



Ministry of Housing,
Communities &
Local Government

15 May 2025

LOCAL GOVERNMENT REORGANISATION
INTERIM PLAN FEEDBACK: DERBYSHIRE AND DERBY

To the Chief Executives of:

Amber Valley Borough Council
Bolsover District Council
Chesterfield Borough Council
Derbyshire County Council
Derbyshire Dales District Council
Erewash Borough Council
High Peak Borough Council
North East Derbyshire District Council
South Derbyshire District Council
Derby City Council

Overview

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

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

The feedback provided relates to the following interim plans submitted by Derbyshire and Derby local authorities:

- Derbyshire District and Borough Councils Interim Proposal for Local Government Reorganisation
- Amber Valley Borough Council Interim Plan
- The Derbyshire County Council Local Government Reorganisation Interim Plan
- The letter from Derby City Council

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

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

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

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

Summary of the Feedback

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

1. The criteria ask that a proposal should seek to achieve for the whole area concerned the establishment of a single tier of local government (see criterion 1).

For the final proposal(s), each council can submit a single proposal for which there must be a clear single option and geography and, as set out in the guidance, we expect this to be for the area as a whole; that is, the whole of the area to which the 5 February invitation was issued, not partial coverage. **Any proposal(s) that cover the Derbyshire county footprint should also have regard to the implications for Derby City as per the guidance in the invitation letter.**

We recognise that plans are at an early stage and further analysis is planned in the run up to submitting your final proposal(s). **Further detail, and evidence, on the outcomes that are expected to be achieved for the whole area of any preferred model would be welcomed.**

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

are at the guided level, above it, or below it, should set out the rationale for the proposed approach clearly.

3. The inclusion of indicative financial savings and efficiencies is welcome, but we note that the range of savings described varies significantly between plans. **It would be helpful to see these developed further in any final proposal(s) and for the same assumptions and data sets to be used across all proposals.**
4. The criteria ask that consideration should be given to the impacts for crucial services such as social care, children's services, SEND and homelessness, and for wider public services including public safety (see criterion 3). **For any options where there is disaggregation, further detail will be helpful on how the different options might impact on these services and how risks can be mitigated.**
5. We welcome steps taken to come together to prepare proposal(s) as per criterion 4:
 - a. **Effective collaboration between all councils across the invitation area and the wider East Midlands Combined County Authority (EMCCA) area will be crucial; we would encourage you to continue to build strong relationships and agree ways of working, including around effective data sharing. This will support the development of a robust shared evidence base to underpin final proposal(s).**
 - b. **It would be helpful if final proposal(s) use the same assumptions and data sets.**
 - c. **It would be helpful if final proposal(s) set out how the data and evidence support all the outcomes you have included, and how well they meet the assessment criteria in the invitation letter.**
 - d. **You may wish to consider an options appraisal that will help demonstrate why your proposed approach in the round best meets the assessment criteria in the invitation letter compared to any alternatives.**
6. We welcome the consideration of the implications and benefits of unitarisation for EMCCA, including opportunities for local planning to take a more strategic approach, aligning with the spatial development priorities of EMCCA, and opportunities to support the delivery of mayoral priorities.

Further information would be helpful on the implications of the proposed local government reorganisation options for the governance arrangements in EMCCA. It would also be helpful to outline how each option would interact with EMCCA and best benefit the local community.

Response to specific barriers and challenges raised

1. Status and expectation of Derby City Council

You asked about whether Derby City Council will be required to reorganise and the basis for its inclusion in the invitation area.

As you note, Minister McMahon's letter of 16 December set out that we will facilitate local government reorganisation in England for two-tier areas and for unitary councils where there is evidence of failure, or where their size or boundaries may be hindering their ability to deliver sustainable, high-quality public services. As a small neighbouring unitary council, Derby City Council has been included in the invitation alongside all local authorities in Derbyshire.

Any final proposal should put forward a preferred option for a single tier of local government, that is in the best interest of the whole area, including Derby City Council as a small unitary authority within the area.

2. Population criteria

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

3. Assessment criteria and weighting

You asked whether government will be weighting the criteria against which final proposals are assessed. The criteria are not weighted. Our aim for this feedback is to support areas to develop final proposals that address the criteria and are supported by data and evidence. Decisions on the most appropriate option for each area will be judgements in the round, having regard to the guidance and the available evidence.

