

Local Government Reorganisation Proposal for Greater Lincolnshire

20th November, 2025



SOUTH
KESTEVEN
DISTRICT
COUNCIL

NOVEMBER 2025

DRAFT

BEST4GreaterLincolnshire



PREPARED BY:



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**Proposal for Local Government
Reorganisation in Greater
Lincolnshire**

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2. Literature Review
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4. Financial Baseline and Modelling
 - a. PwC Financial Assumptions
 - b. PwC Financial Baseline and Modelling Executive Summary
 - c. PwC Financial Sensitivity Analysis
 - d. PwC Council Tax Harmonisation
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5. Approach for Children's Services and Adult Social Care
 - a. Children's Services
 - b. Adult Social Care
6. LGR Engagement Report
7. Future Councillor numbers - background data
8. Organisational Culture in Local Government Reorganisation



Briefings

Staff

Members

Parishes

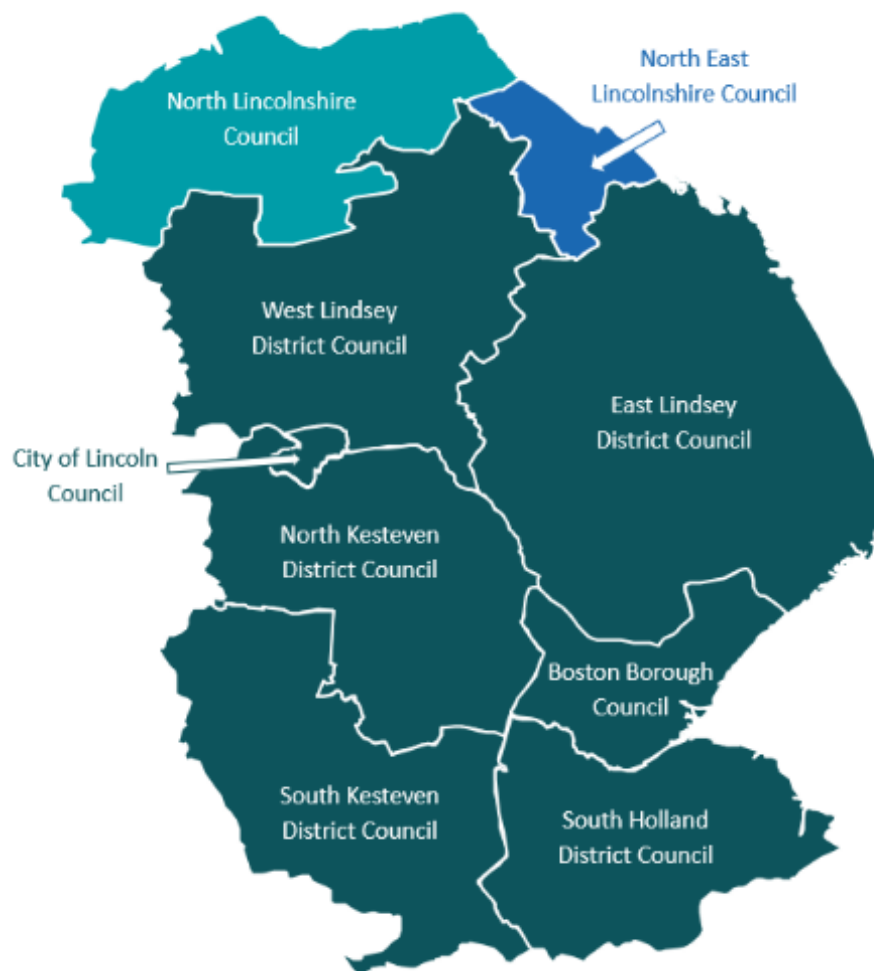


The Six Criteria

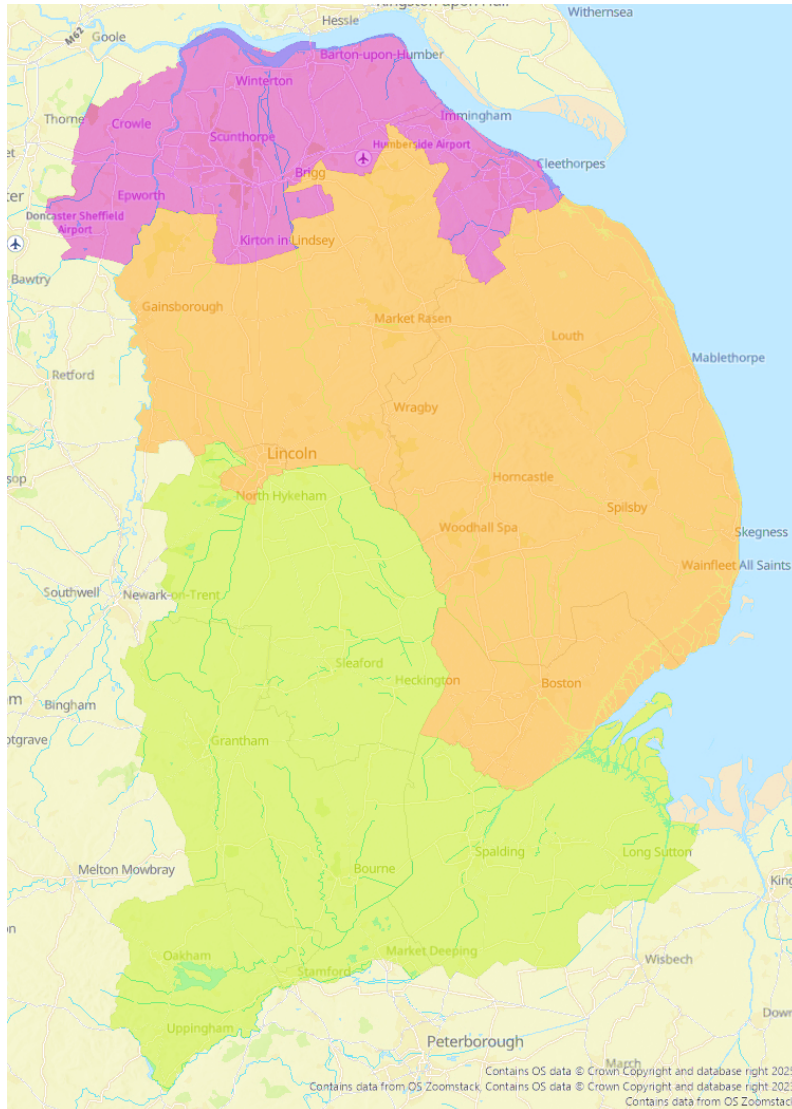
1. *A proposal should seek to achieve for **the whole of the area** concerned the establishment of a single tier of local government.*
2. *Unitary local government must be **the right size** to achieve efficiencies, improve capacity and **withstand financial shocks**.*
3. *Unitary structures must prioritise the delivery of **high quality and sustainable public services** to citizens.*
4. *Proposals should show how councils in the area have sought to **work together** in coming to a view that meets local needs and is **informed by local views**.*
5. *New unitary structures must **support devolution** arrangements.*
6. *New unitary structures should enable **stronger community engagement** and deliver **genuine opportunity for neighbourhood empowerment**.*



The existing shape of Lincolnshire



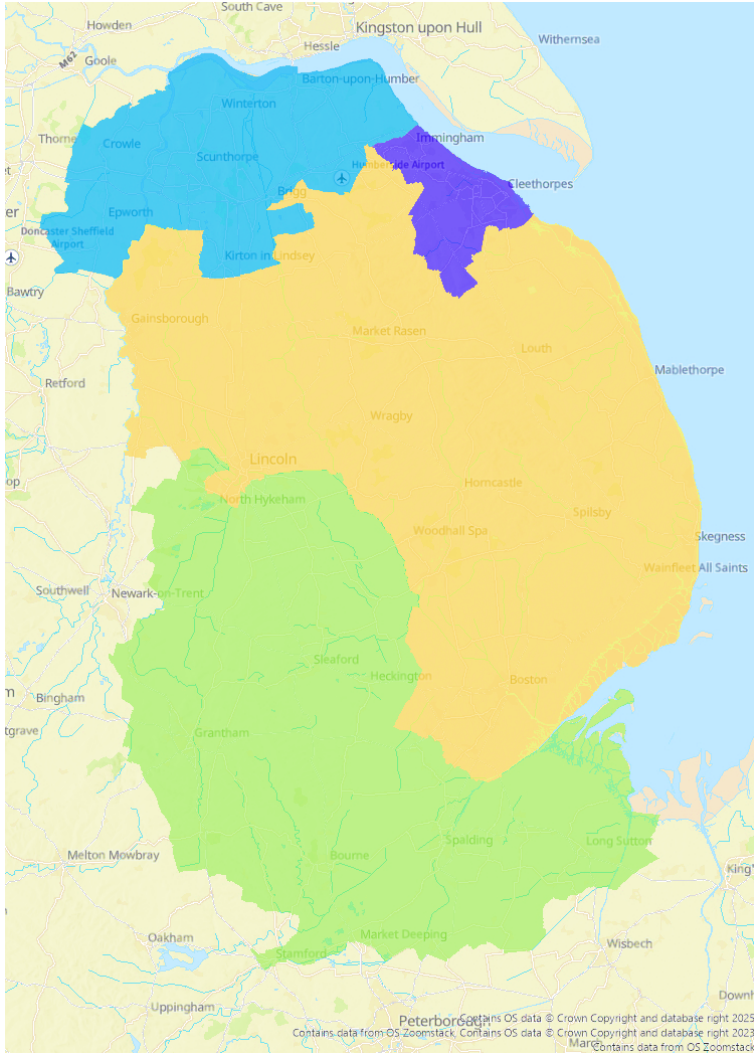
Reminder of Kesteven Interim Submission March 2025



