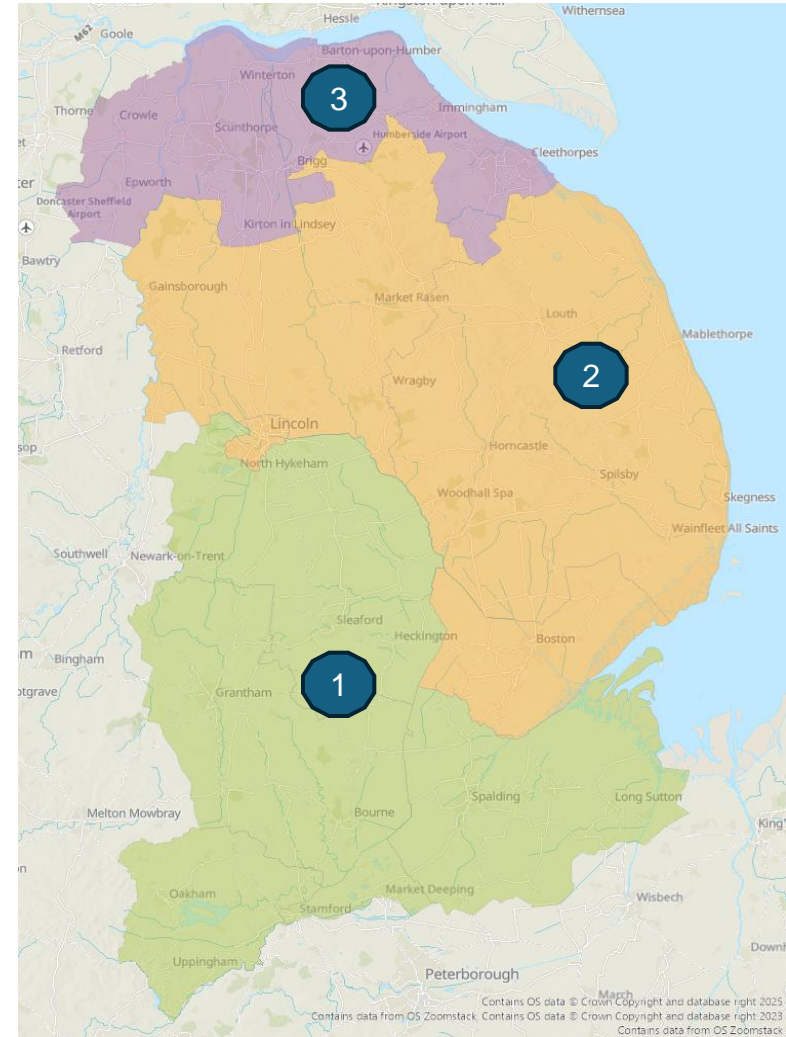
When attuned to the unique context of place, local government reorganisation can unlock transformational benefits. Our place-based interim proposal sets out how a strategic case for reorganisation can work for Greater Lincolnshire, renewing the power of local public services to deliver for our region and residents. We will work to develop a full business case for final submission in November 2025.

The South Kesteven District Council interim proposal, respecting all existing boundaries, is for a three unitary solution comprising the areas currently covered by:

- **Unitary 1 : North Kesteven DC, South Kesteven DC, South Holland DC and Rutland CC**
- **Unitary 2 : Boston BC; City of Lincoln Council, East Lindsey DC and West Lindsey DC**
- **Unitary 3 : North East Lincolnshire Council and North Lincolnshire Council**

This proposal delivers on all the criteria set out in the guidance received from the Ministry of Housing, Communities and Local Government (MHCLG). A proposal anchored in Place and attuned to the context of Greater Lincolnshire and Rutland.

Reorganisation represents a historic opportunity for Greater Lincolnshire and Rutland. We believe our proposal is the best arrangement to seize those opportunities and deliver the 21st century local public services that our residents expect and deserve.



Local Government Reorganisation for Greater Lincolnshire - Executive Summary

- Our proposal fully supports devolution, providing an appropriate ratio of Principal Authorities (unitary councils) to the Strategic Authority, with the inclusion of Rutland in our proposal this also ensures that we have no “devolution islands” left behind.
- Our proposal does not require any boundary changes providing the opportunity for successful delivery at pace, in line with the ambitious timescales set out by the Minister. The building blocks used reflect the local cultural and historical links within the region.
- In creating two new unitaries covering the existing Lincolnshire County Council area both with current populations above 400,000, we have balanced the government’s ideal target of 500,000 with its recognition that the population of new unitaries needs to be right for their area. Whilst the combination of the two existing unitaries in the north of Greater Lincolnshire have a combined population of 328,000, this is an existing unitary area.
- Our proposal aligns with sub-regional economic geography providing a balance of Gross Value Added (GVA) across the three proposed unitary areas
- Our proposal recognises that there is a complex relationship between scale, efficiency and effectiveness. Our proposal seeks to leverage the benefits of scale in the context of the wide range of council delivered services across Greater Lincolnshire and Rutland.
- Whilst our proposal likely requires the disaggregation of countywide services, it will offer opportunities for horizontal service integration and for a system and place based approach. Service transformation can balance the benefits of relative scale with local knowledge and connection.
- Our proposal includes indicative numbers for Councillors in each new unitary with these based on the electorate to councillor ratios published by the Local Government Boundary Commission for England (LGBCE). It embraces the opportunities to harness community empowerment and neighbourhood governance; alongside the opportunities for Parish and Town councils.
- At this early stage, we estimate implementation costs of between £20m and £42m.
- Engagement with our residents, communities, businesses and all stakeholders is essential. Wide ranging consultation in the Summer is planned to shape our final submission. In preparing this interim proposal we have actively engaged with all other Greater Lincolnshire councils and Rutland CC.

ALIGNMENT with MHCLG GUIDANCE

On 5th February 2025, the Minister of State for Local Government and English Devolution Jim McMahon MP (hereafter the Minister) issued statutory invitations to all Councils in two-tier areas and small neighbouring unitary authorities to work together to develop unitary proposals. The table below demonstrates how we have interpreted and met within our proposal the MHCLG guidance and the sections within our proposal (page number(s)) that cover these aspects.