4. Spending controls for councils subject to reorganisation

We note your points about decision making on spending during the transition period. We expect councils to ensure funding decisions are prudent and represent value for money. The Government's default position is that assets and liabilities remain locally managed by councils. It is essential that councils continue to deliver their business-as-usual services and duties, which remain unchanged until reorganisation is complete. The Department will continue to operate its stewardship function to ensure councils are meeting their Best Value duty.

The invitation encourages local leaders to work together to agree appropriate voluntary agreements that support sensible decision-making on spending as proposals are developed.

5. Timelines and elections

You have requested timely feedback on your interim plan and clarity on the timelines for the local government reorganisation programme to support planning, particularly for managing local elections.

This is our feedback to support you to develop your final proposal(s) and we are open to providing ongoing support to your work as it progresses between now and November. Katrina Crookdake has been appointed as your MHCLG point person and is ready to engage with the whole area on issues you wish to discuss further ahead of deadline.

As set out in the White Paper, we expect to deliver an ambitious first wave of reorganisation in this Parliament. For most two-tier areas we will be working to complete delivery of new unitary councils by 2028.

The Government will work with areas to hold elections for new unitary councils as soon as possible as is the usual arrangement in the process of local government reorganisation. District, Borough and City council elections are due to take place in Derbyshire in May 2027. We anticipate that, on the most ambitious timelines, there could be elections to ‘shadow’ unitary councils in May 2027, ahead of ‘go live’ of new councils on 1 April 2028. The exact timings and detail will depend on the proposals received and the decision taken on which proposal, if any, to implement.

Our expectation is that any local authorities dissolved as a result of local government restructuring will cease to exist on the date that new councils ‘go live’.

The role of a shadow authority is to take all the necessary steps to prepare for the assumption of full local government functions and powers on vesting day and ensure continuity of public service delivery on and after this date. It does not have a role in carrying out the functions of predecessor councils except for where this is expressly provided.

6. Capacity funding

You have requested support from government to meet the upfront costs of local government reorganisation. £7.6 million will be made available in the form of local government reorganisation proposal development contributions, to be split across the 21 invitation areas. Further information will be provided on this funding shortly.

In terms of transitional costs, as per the invitation letter, we expect that areas will be able to meet transition costs over time from existing budgets, including from the flexible use of capital receipts that can support authorities in taking forward transformation and invest-to-save projects. We note the estimate of your transition costs and comment further on this in the table below.

7. Consultation and views of key stakeholders

You have asked that Government confirm whether, when and how it will formally engage and consult with key stakeholders throughout this process. It is for you to

decide how best to engage locally in a meaningful and constructive way with residents, voluntary sector, local community groups, Neighbourhood Boards, parish councils, public sector providers, such as health, police and fire, and local businesses to inform your proposal(s). We note the interim plans helpfully set out a range of engagement with stakeholders.

Once a proposal has been submitted it will be for the Government to decide on taking a proposal forward and to consult as required by statute. The Secretary of State may not implement a proposal unless she has consulted with other councils affected by it and any other appropriate person. We are happy to engage further on these consultation requirements and the likely process for areas undergoing reorganisation in due course.

8. Ongoing engagement – political and official

We note the request to have direct engagement and ongoing dialogue at both a political and official level. Government is committed to supporting all invited councils equally while they develop proposals.

As set out above, Katrina Crookdake has been appointed as your MHCLG point person and is ready to engage with the whole area on issues you wish to discuss further ahead of the deadline for final plans in November. Katrina can also support your engagement with wider government.

9. Request for a lead authority

We note your request for the Government to consider appointing a lead authority for local government reorganisation within the area. The Government is committed to supporting all invited councils equally while they develop any proposal or proposals, though we encourage councils to build strong relationships to support joint working during the process. Following any consultation, we will set out the principles of engagement for that stage.

10. Managing financial pressures during reorganisation

We note your points around the financial pressures some councils are facing and the challenge you highlight for councils in managing these during the reorganisation process. We welcome consideration of these issues and it would be helpful if detail on the councils' financial positions and further modelling could be set out in the final proposal(s).