Unitary 1: North Kesteven, South Kesteven, South Holland, Rutland	410,360
Unitary 2: East and West Lindsey, Boston and Lincoln	420,585
Unitary 3: North Lincolnshire North-East Lincolnshire	331,247



Kesteven Proposed Submission November 2025

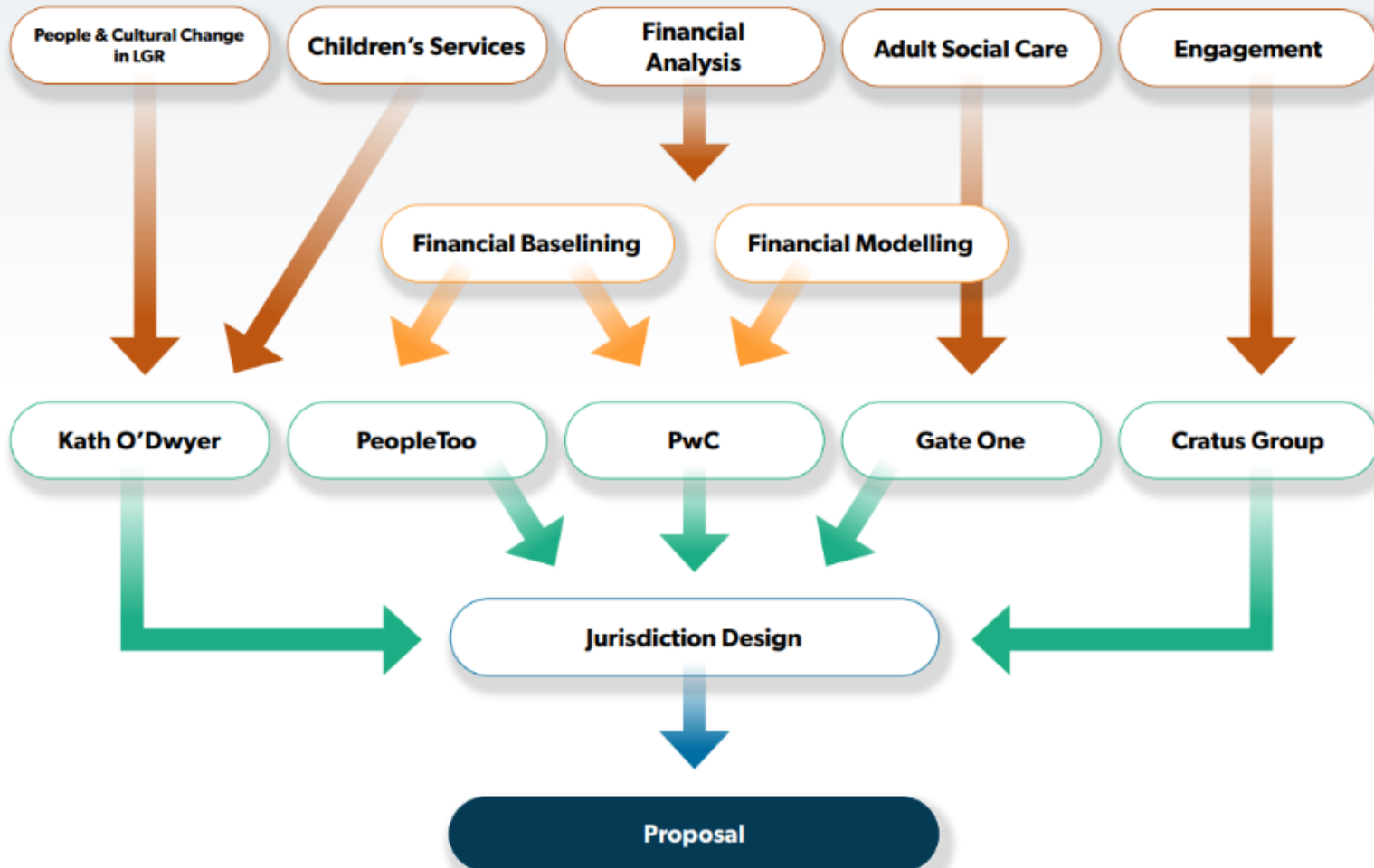


Unitary 1: North Kesteven, South Kesteven, South Holland,	368,917
Unitary 2: East & West Lindsey, Boston and Lincoln	420,585
Unitary 3: North Lincolnshire	171,336
Unitary 4: North-East Lincolnshire	159,911



Workstreams: All completed

Use of External Support



Engagement Survey Results

- 5,556 responses
(15th September to 15th October)