MHCLG Guidance on the content of interim plans for submission by 21 March 2025									
MHCLG Guidance Content		A	B	C	D	E	F	G	H
		Barriers & Challenges	Size and Boundaries	Indicative Costs / future Transformation	CIr numbers	Support for Devolution	Engagement	Preparation Costs	Collaborative working
Criteria for Unitary Local Government	1. Economy	N/A	YES – p10	N/A	N/A	YES – p9	N/A	N/A	N/A
	2. Population	N/A	YES– p8	YES – p18	N/A	N/A	N/A	N/A	N/A
	3. Services	N/A	YES – p11	YES – p11 & 18	N/A	N/A	N/A	N/A	N/A
	4. Local Needs & Culture	N/A	YES – p9	N/A	N/A	N/A	YES –p20	N/A	YES – p20
	5. Devolution	YES – p9	YES – p9	N/A	N/A	YES –p9	N/A	N/A	N/A
	6. Community	N/A	YES – p9	N/A	YES –p13	N/A	YES – p20	N/A	N/A
	Other	YES – p19	N/A	YES – p18	N/A	N/A	N/A	YES – p18	N/A

We have taken an evidence-based approach. All demographic, economic and spatial data is from the Office for National Statistics (ONS). Early indicative councillor numbers have been calculated from the 2024 Electoral Data released by the Local Government Boundary Commission for England (LGBCE), in line with LGBCE guidance. Council Tax data is from the Ministry of Housing, Communities & Local Government (MHCLG). Unless otherwise stated all financial information is from the publicly available 2025/26 Budget documents of the respective councils. Full references are at the end of the document. Further statistical information used to produce this document has been appended as supporting material.

Our Approach to Local Government Reorganisation

The Statutory Invitation set out six core criteria for reorganisation proposals. Summarised as:

1. **Economy** - Proposals should be for sensible economic areas, with an appropriate tax base which does not create an undue advantage or disadvantage for one part of the area.
2. **Population** - As a guiding principle, new councils should aim for a population of 500,000 or more.
3. **Services** - Unitary structures must prioritise the delivery of high quality and sustainable public services to citizens.
4. **Local Needs & Culture** - Meets local needs, considering issues of local identity and cultural and historic importance.
5. **Devolution** - New unitary structures must support devolution arrangements.
6. **Community & Local Democracy** - New unitary structures should enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment.

The design of the new unitary structures is the critical factor in the successful delivery of improved and sustainable public services, Greater Lincolnshire's ambitions - as set out in the Greater Lincolnshire Vision 2050 - and the Government's Plan for Change.

An ill-thought through proposal rooted in expediency and prioritising anticipated efficiencies to the exclusion of other factors will risk dysfunction and fail to fully realise the opportunities reorganisation offers.

We have taken a **whole-of-system approach** paying close attention to the future dynamic with the Strategic Authority, other public service providers and the parishes.

Our place-based proposal delivers on all six of the MHCLG core criteria, unlocking the opportunities of scale, whilst being designed to mitigate against the potential disbenefits of larger units.

Local Government Reorganisation – Literature Review

To develop our proposal with an evidenced based approach, we carefully considered the examples of successful recent reorganisations in England and conducted a short literature review on the impacts of local government reorganisation in a Western context over the last thirty years.

Amongst independent academics the importance of economies of scale for the provision of local public services is a contested hypothesis. Scale unlocks benefits and opportunities, but also contains challenges and tradeoffs. Summarised:

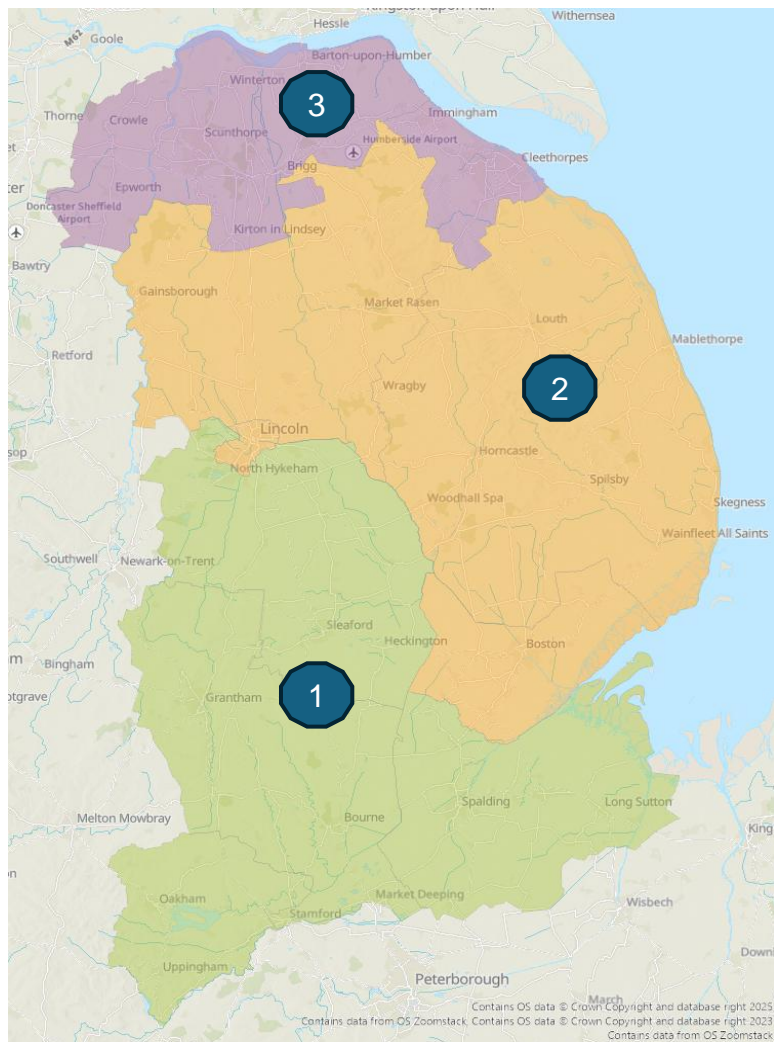
- There is no optimal size for local government. Size cannot be determined by a universal formula, but by the context and needs of each area.
- Larger units have the potential to positively impact service efficiency and performance, but realisation of gains, and the optimal aggregation scale varies significantly by organisation and service area, with population density arguably more important than population size in achieving economies of scale.
- Recent reorganised authorities in England have a mixed record in achieving the savings anticipated in business cases.
- Review of the 2008-09 unitary authorities observed different trends in the realisation of efficiencies and impact on performance for different service areas suggesting no single optimal size for a multi-purpose local authority.
- Reorganisations in Australia, Denmark and New Zealand saw efficiencies in some service areas offset by demands for increased resourcing in others resulting in limited or null net gains overall.
- Size had little impact on Comprehensive Performance Assessment (CPA) scores, and lower user satisfaction with ‘visible services’ was observed in larger units.
- Negative impacts on the health of local democracy are consistently observed in larger units.

At this early stage of analysis, we are assuming that the challenges of realising efficiency gains, and the negative impacts on user satisfaction and local democracy will be magnified by the vast geography and rurality of Greater Lincolnshire.

The assumption that reorganisation can universally unlock vast savings through economies of scale for multi-purpose authorities, and that the future governance model should be one that maximises those potential savings, to the known detriment of local democracy and performance for some service areas must be challenged. It is not supported by the recent experience of local government reorganisation in England or in other developed Western states. Our nuanced proposal has been developed to deliver unitaries of the scale necessary to capture efficiencies and drive service transformation, whilst being appropriate to the geographic context of Greater Lincolnshire and cognisant of the potential disbenefits, with mitigation built in at the design stage.