We expect councils to ensure funding decisions are prudent and represent value for money. The Government's default position is that assets and liabilities remain locally managed by councils. It is essential that councils continue to deliver their business-as-usual services and duties, which remain unchanged until reorganisation is complete. The Department will continue to operate its stewardship function to ensure councils are meeting their Best Value duty.

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

11. Managing disaggregation, ensuring additional costs are not added to social care

We welcome the work that has taken place thus far to consider the impact of disaggregation particularly on critical services such as social care. We comment on this further in the table below.

We also welcome your note on the need to consider the implications of wider reforms on local government reorganisation.

Government recently consulted on funding reforms and confirmed that some transitional protections will be in place to support areas to their new allocations.

Further details on funding reform proposals and transition measures will be consulted on after the Spending Review in June.

We will not be able to provide further clarification on future allocations in the meantime but are open to discussing assumptions further if we can assist in financial planning.

12. Integration of services, back-office functions and staff teams.

We note you have mentioned service and back-office integration as one of the key opportunities and challenges of reorganisation and welcome the listed areas for potential efficiency savings and service transformation. We also welcome your point on the importance of staff engagement throughout the process. We comment further in the table below on what additional detail would be helpful in terms of front-line service transformation and back-office efficiencies.

13. Effective working with MSA

We welcome your consideration of how any new authorities will engage with EMCCA. We comment further on what additional detail would be helpful in the table below.

14. Community Engagement

We welcome your note on the importance of an effective community engagement and neighbourhood empowerment model. In the final proposal(s) we would welcome detail on your plans for neighbourhood-based governance, and more detail on what would be useful is in the table below.

ANNEX: Detailed feedback on criteria for interim plan

Ask – Interim Plan Criteria	Feedback
Identify the likely options for the size and boundaries of new councils that will offer the best structures for delivery of high-quality and sustainable public services across the area, along with indicative efficiency saving opportunities. Relevant criteria: 1 c) Proposals should be supported by robust evidence and analysis and include an explanation of the outcomes it is expected to achieve, including evidence of estimated costs/benefits and local engagement and 2 a-f) - Unitary local government must be the right size to achieve efficiencies, improve capacity and withstand financial shocks and 3 a-c) Unitary structures must prioritise the delivery of high quality and sustainable public services to citizens	We welcome the initial thinking on the options for local government reorganisation in Derby and Derbyshire and the engagement that has been started with stakeholders. We note the local context and challenges outlined in the plans and the potential benefits that have been identified for the options put forward. Your plans set out your intention to undertake further analysis, and this further detail and evidence on the outcomes that are expected to be achieved for the whole area of any preferred model would be welcomed. For the final proposal(s), each council can submit a single proposal for which there must be a clear single option and geography and, as set out in the guidance, we expect this to be for the area as a whole; that is, the whole of the area to which the 5 February invitation was issued, not partial coverage. For example, any option for a single unitary council across the Derbyshire county footprint, should include consideration of the implications for Derby City Council remaining as a separate unitary. You may wish to consider an options appraisal against the criteria set out in the letter to provide a rationale for the preferred model against alternatives. As per criterion 1d, proposal(s) should describe clearly the footprint of single tier local government structures that are being put forward for the whole area. Where there are proposed boundary changes, the proposal will need to provide strong public services and financial sustainability related justification for the change. Proposal(s) should be for a sensible geography which will help to increase housing supply and meet local needs, including future housing growth plans. All proposals should set out the rationale for the proposed approach. Given the financial pressures you identify it would be helpful to understand how efficiency savings have been considered alongside a sense of place and local identity.