- North Kesteven – 3,012
- South Kesteven – 816
- Rutland – 446



Survey findings report



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Key Messages

Important:

83/100

- Road and
- Econ
- Env
- A
-
-
-

83 out 100 – Attachment of Place
“Keep Councils Local”



Recap – Other Proposals for Lincolnshire



A. *Continuing Authority*
(LCC & WLDC)

B. *Lincoln*
(Lincoln City)

C. *“A Greater Lincolnshire for All”*
(ELDC, BBC & SHDC)



Fire & Rescue

LCC → PCC → GLCCA

No disaggregation



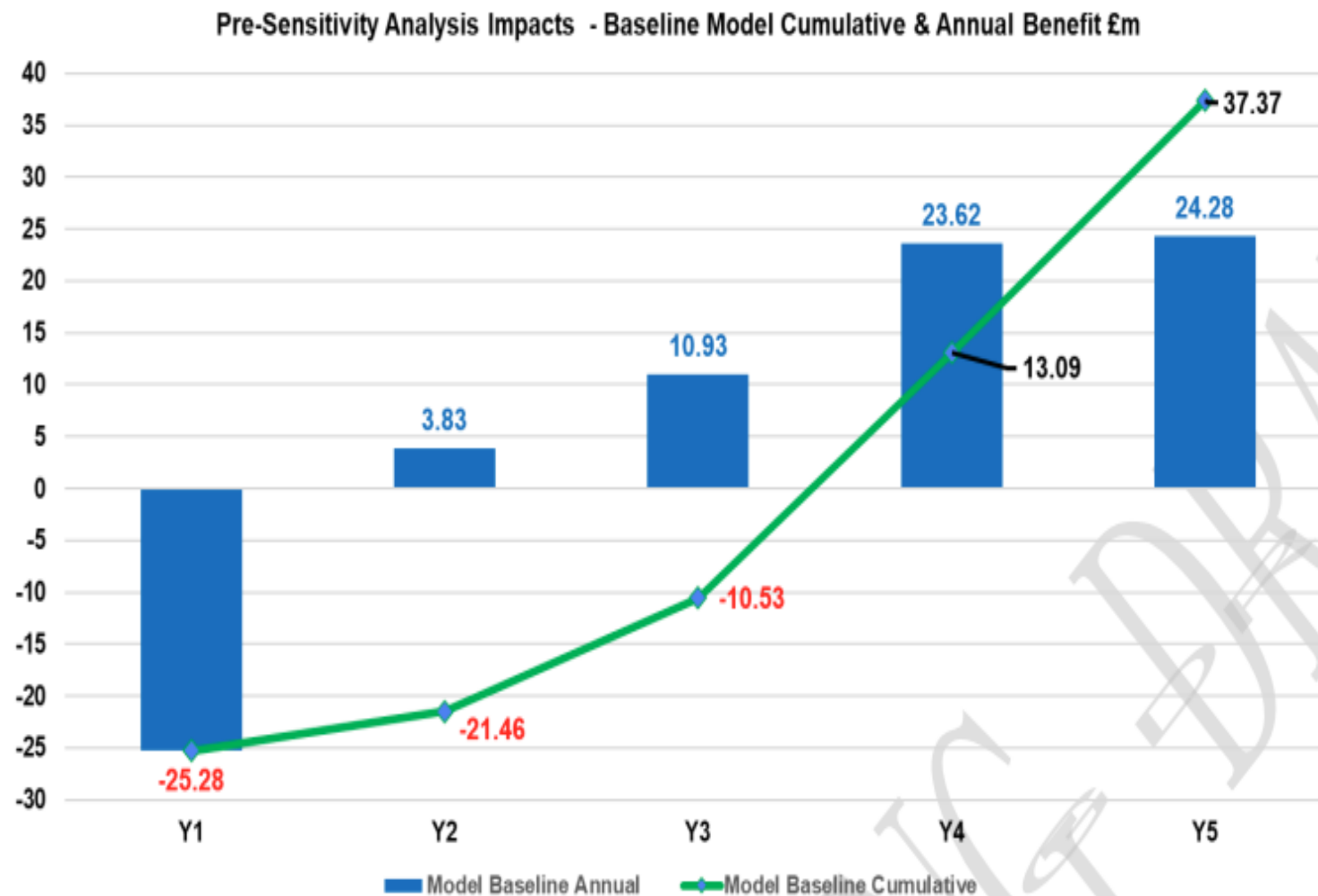
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Children's & Adult Social Care