Proposed Option – Three Unitaries for Greater Lincolnshire & Rutland

The preferred option for local government reorganisation for Greater Lincolnshire is a **three unitary** solution including the existing county of Rutland (previously a member of the Greater Lincolnshire Local Enterprise Partnership). The map and key numbers for this proposal are summarised below, with the arguments supporting this proposal set out on the subsequent pages.



Unitary 1	Unitary 2	Unitary 3
North Kesteven DC South Kesteven DC South Holland DC Rutland CC	Boston BC East Lindsey DC City of Lincoln Council West Lindsey DC	North Lincolnshire Council North-East Lincolnshire Council
Area sq. km		
2,997	3,323	1,040
Population – mid 2023 Estimate		
405,519	417,932	328,422
Population 2043 Projection		
446,315	449,787	337,152
Electorate 2024		
304,339	296,437	247,079
Council Tax : Chargeable dwellings and Band D equivalents (October 2024)		
180,147	191,763	150,604
Council Tax : Band D equivalents (October 2024)		
137,476	128,669	100,271
Economy Gross Value Added (GVA) £m 2022		
9,882	9,272	10,853

Place and Population

The proposed population of the individual unitaries (two of approximately 400,000 residents and one of 328,000) is below the aspiration of 500,000. We have received consistent guidance from the Minister and MHCLG civil servants that proposals for smaller populations will be considered, where there is a very clear rationale for doing so.

Greater Lincolnshire covers **6,976 sq.km** with a population of 1.1 million. A population density of 159 people per sq. km. To place this in a wider context Greater Lincolnshire could fit Greater London four times over within its geographic footprint. It takes as long to drive to Westminster from Market Deeping on the Peterborough border as to the Humber.

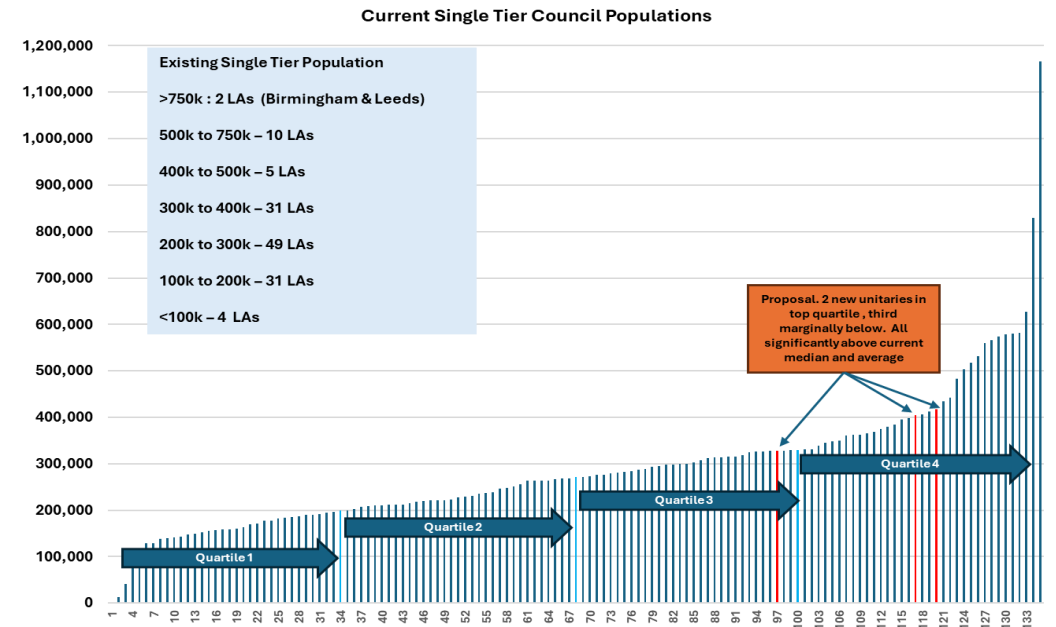
Challenges

Realisation of 500,000+ population unitaries over this geography would entail the creation of **regional or sub-regional not local entities**. Geographies would lack coherence and belonging, consisting of diverse communities over a vast area whose principal shared interest would be membership of the new unitary. **In those conditions delivering robust and thriving local democracy would be challenging.**

The removal of intermediary district authorities will create a vacuum between the sub-regional and the ultra-local - the ideal space for problems, such as pockets of embedded deprivation. A particular risk given the size of the area. Localist solutions such as boosting the capacity of the parishes or decentralising service delivery will impede the realisation of economies of scale that larger units offer. In addition, this will create over time a fragmented local policy environment of boards, bespoke intervention vehicles and partnerships – negatively impacting policy delivery, outcomes, coordination and democratic accountability. The exact dynamic that led to the creation of the two-tier system. Our three unitary proposal is designed to mitigate this risk.

Solution

Our proposed unitaries are within the upper quartile of current single tier councils by population. We consider that this strikes the right balance between the scale to ensure financial sustainability and service improvement, and the practical demands of Greater Lincolnshire’s expansive geography and rural sparsity to enable a meaningful connection to the local, and for the unitaries to be accurately described as local government.



Current Single Tier Councils by Population (mid-2023), Source: ONS

The Power of Place : Local Identity, Community Empowerment, Alignment with Devolution

Alignment with Local Identity

The internal and external boundaries of Greater Lincolnshire remained essentially unchanged from before the Norman Conquest to the 1970s. For a millennium until 1974, there were three sub-regional administrative divisions (or Parts) of Lincolnshire: Lindsey in north (dating back to the 7th century), and Kesteven, and Holland in the south. These administrative patterns are deeply embedded in the county and will be restored (with allowance for contemporary scale requirements) in our proposal. The new unitaries will bear the names of the historic administrative divisions rather than geographic descriptors.

Rutland's ceremonial county status, Lord Lieutenancy, and all other rights and privileges will be upheld. The name Rutland can be preserved in the proposed southern unitary of Kesteven, Rutland and Holland.

Empowering Neighbourhoods and Communities

The establishment of sub-regional authorities will leave a gap in local knowledge and capacity. The size of the new unitaries will necessarily inform a strategic scope, role and capability, which is less locally attuned than the old districts. This is a key challenge to be confronted in the design of the new unitaries and their future service delivery models. It provides a significant opportunity to empower town and parish councils, community groups and the third sector. Service delivery models will be co-developed that considers options for neighbourhood and community empowerment, engagement and governance.

A critical risk to be controlled is to ensure that the reorganisation does not mean a retreat from the local with the expectation that volunteers will fill the void. Our unitaries are of the right scale to effectively strategically steer and support local community anchor institutions, whilst retaining a crucial connection to our residents and local knowledge and problems.