	We recognise that the options outlined in the interim plans are subject to further development. In final proposal(s) it would be helpful to include a high-level financial assessment which covers transition costs and overall forecast operating costs of the new unitary councils. We will assess final proposal(s) against the criteria in the invitation letter. Referencing criteria 1 and 2, you may wish to consider the following bullets: • high level breakdowns for where any efficiency savings will be made, with clarity of assumptions on how estimates have been reached and the data sources used, including differences in assumptions between proposals • information on the counterfactual against which efficiency savings are estimated, with values provided for current levels of spending • a clear statement of what assumptions have been made and if the impacts of inflation are taken into account • a summary covering sources of uncertainty or risks with modelling, as well as predicted magnitude and impact of any unquantifiable costs or benefits • quantified impacts, where possible, on service provision, as well as wider impacts We recognise that the interim plans set out the financial assessment is subject to further work. The bullets below indicate where further information would be helpful across all options. As per criteria 1 and 2 it would be helpful to see: • data and evidence to set out how your final proposal(s) would enable financially viable councils across the whole area, including identifying which option best delivers best value for money for council taxpayers • further detail on potential finances of new unitaries, for example, funding, operational budgets, potential budget surpluses/shortfalls, total borrowing (General Fund), and debt servicing costs (interest and MRP); and what options may be available for rationalisation of potentially saleable assets • clarity on the underlying assumptions underpinning any modelling e.g. assumptions of future funding, demographic growth and pressures, interest costs, Council Tax, savings earmarked in existing councils' MTFS
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	• financial sustainability both through the period to the creation of new unitary councils as well as afterwards • as per criterion 2f proposal(s) should reflect the extent to which debt can be managed locally, including as part of efficiencies possible through reorganisation. For proposals that would involve disaggregation of services, we would welcome further details on how services can be maintained where there is fragmentation, such as social care, children's services, SEND, homelessness, and for wider public services including public safety. Under criteria 3c you may wish to consider: • how each option would deliver high-quality and sustainable public services or efficiency saving opportunities • what are the potential impacts of disaggregating services? • what would the different options mean for local services provision, for example: • do different options have a different impact on SEND services and distribution of funding and sufficiency planning to ensure children can access appropriate support, and how will services be maintained? • what is the impact on adults and children's care services? Is there a differential impact on the number of care users and infrastructure to support them among the different options? • what partnership options have you considered for joint working across the new unitaries for the delivery of social care services? • do different options have variable impacts as you transition to the new unitaries, and how will risks to safeguarding be managed? • do different options have variable impacts on schools, support and funding allocation, and sufficiency of places, and how will impacts on schools be managed? • what are the implications for public health, including consideration of socio-demographic challenges and health inequalities within any new boundaries and their implications for current and future health service needs? What are the implications for how residents access
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	services and service delivery for populations most at risk? We note from the interim plans that public service boundaries (Integrated Care Board, Safeguarding Board, Derbyshire Constabulary, Police and Crime Commissioner) align well with the Derbyshire county boundary, and that some structures are organised on a north/south, or district boundary basis. Further detail on the implications for working in partnership with these services would be welcomed. We would encourage you to provide further details on how your proposal(s) would maximise opportunities for public service reform, so that we can explore how best to support your efforts.
Include indicative costs and arrangements in relation to any options including planning for future service transformation opportunities. Relevant criteria: 2d) Proposals should set out how an area will seek to manage transition costs, including planning for future service transformation opportunities from existing budgets, including from the flexible use of capital receipts that can support authorities in taking forward transformation and invest-to-save projects	We welcome initial thinking on the service transformation and back-office efficiencies that may be enabled through reorganisation, and we note that there has been a successful history of operating shared services across councils e.g. the Derbyshire Building Control Partnership. We would welcome further clarity in all final proposal(s) on the assumptions and data used to calculate transition costs and efficiencies (see criterion 2d). As per criterion 2, your final proposal(s) should set out how an area will seek to manage transition costs, including planning for future service transformation opportunities from existing budgets, including from the flexible use of capital receipts that can support authorities in taking forward transformation and invest-to-save projects. • within this it would be helpful to provide more detailed analysis on expected transition and/or disaggregation costs and potential efficiencies of proposal(s). This could include clarity on methodology, assumptions, data used, what year these may apply and why these are appropriate • detail on the potential service transformation opportunities and invest-to-save projects from unitarisation across a range of services - e.g. consolidation of waste collection and disposal services, and whether different options provide different opportunities for back-office efficiency savings • where it has not been possible to monetise or quantify impacts, you may wish to provide an estimated magnitude and likelihood of impact