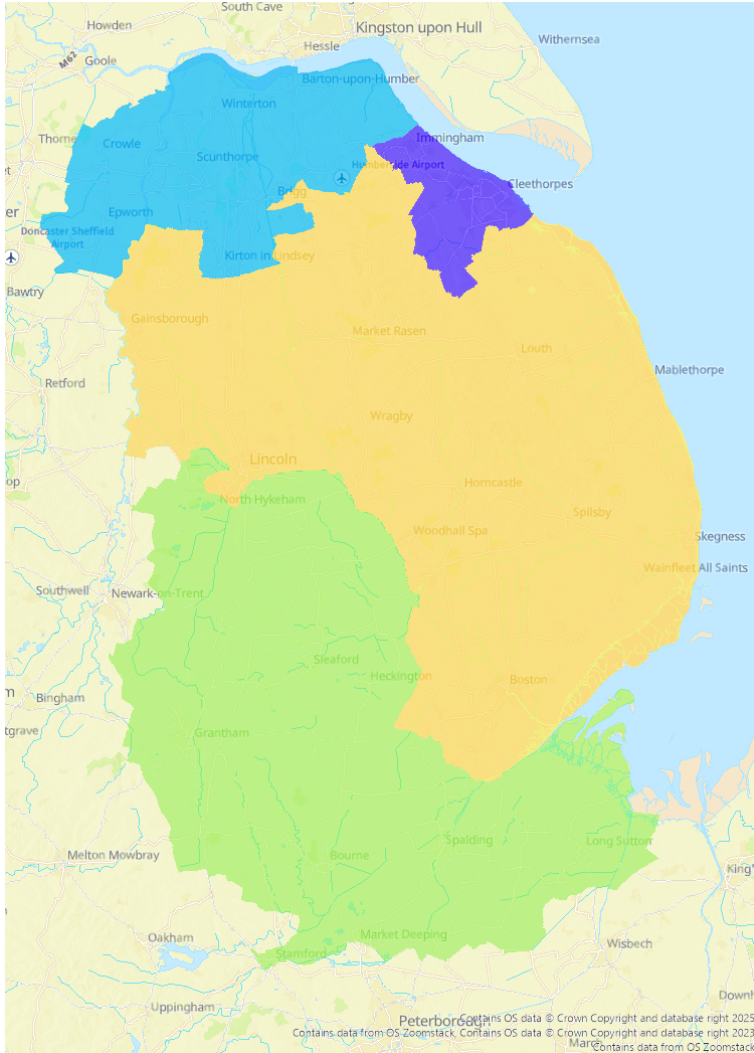
- External Expert Support been engaged
- Solutions built on demand hotspots/deprivation clusters and meets **local** demand
- Exploits opportunities & safely disaggregates
- Independent structures for each UA



Summary of Financial Case - Lincolnshire



Kesteven Proposed Submission November 2025



Unitary 1: North Kesteven, South Kesteven, South Holland,	368,917
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Proposal for Local Government Reorganisation in Greater Lincolnshire