Alignment with Devolution

Greater Lincolnshire has a devolution deal. The Greater Lincolnshire Combined County Authority (GLCCA) will have its first elections in May 2025 and be the Strategic Authority. It is crucial that the design of the new unitaries (Principal Authorities) ensures the optimal dynamic with the Strategic Authority, complementing, rather than creating potential rivals and risking dysfunction. MHCLG are keenly aware of this risk. The Statutory Invitation is clear that there must be an appropriate ratio between the Principal and Strategic Authorities. The White Paper establishes an ideal ratio of 3-1 (three 500,000 population Principals to the 1,500,000 Strategic).

The population of Greater Lincolnshire is 1.1 million. Therefore, the optimal solution is three unitaries of approximately 400,000 residents. If substantially larger, then due to the geography of Greater Lincolnshire, the unitary authority will itself cover a strategic region, adversely transforming the dynamic with the Strategic Authority. In that scenario, the principal authority would naturally think and act on a region level strategic basis. A likelihood heightened as the status quo option of a county unitary would continue an organisational culture founded on such a role and outlook. The case for a Strategic Authority to provide region level strategic leadership and coordination would be reduced. Potential consequences would be a Principal Authority distracted from its designated role of delivering core services, duplication and system redundancy, and the risk of dysfunction over the mantle of regional leadership.

Our proposal eliminates the risk of this scenario entirely.

Rutland CC is currently at risk of being a devolution island. Our proposal offers a solution; simplifying the negotiations in Leicestershire and aligned with Rutland's economic interests.

Aligning Economic & Administrative Geography

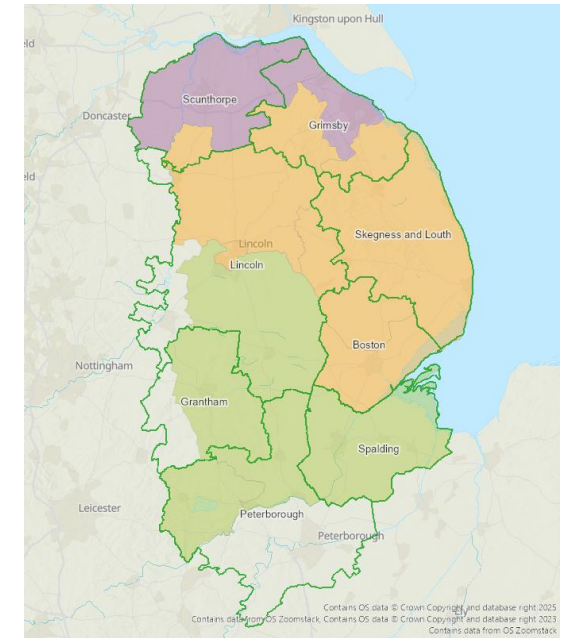
The English Devolution White Paper is clear that fragmentation of governance across local economies causes problems for local economic performance. Aligning economic and administrative geography where possible is essential to delivering the Government's missions for economic growth and housing. In a situation where the two are disconnected, **it is rational for local politicians to block economic activity**. The reward for voters and local politicians from increasing economic activity in that scenario are the disamenity costs of increased congestion, land development, and pressure on local services. Ongoing planning reform is intended to redress that dynamic, the proposed geographies are intended to maximise the impact of those reforms locally.

Travel to Work Areas (TTWA) have been used as a proxy for functional economic areas. There are seven TTWAs covering areas within the bounds of Greater Lincolnshire. The Southern Unitary would cover Grantham, Lincoln (partially), Peterborough (partially) and Spalding creating a combined GVA of £9.8 billion. Rutland was historically part of the Greater Lincolnshire Local Enterprise Partnership and is within the economic orbit of Peterborough. Rutland's economic interests lie with South Lincolnshire not Leicestershire. The Central Unitary covers Lincoln, Boston, and Skegness & Louth with a GVA of £9.2 billion. The Northern Unitary would encompass Grimsby and Scunthorpe – GVA £10.8 billion.

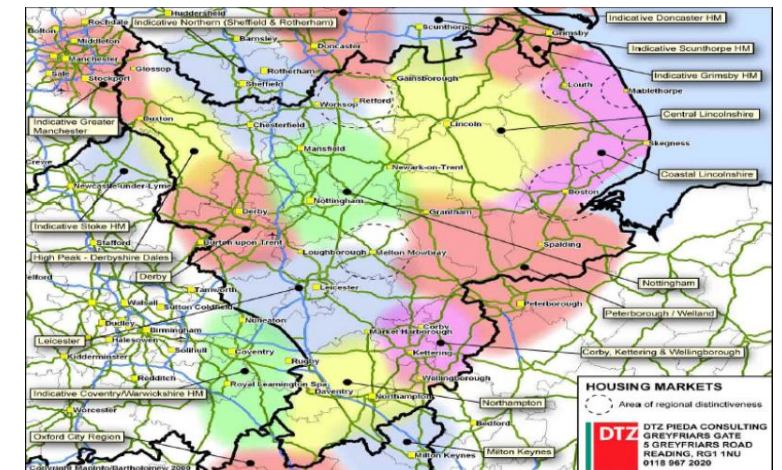
Housing Market Areas (HMAs) are a proxy for functional housing markets. There are five identified HMAs in Greater Lincolnshire used for strategic planning: Central Lincolnshire, Coastal Lincolnshire, Grimsby, Scunthorpe, and Peterborough & Welland. These are approximately aligned with the proposed unitaries. The inclusion of Rutland greatly simplifies strategic planning in Stamford, an area with significant housing affordability pressures. Currently a cross-boundary development (Stamford North) will deliver a large proportion of the allocated housing. In assessment, our reorganisation proposal will unblock challenges for spatial planning in Stamford, which would otherwise require a complex boundary review.

Reorganisation driven by economic geography would suggest centering a new unitary on Lincoln. However, the city with its extensive commuter hinterland only totals 300,000. Insufficient for the required scale, requires significant boundary changes and creates geographically incoherent periphery unitaries.

Our proposal practically aligns economic and administrative geography, whilst balanced against scale, local identity, democratic viability and convenience – no boundary changes are required. The discrete sub-regional economies are approximately captured, enabling effective sub-regional economic development to be delivered, complementing the Strategic Authority's regional Local Growth Plan, and establishing long-term functional building blocks to make further complex reform to planning, council tax, or future fiscal devolution simpler.



Greater Lincolnshire TTWAs with proposed unitaries, Source: ONS



Spatial Delineation of the East Midlands Sub-Regional Housing Markets, Source: DZT & CLG

Renewing Local Public Services

The English Devolution White Paper highlights clear priorities: economic growth, housing, prevention, with the overarching objective of restoring public trust. An overly large and cumbersome unitary would lose connection to their place, delivering a rearrangement of the status quo, rather than the seizing the transformative opportunities to renew and reshape local public services to meet the challenges of the 21st century and beyond. Reorganisation offers the potential for significant service efficiencies and improvements. However, economies of scale are realised and vary by service area. Neither is there a linear relationship between size and performance for all service areas. The expansiveness and rurality of Greater Lincolnshire necessitates decentralisation in service delivery, so impeding the critical concentration to unlock significant economies of scale.