	• summarise any sources of risks, uncertainty and key dependencies related to the modelling and analysis • detail on the estimated financial sustainability of proposed reorganisation and how debt could be managed locally While not mentioned in your interim plans, we note also that there is the strategic alliance between High Peak Borough Council in Derbyshire and Staffordshire Moorlands District Council in Staffordshire. In the final proposal(s) you should provide further information on how the transition to new local government structures through local government reorganisation would be managed for these two areas, given the additional complexities associated with the joint structures created through this alliance.
Include early views as to the councillor numbers that will ensure both effective democratic representation for all parts of the area, and also effective governance and decision-making arrangements which will balance the unique needs of your cities, towns, rural and coastal areas, in line with the Local Government Boundary Commission for England guidance. Relevant criteria: 6) New unitary structures should enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment	We note reference to the recent boundary review that was undertaken for the County Council area and the proposal for a 100% increase in the number of County Councillors for a new unitary authority from 64 to 128 Councillors. We also note the proposed split between the North and South authorities contained within the District and Borough interim plan, allowing for a total of 148 Councillors with an 83/65 split. We welcome this early view of councillor numbers, which we will be sharing with the LGBCE. There are no set limits on the number of councillors although the LGBCE guidance indicates that a compelling case would be needed for a council size of more than 100 members. New unitary structures should enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment. Additional details on how the community will be engaged specifically how the governance, participation and local voice will be addressed to strengthen local engagement, and democratic decision-making would be helpful. In final proposal(s) we would welcome detail on your plans for neighbourhood-based governance, the impact on parish councils, and the role of formal neighbourhood partnerships and area committees.

Include early views on how new structures will support devolution ambitions. Relevant Criteria: 5) New unitary structures must support devolution arrangements.	We note the benefits and opportunities that local government reorganisation provides in relation to EMCCA as outlined in your interim plans, particularly around streamlined governance and opportunities to support the delivery of mayoral priorities. Further information would be helpful on the implications of the proposed local government reorganisation options for the governance arrangements in EMCCA. It would also be helpful to outline how each option would interact with EMCCA and best benefit the local community.
Include a summary of local engagement that has been undertaken and any views expressed, along with your further plans for wide local engagement to help shape your developing proposals. Relevant criteria: 6a&b) new unitary structures should enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment	We welcome your interim updates against criterion 6, the engagement undertaken so far, how this has been used to inform your interim plans, and your plans for future engagement. It is for you to decide how best to engage locally in a meaningful and constructive way with residents, the voluntary sector, Neighbourhood Boards, local community groups and councils, public sector providers such as health, police and fire, and local businesses to inform your final proposal(s). For proposals that involve disaggregation of services, you may wish to engage in particular with those residents who may be affected. It would be helpful to see detail that demonstrates how local ideas and views have been incorporated into the final proposal(s).
Set out indicative costs of preparing proposals and standing up an implementation team as well as any arrangements proposed to coordinate potential capacity funding across the area. Relevant criteria: 2d) Proposals should set out how an area will seek to manage transition costs, including planning for future service transformation opportunities from existing budgets, including from the flexible use of capital receipts that can support authorities in taking	We note the inclusion of estimated costs in the Derbyshire County plan and proposed delivery models required to support the preparation of proposal(s) across the County and Districts and Borough interim plans. We would welcome further detail in your final proposal(s) over the level of cost and the extent to which the costs are for delivery of the unitary structures or for transformation activity that delivers benefits. £7.6 million will be made available in the form of local government reorganisation proposal development contributions, to be split across the 21 areas. Further information will be provided on this funding shortly.

forward transformation and invest-to-save projects.	
Set out any voluntary arrangements that have been agreed to keep all councils involved in discussions as this work moves forward and to help balance the decisions needed now to maintain service delivery and ensure value for money for council taxpayers, with those key decisions that will affect the future success of any new councils in the area. Relevant criteria: 4 a-c) Proposals should show how councils in the area have sought to work together in coming to a view that meets local needs and is informed by local views.	We welcome the ways of working together you have outlined in the interim plans (see criterion 4). Effective collaboration between all councils, and those in the EMCCA area, will be crucial; areas will need to build strong relationships and agree ways of working, including around effective data sharing. This will enable you to develop a robust shared evidence base to underpin your final proposal(s) (see criterion 1c). We recommend that final proposal(s) should use the same assumptions and data sets or be clear where and why there is a difference. We would expect the final proposal(s) to have regard to the implications for the whole invitation area and mayoral strategic authority area.