Recap – Lincolnshire Proposals



City of Lincoln Proposal

Expanded city to approx. 208k
Rural Lincolnshire – 573,000
North/North East - Unchanged



South-East Lincolnshire Partnership Proposal

Northern Unitary – 531,000
Southern Unitary – 574,000



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Workstreams: All completed

- **Financial Modelling:**
Efficiencies, savings, costs, council tax harmonisation
- **Children's Services Modelling:**
Disaggregated Service Model, Demand Modelling
- **Adult Services Modelling:**
Commissioning Role, Service Delivery, Demand Modelling
- **Engagement Plan:**
Survey – Online & Paper, Focus Groups, Face to Face
- **Contracts:**
Modelling local, Lincolnshire wide revenue, capital and HRA
- **Economic Footprints:**
Travel to Work and structural analysis
to demonstrate functional economic areas
- **Democratic Structure**
- **Staffing Structure**
- **Organisational Culture**



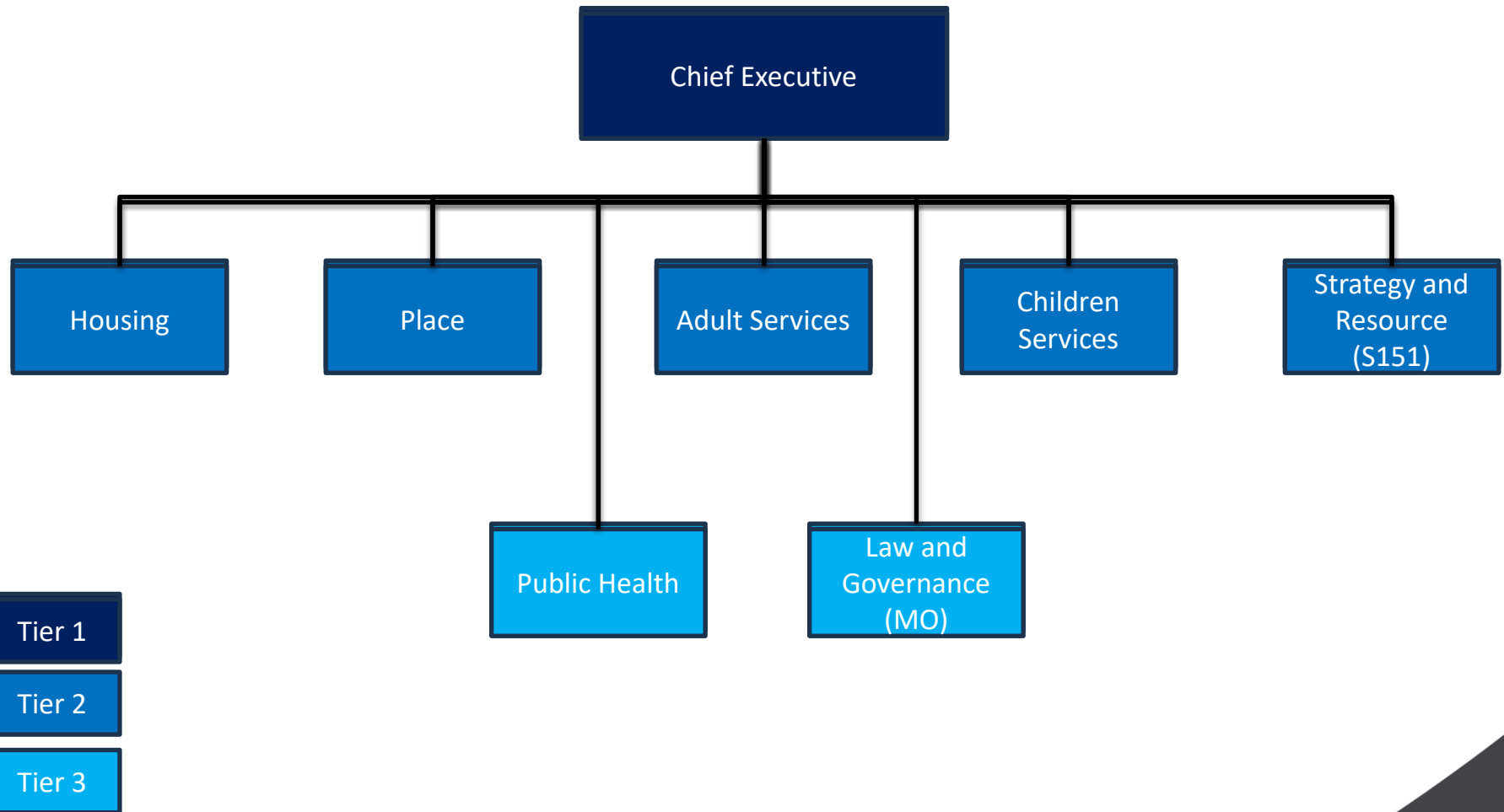
Economy

“Everything we hope to achieve as a Government is only possible if we get Britain building”