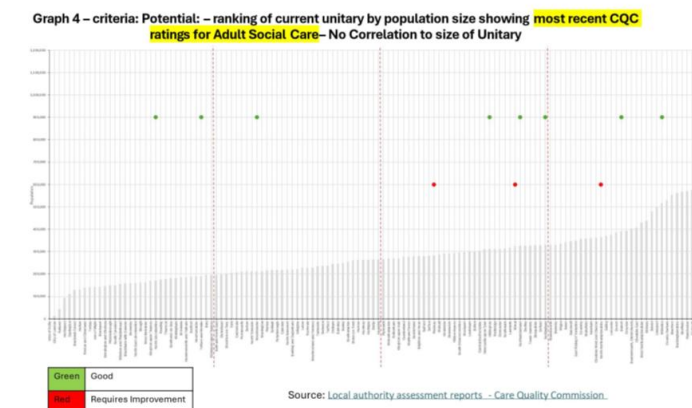
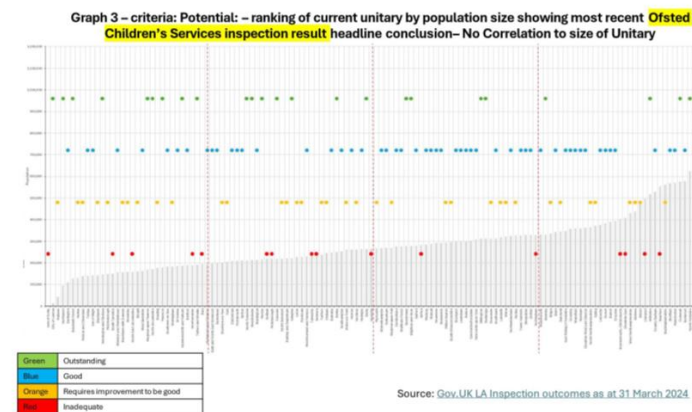
At this early stage, we believe that our proposal has the balance of scale and the attendant opportunities for aggregation, and with manageable geographies to remain in touch with and accessible to residents and so mitigate against the decline in user satisfaction in ‘visible services’ observed in larger and remote authorities. This will deliver better local services attuned to the needs of our residents. We will undertake bespoke and detailed modelling to identify opportunities for service aggregation, transformation and the indicative savings.

Our proposal will very likely mean the disaggregation of Adult’s and Children’s services. We understand this entails significant associated costs and short-term disruption. We also recognize there is no correlation between service quality and unitary size. Local authorities are multi-purpose vehicles, not principally delivery agencies for Adults and Children’s services. Decisions on the future governance of Greater Lincolnshire cannot be driven by an individual service, however significant. Detailed work will be undertaken into the feasibility of future delivery models including disaggregated directorates for each unitary, a shared service (hosted) model or a Trust for these critical services.

Service disaggregation will enable sub-regional horizontal integration of Adult’s and Children’s services with the current district services for homelessness, temporary accommodation and community safety, plus housing landlord responsibilities for authorities with a Housing Revenue Account (HRA). Our proposed unitaries can deliver economies of scale and resilience to demand surges and other pressures, for example the Southern Unitary will have a **HRA of 13,500 properties**, whilst retaining the local knowledge and connection essential in delivering effective place-based prevention programmes.

The inclusion of Rutland will involve the crossing of Health and “Blue Light” service boundaries. We believe this is justified given Rutland’s economic orientation and parliamentary boundaries. The White Paper is clear that the Government wishes to realign other public service boundaries with those of Strategic Authorities. We note also that both North Lincolnshire and North East Lincolnshire already sit within different Health and “Blue Light services.

Financial sustainability is crucial, as is achieving a sufficient and fair council taxbase, particularly given the spatial distribution of deprivation in Lincolnshire. We have balanced the composition of the three unitaries to achieve this. We have assessed the headline financial indicators of our building block authorities, in preparation for deeper analysis.



Above charts courtesy of Maldon District Council

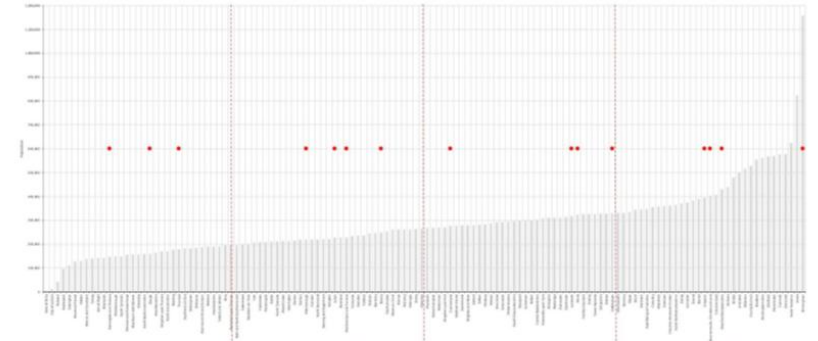
Financial Building Blocks

The table below sets out a number of core financial data for the Greater Lincolnshire authorities plus Rutland. All data is from the publicly available respective 2025/26 budget documents.

The full business case will set out a detailed cost benefit analysis for our proposal. Whilst we are aware at this stage that others – both within and outside of Greater Lincolnshire – are quoting significant potential financial savings from various models, we firmly believe that figures rooted in reality and supported by robust evidence must form the basis for any financial case.

Whilst future financial sustainability is key – and we are confident that our proposed LGR structure will deliver this – as the graph, right, shows there is no correlation between size of council and those that in the last three years have issued S114 notices or had capitalisation directives.

Graph 2 – criteria: financial viability: – ranking of current unitary by population size, showing the local authorities who issued a section 114 notice or had capitalisation directions in the last three years – No Correlation to size of Unitary



Source: Exceptional financial support for local authorities for 2023 -24 - GOV.UK and Exceptional financial support for local authorities for 2022 -23 - GOV.UK and Exceptional financial support for local authorities for 2021 -22 - GOV.UK

Above chart courtesy of Maldon District Council

LA All data taken from published 2025-26 budget report papers	Net Service Cost General Fund	General Fund Debt Levels / Interest	Reserve Balances (Useable)	Tax Base 2025/26	Council Tax 2025/26	CTax Requirement	Business Rates	Drainage Rates
North Kesteven	£15.9m	£29m /£1.9m	£33.4m	40,000	£194.40	£7.776m	£12.5m	£0.992m
South Kesteven	£24.0m	£0m/£0m	£40.0m	50,140	£189.37	£9.495m	£7.2m	£1.026m
South Holland	£17.0m	£0m/£0m	£6.7m	30,890	£208.53	£6.441m	£7.1m	£3.571m
Rutland	£55.5m	£22m/£0.1m	£21m	16,293	£2,218.95	£37.551m	£8.1m	-
Boston	£13.0m	£1m	£13.0m	20,291	£223.65	£4.538m	£5.1m	£5.391m
City of Lincoln	£15.0m	£107m	£51.0m	25,764	£316.98	£8.16m	£7.1m	-
East Lindsey	£35.4m	£0m	£32.3m	48,166	£171.54	£8.26m	£19.9m	£2.927m
West Lindsey	£15.6m	£20m	£19.6m	32,757	£248.76	£8.15m	£6.7m	-
Lincolnshire County Council	£693.5m	-	£24.2m	248,008	£1,625.85	£403.2m	£155.8m	-
North Lincolnshire	£218m	£144.3m	£48.8m	52,168	£1,502	£79m	£37m	£2.173m
North East Lincolnshire	£207.4m	-	£20.5m	47,202.5	£1,639.74	£77.4m	£56.4m	£0.341m

Local Democracy & Indicative Councillor Numbers

The current single tier local authorities in England have a median electorate to councillor ratio of 3,200. The graph left shows the distribution of the ratio across these councils. The red columns reflect the current single tier authorities considered within this proposal.

More recent unitaries have tended to have a ratio in the top quartile.

The table below shows both the current position for the councils within our three unitary proposal. As can be seen there are 472 council seats (including 27 in Rutland) and 435 individual councillors. This difference is due to the 37 councillors who are both district and county councillors. In addition to this there are around 500 parish and town councils, and over 3,500 parish councillors across Greater Lincolnshire.

As the table shows in current two-tier areas covered by the proposal the existing ratio of electorate to councillor is just over 1,700 – little over half the median ratio for the current set of single tier authorities in England.

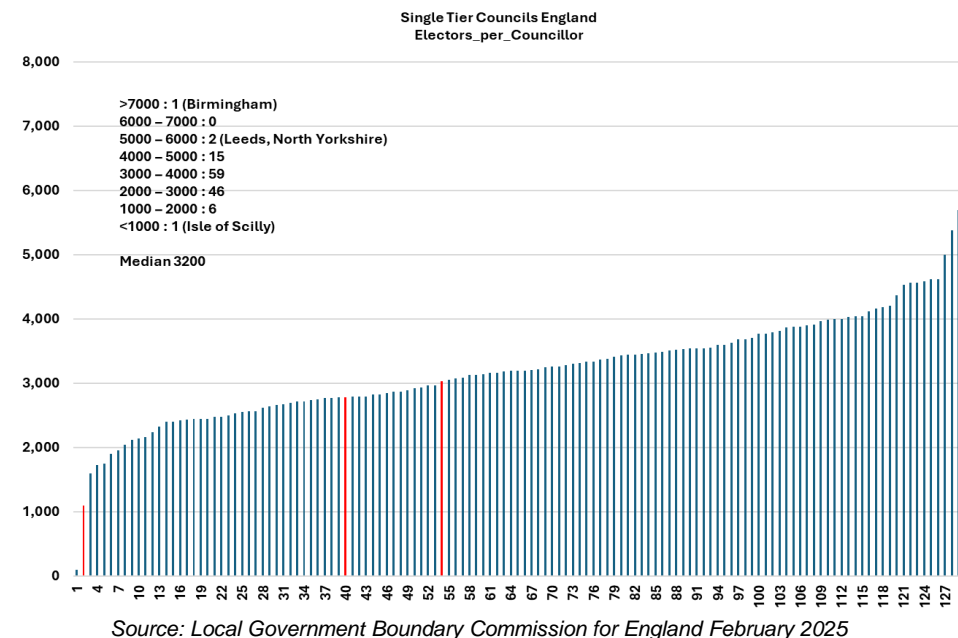
A range of indicative future councillor numbers are shown in the final three columns of the table. We are cognisant from our literature review that adverse impacts on local democratic health have been observed in councils with larger populations and electorates. We have sought to mitigate against that consequence by suggesting a solution with feasible geographies and that encompasses a range of electorate ratio options, so we can better preserve the link between councillor and electorate.

We have also noted the Council Size Submission Guidance published by the Local Government Boundary Commission in England.

Proposal	CURRENT COUNCILLOR NUMBERS					PROPOSAL FUTURE COUNCILLOR NUMBERS			
	District	County / Unitary	Total	Total Councillors	Electorate per Cllr	Ratio 3200	Ratio 4000	Ratio 4500	Ratio 5000
Unitary 1	136	61	197	178	1,710	95	76	68	61
Unitary 2	154	36	190	172	1,723	93	74	66	59
Unitary 3	0	85	85	85	2,907	77	62	55	49
Total	290	182	472	435	1,949	265	212	188	170

We will work with the LGBCE to establish appropriate councillor numbers and local representation for the three unitary councils set out in this proposal.

Likewise, we will look at the options for greater roles for town and parish councils and / or options for localised decision making.



Consideration of Alternative Reorganisation Models

As part of the development of our proposal we carefully considered alternative local government reorganisation models for Greater Lincolnshire. Through this work we identified three realistic alternative models, these being:

- A. two unitary “continuity” model**, with the current county council and seven districts in Lincolnshire merging to become a single unitary authority; alongside the merger of the two current northern unitaries. This model has been submitted by Lincolnshire County Council as one of their two preferred options
- B. two unitary North-South split**. This model, albeit with City Of Lincoln within the “southern” unitary has been submitted by Lincolnshire County Council as the second of their two preferred options.
- C. three unitary model with an East-West split for the current Lincolnshire districts**. This model has also been considered and discounted by Lincolnshire County Council in their proposals submitted to government.

The summary of these three alternatives is set out on the next page, with a more detailed rationale as to their limitations explored on the subsequent pages.

As with our proposed model of reorganisation our alternatives are all based on using existing district / county boundaries as the building blocks. As such we have discounted any potential models that would require either resetting of boundaries and / or encroachments into adjoining areas that already have devolution deals in place, or at an advanced stage of development. Our alternative models therefore do not include:

- A model of reorganisation centred upon the city of Lincoln as this would require not only very significant boundary changes but also struggle to reach any acceptable population level whilst also leaving no obvious unitary solution for those areas within Lincolnshire on the perimeter of a Lincoln centred unitary council
- Models of reorganisation within Greater Lincolnshire that involved significant geographic incoherence. E.g. a coastal ribbon running from North-East Lincolnshire to South Kesteven.
- A model of reorganisation that involves, either in full or in part, the current Peterborough City Council unitary area
- A model of reorganisation that involves splitting Rutland. This is distinct from engaging the Local Government Boundary Commission to review the Stamford/Rutland border to deliver the optimal arrangement for effective spatial planning.
- A model of reorganisation that involves, either in part of in full, Melton District Council (Leicestershire) or Newark and Sherwood District Council (Nottinghamshire).