- No single dominant Urban Centre
- Low population density
- Place based economic developments
- Economic clusters/Aligned economic geography



Staffing Structure



Culture

“Culture isn’t a phase of the project, it’s the foundation”

- Positive organisational culture
- Teams stay engaged
- Fells coherent, not just combined
- Sense of identity and belonging
- Employees engaged
- Recruitment and retention



Locality Model

- Tailored service delivery = local need
- Supports population projections
- Resilience = workforce flexibility and deployment
- Partnership to continue: NHS



Financial Approach

- North K and South K have worked with PWC to prepare the business case for the submission.
- The modelling has included the following:
 - An estimated Year 1 Position
 - Analysis of structural change
 - Profiling of estimated costs and savings for reorganisation and transformation over a 5 year period
 - Reorganisation benefits – savings, economies of scale
 - Reorganisation costs – transition costs, disaggregation costs
 - Transformation benefits – long term potential



Approach Taken: Finance

EIGHT specific modules have been compiled to assess financial case

- Income
 - Council Tax
- Expenditure
- Assets
 - Liabilities
 - Members and Elections
 - Third Party Spend
- Workforce salary alignment

Data and information from the 3 Councils (and LCC) has been used to populate each module



Financial Case Summary

- Net in Year benefit/cost
 - the financial impact realised in a specific year of the financial case
- Cumulative benefit/cost
 - the running total of all benefits and costs from the start of the financial case
- Net benefit period
 - length of time for the cumulative benefits of the financial case to equal or exceed its initial costs

(After taking into consideration aggregation benefits, transition costs, one off transformation costs and benefits and any recurring disbenefit costs)



Summary of Financial Case - Lincolnshire

<i>All figures in £m</i>	Y1	Y2	Y3	Y4	Y5	Total 5 year Benefit / Costs
Total Benefits of Aggregation	10.83	14.44	16.25	18.05	18.05	77.62
Financial Disbenefit Total Costs	-12.94	-12.94	-12.94	-12.94	-12.94	-64.70
One-Off Transition Total Costs	-22.52	0.00	0.00	0.00	0.00	-22.52
Total Transformation Benefits	0.00	3.96	9.91	19.82	19.82	53.51
One-Off Transformation Total Costs	-0.65	-1.64	-2.29	-1.31	-0.65	-6.54
In-year Net Benefit / Cost	-25.28	3.83	10.93	23.62	24.28	37.38

Financial Case Summary – UA1 only

<i>All figures in £m</i>	Y1	Y2	Y3	Y4	Y5	<i>Total 5 year Benefit / Costs</i>
Total Benefits of Aggregation	4.40	5.86	6.60	7.33	7.33	31.52
Financial Disbenefit Total Costs	-6.05	-6.05	-6.05	-6.05	-6.05	-30.25
One-Off Transition Total Costs	-10.52	0.00	0.00	0.00	0.00	-10.52
Total Transformation Benefits	0.00	1.64	4.11	8.21	8.21	22.17
One-Off Transformation Total Costs	-0.27	-0.68	-0.95	-0.54	-0.27	-2.71
In-year Net Benefit / Cost	-12.44	0.77	3.71	8.95	9.22	10.21



Summary

- A number of assumptions have been included including the amount of the projected deficit for each Council, assumptions about contract savings and reductions in operational costs
- Sensitivity analysis has been undertaken to 'stress test' the assumptions to ensure it is still a sustainable and positive business case
- Subject to assumptions and limitations of the modelling, the summary confirms a positive return after 4 – 5 years following initial upfront costs
- An **annual c£10m** saving can be achieved



Next Key Stages

- Publication for Council – 12th November
- Council Meeting – 20th November
- Cabinet Meeting – 24th November
- Submit Final Proposal – 28th November