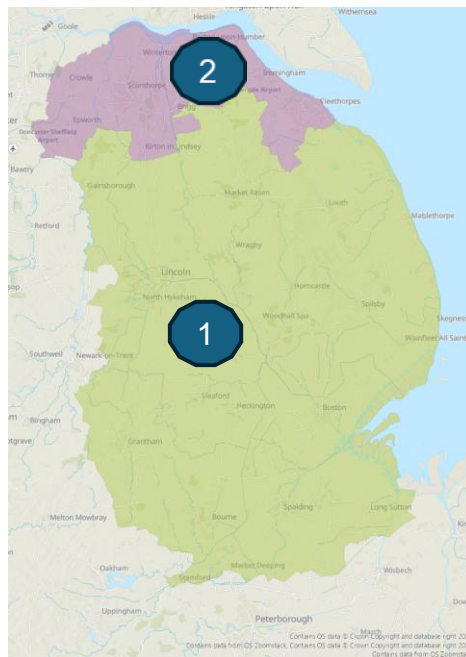
Additionally, though maintaining the integrity of existing borders, given the population expectations we discounted at an early stage a four unitary model for Greater Lincolnshire.

Overview of Alternative Models

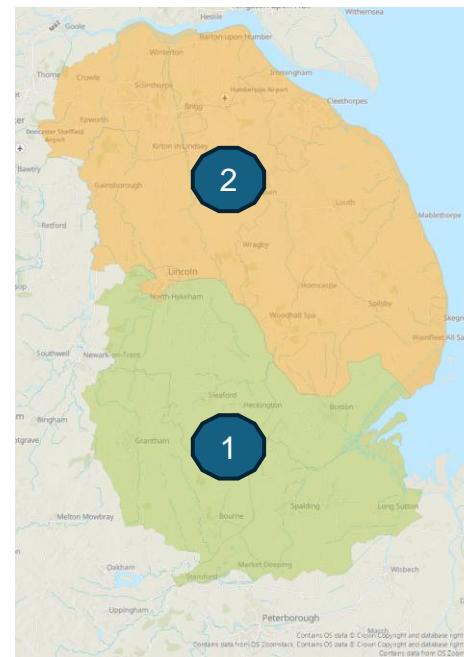
This page sets out the top-level detail for the three alternative models for local government reorganisation in Lincolnshire that we have considered.

- A. The two unitary “continuity” scenario,
- B. The two unitary North-South split, and
- C. The three unitary model with an East-West split for the current Lincolnshire districts

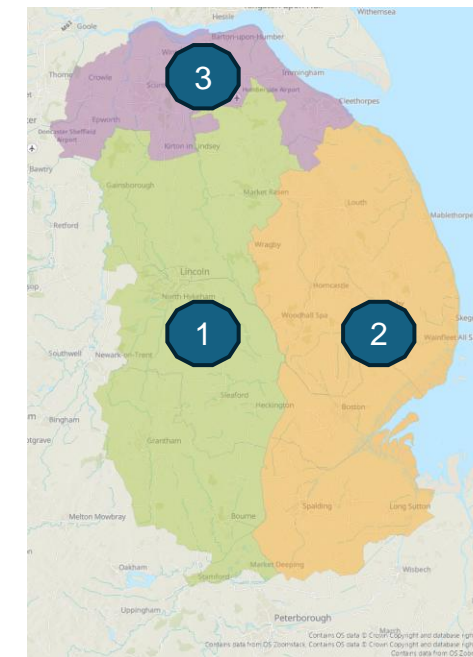
ALTERNATIVE “A”



ALTERNATIVE “B”



ALTERNATIVE “C”



	Alternative A “Continuity” Model		Alternative B North-South 2 Unitary Model		Alternative C East-West 3 Unitary Model		
	Unitary 1	Unitary 2	Unitary 1	Unitary 2	Unitary 1	Unitary 2	Unitary 3
	All current Lincs district councils	NL NEL	NKDC, SKDC SHDC, BBC	CoL, ELDC WLDC, NL, NEL	NKDC, SKDC CoL, WLDC	BBC, ELDC SHDC	NL NEL
Area sq. km	5,938	1,040	2,979	3,999	2,864	3,074	1,040
Population MYPE 2023	782,808	328,422	436,243	674,987	468,155	314,653	328,422
Population 2024 Projection	849,581	337,152	482,409	704,324	494,975	354,606	337,152
Electorate	571,098	247,079	323,965	494,482	338,546	232,552	247,079
Council Tax Chargeable Dwellings	354,746	150,604	194,361	310,989	208,885	145,861	150,604
Council Tax Band D equivalents	250,015	100,271	142,050	208,236	149,797	100,218	100,271
GVA £m	18,130	10,853	10,449	18,534	11,376	6,754	10,853

Evaluation of Alternative Models

Reorganisation Criteria	Alternative A “Continuity” Model	Alternative B North-South 2 Unitary Model	Alternative C East-West 3 Unitary Model
1 - Economy	Covers a region-level economic area. Duplication of and conflicts with the Strategic Authority role.	Aligned to sub-regional functional economic areas. Complements the Strategic Authority.	Aligned to sub-regional functional economic areas. Complements the Strategic Authority.
2 - Population	One 782,000 unitary and one 328,000 current unitarized area. Meets scale requirements. One significantly exceeding the 500,000 target, and creates the third largest unitary by population in England spanning a diverse landscape and economy. Significant potential for disassociation with local need and ability to be an effective community anchor. The other unitary is significantly smaller though as in our proposed option providing a sensible starting point.	One 436,000 unitary and one 674,000 unitary. Meets scale requirements in the context of Greater Lincolnshire geography.	One 468,000 unitary and two low 300,000 unitaries. Too small for scale requirements.
3 - Services	Prevents service disaggregation of Adults and Children’s services. Regional scale and rural geography will require decentralisation preventing the maximisation of potential economies of scale. Enables redistribution between areas. Rather than providing the building blocks for transformation and improvement reinforces the status quo	Potentially disaggregates children’s and adults services. Sub-regional and cohesive geographies to unlock potential economies of scale. Avoids concentrating deprived areas. Greater northern population to support taxbase to address greater deprivation vs south. However overarching scale, particularly in the Northern Unitary, has the potential to act as a drag on transformation and improvement across the whole of Greater Lincolnshire.	Potentially disaggregates children’s and adults services. Concentrates the most deprived areas in a single authority intensifying regional inequality.
4 - Local Needs & Culture	Reflects current arrangements dating from 1974.	Reflects historic and cultural factors. Recreates Lindsey in the north, and a merged Kesteven and Holland in the south.	Reflects current arrangements in the north.

Continued Evaluation of Alternative Models

Reorganisation Criteria	Alternative A “Continuity” Model	Alternative B North-South 2 Unitary Model	Alternative C East-West 3 Unitary Model
5 - Devolution	Inappropriate population ratio between the principal and strategic authorities. Introduces unnecessary risk to the dynamic. Potentially undermines the long-term devolution settlement in Greater Lincolnshire.	Aligns with and supports the devolution deal and long-term settlement. Workable population ratio between the principal and strategic authorities.	Aligns with and supports the devolution deal and long-term settlement. Appropriate population ratio between the principal and strategic authorities.
6 – Community & Local Democracy	Regional government. Creates a significant vacuum between the unitary and the parishes. Introduces a significant democratic deficit. Intensifies the negative impacts on local democracy. Again fails to provide a strong community anchor	Sub-regional government. Creates a vacuum between the unitary and the parishes. Introduces a substantial democratic deficit. Partially mitigates the negative impacts on local democracy from larger councils.	Sub-regional government. Creates a vacuum between the unitary and the parishes. Introduces a democratic deficit. Partially mitigates the negative impacts on local democracy from larger councils.
Summary Conclusion	A flawed and suboptimal proposal for reorganisation.	A workable proposal for reorganisation, if Rutland is not involved. However, it remains flawed and sub-optimal.	A flawed and suboptimal proposal for reorganisation.

Early Indicative Transition Costs and Implementation Plans

High-level costs to deliver reorganisation

Merging several districts / smaller unitary councils together whilst simultaneously disaggregating Lincolnshire County Council services, their assets and budgets across new unitary councils is a significant undertaking. Indicative transition costs have varied across unitaries created in the relatively recent past. We are aware that Lincolnshire County Council has presented implementation costs ranging between £27m and £42m. Previous pre-pandemic work by Leicestershire County Council estimated in their area of just under £20m, with limited difference between a two or three unitary solution. Somerset estimated their transition costs to a single unitary at £16.5m; whilst Buckinghamshire budgeted for £22m.

Given the range in transition cost estimation a key element for the end November 2025 Business Case for our proposal, if progressed, would be a robust analysis of anticipated transition costs to the three unitary proposal.

Cost to prepare business case

We estimate the direct costs for preparing the business case to be in the region of £150,000-£200,000. We are mindful also of the risk associated with indirect costs during this, and indeed the subsequent implementation period. It will be important that all the current local authorities continue to deliver on current local ambitions and that capacity is effectively managed to mitigate against any risk of reduced performance during this period.

Implementation team structure

Our business case will set out in detail our implementation approach and structure. Key components, reflecting SOLACE best practice, are set out below:

CRITICAL SUCCESS FACTORS	Clear vision and alignment; Definition and design of programme aim and workstreams; Engagement with political stakeholders; Continuing or new authority; Disaggregation of “upper tier” services; Stakeholder / Employee inclusivity and transparency; Resource allocation; Cultural and organisational change management; Legal and regulatory compliance; Managing external partnerships
KEY RISKS	Political resistance; Lack of planning; Lack of communication; Budget Overruns; Staff resistance and attrition; Operational Disruptions; IT Complexities
KEY ROLES / LEADS	Executive Lead; Programme Director & Manager(s); Stakeholder engagement and public relations; Legal and governance; Finance & budgeting; HR/OD & Change Management; Data and ICT integration; Policy and Strategy; Service experts; external “Honest Broker”

Barriers and Challenges

Capacity

- Long-term and ongoing financial pressures on Local Authorities means that there is limited spare capacity or funding available to deliver LGR ambitions.
- This will require Greater Lincolnshire Councils to review current plans and identify appropriate activities that can be de-prioritised, and associated resource and funding diverted to meet LGR objectives within the current MHCLG timetable. Reprioritisation of resources from transformation to LGR is likely to impact the realisation of Medium Term Financial Saving plans adding to existing pressures.

Funding

- Local Government Reorganisation is not a short term solution to the funding needs of local government and the need for fairer funding. The Government can support councils to deliver LGR by implementing the fairer funding review as a matter of urgency.
- Funding arrangements for the Internal Drainage Boards remain a significant concern for a number of authorities within Greater Lincolnshire

Timescales

- The timescales set by the Minister are ambitious. The ability to have meaningful discussions to reach a local consensus and unite around a single agreed proposal, rather than the development of multiple competing business cases for the November deadline, are significantly time-pressured.

Structures

- Potential uncertainty from the Government's current intention to review the boundaries of the Greater Lincolnshire Combined County Authority in relation to the current unitaries on the south bank of the Humber.
- Process for any new constituent members of GLCCA, and confirmation of the process to transition from existing two-tier arrangements (with four seats allocated to the seven Lincolnshire districts) – to the arrangements for the new unitary authorities which will replace all existing local authorities in the area.

Central Leadership and Engagement

- Alongside local leadership for this process we are seeking regular engagement from Ministers so that we can hold the discussions we need to have directly with the key decision makers and be assured that the substantial resources required to deliver reorganisation will be delivering mutually beneficial change.
- MHCLG capacity and anticipated timescales to provide initial meaningful feedback on interim proposals.

Local Engagement

As a district council we are close to all of our varying communities placing local engagement at the heart of all we do.

The timeline for the preparation and submission of this proposal has been limited. However, our elected members through briefing sessions have been engaged throughout. The Leader of the Council has actively engaged throughout with leaders of all the councils in the area covered by our proposal. Looking ahead to the period running up to the full business case submission at end November we envisage a broad spectrum of local engagement with residents; businesses; partners and the full range of stakeholders across the districts and unitary area covered by this proposal. We will build further on the strong and enduring relationships already in place leveraging existing engagement and community relationships; ensuring all voices are heard and respected. Regular workforce briefings have been delivered along with engagement with the Trade Unions.

As leaders of place, and with all our elected members – be that parish, district, county or unitary, - engaging with our communities we will be open and transparent in the development of the plans, setting up clear governance arrangements and being clear on the benefits from LGR across our areas that our proposal will bring.

We also note, as with the proposal from Lincolnshire County Council, that there are County Council elections, and an election for the first Mayor of Greater Lincolnshire on 1st May 2025. The timings of future engagement events will reflect the need to respect the pre-election period for these elections. Communication and engagement activities will align with the full business case development timelines, enabling the outcomes from engagement to inform the full proposal. An equality impact assessment will be part of the full business case.

Working Together

The region's established and regular discussions between leaders and chief executives have enabled strong collaboration in recent years - such as on the development of a 2050 Vision for Greater Lincolnshire - and provide a platform for future reorganisation. This includes utilising existing monthly meetings of all 10 councils.

At an operational level there are also regular meetings across different officer specialisms that enable a collaborative approaches to the development of local government reorganisation proposals. Through these groups, the region has established an agreed high-level data sharing list and platform.

As part of this interim plan, local authorities will develop and implement robust programme governance to take forward Local Government Reorganisation.

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