



Ministry of Housing, Communities & Local Government

Rt Hon Steve Reed OBE MP
*Secretary of State for Housing,
Communities & Local Government*
2 Marsham Street
London
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Leaders in Gloucestershire
By email

16 July 2026

Dear Leaders,

Thank you for your continued work to deliver local government reorganisation in Gloucestershire. This Government is delivering the most ambitious programme of local government reform in a generation, replacing the inefficient two-tier system with new unitary councils so that all parts of our country can access strong services, and are ready for devolution. We need to devolve power out of Whitehall so that we can rebalance wealth, power and opportunity across our country. But devolution must be built on strong local councils that can deliver good public services, support growth, and remain closely connected to the communities they serve.

Doing this right means recognising the unique contributions that different areas make to people's lives, as well as to the national economy. Some of our smaller cities are highly productive, but have been constrained by tight boundaries, set decades ago, which stop them from building the homes they need. Others are more rural, with significant demand for social care services and affordable housing. Local government should be set up to address the unique circumstances of each area and design public services tailored to each community.

Reorganisation provides us with a once-in-a-generation opportunity to ensure that councils genuinely represent the communities they serve today and stand the test of time. We know that people care about their own villages, home towns, high streets and communities. In many parts of the country, existing boundaries do not match local economies, public services, or local identities.

We won't achieve effective devolution or enable effective place-based public services with outdated and misaligned structures that slow down delivery, fragment public services, hamper housebuilding and slow down important decision making. We need to make sure that new councils are grounded in place and are genuinely connected to their communities.

Decisions

I have considered your proposals carefully against the criteria set out in the invitation letter of 5 February last year, alongside the responses to the consultation, representations made, requests for modifications made alongside the proposals and all other relevant information.

Following this assessment, I have decided to move forward with the implementation of the **one unitary proposal submitted by Cotswold District Council, Gloucestershire County Council, Stroud District Council, and Tewkesbury Borough Council** ("the one unitary proposal").

This new council will comprise the current areas of:

- Cheltenham Borough Council, Cotswold District Council, Forest of Dean District Council, Gloucester City Council, Stroud District Council and Tewkesbury Borough Council (referred to in the proposal as 'Gloucestershire')

I want to thank you for all of the work that has gone into developing options that seek to deliver new unitary councils that will help to grow the local economy and provide better public services for the people of Gloucestershire. Your ongoing collaboration will be vital to ensure that the proposal is implemented by April 2028 with the interests of residents at its heart.

Turning to the reasons for my decision, in my judgement, although the other two proposals also met the criteria for unitary local government, overall I consider the one unitary proposal to be the best option for Gloucestershire. It performed particularly well with regard to economic and housing market areas, being the only option that enables a combined functional economic and housing area of Cheltenham and Gloucester to support growth across cyber, digital, security and manufacturing industries. The one unitary proposal delivers county-wide services and partnerships through alignment of service provision and community empowerment. This is demonstrated by both feedback in the statutory consultation and support from councils in the area.

In more detail, in my view the one unitary proposal performs particularly well in the following areas:

- **Sensible geography for economic growth and housing:** In my judgment, the one unitary proposal offers the most coherent geography for Gloucestershire as a whole. Bringing the Gloucester – Cheltenham growth corridor and the Golden Valley cyber cluster into one council will enable the unitary to unlock investment and coordinate delivery most effectively. Although both of the two unitary options allow for two distinct economic areas that could plan around local need, splitting this economic zone between two unitary councils would, in my view, undermine the Cheltenham – Gloucester economic area given how physically close these urban centres are to one another. The one unitary proposal therefore better reflects the reality of a single economic and housing market area across Gloucester, Cheltenham, Tewkesbury and Stroud, where most strategic sites are located, and better enables integrated planning for housing, transport and infrastructure, which will solidify future action on these priorities.
- **Integrated services across Gloucestershire:** I am also of the view that the one unitary proposal provides the strongest basis for delivering high-quality and sustainable public services. Given Gloucestershire has established alignment of key public services and already runs a highly aligned service delivery model, including for social care, education and health, I judge that the one unitary proposal will better preserve this alignment of key public services, by allowing continued operation on the same geographic footprint. While both two unitary proposals could allow for service delivery models closer to respective communities, I do not believe that these potential benefits outweigh the risks posed by splitting service delivery across Gloucestershire – whether those risks be through creating some structural and financial imbalance in the East/West model or the creation of a small unitary in the other model. I judge that the one unitary proposal therefore offers the best opportunity for continued integrated service planning across local government and with wider public sector partners and balances its larger footprint with a strong approach to

community empowerment and engagement that will allow local communities to shape local services. A single unitary will also provide the best connections for the Forest of Dean, across service delivery, transport and economic flows.

- **Community empowerment and engagement:** I have carefully considered the consultation responses, wider representations and the proposal's evidence on community engagement and neighbourhood empowerment. As set out above, the one unitary proposal makes the strongest case for Neighbourhood Partnerships, with devolved budgets and decision-making powers to give communities a direct voice in shaping local priorities and services. While views were expressed in support of each proposal, the one unitary proposal received significant support in the consultation and provides the clearest basis for confident implementation. Taken with its performance against the statutory criteria, this gives me confidence that it is the strongest option for stable, effective and sustainable local government in Gloucestershire.

I also considered the expected costs and benefits set out in the proposals, as well as the ability of each new council to be financially resilient. Based on the information provided, and the assessment carried out against the criteria, I judge that it is most likely to deliver higher savings as well as represent an overall improvement in sustainability over current structures.

Next steps

In relation to next steps, as you are aware a Structural Changes Order, which will be subject to Parliamentary approval, is required to abolish existing councils, establish new structures and make transitional arrangements. I have carefully considered the information in the proposals as well as the further representations you have made on the content of this Order.

My officials will shortly write to your Chief Executives setting out the next steps and timeline for implementation, including my initial decisions on transitional arrangements that will be included in the draft legislation. This will enable you to take forward the work needed to begin preparation for implementation, in advance of Parliamentary approval of the Order. Critically, and drawing on learning from previous rounds of reorganisation, this will include an Implementation Team formed of officers from across the area, and elections to the new unitary council in May 2027. For the avoidance of doubt, these elections to the new unitary council will replace any scheduled local elections, and affected councillors will have their terms extended. I have carefully reflected on the request to use the preparing council model for implementation, but on balance have decided that the shadow council model should be used, which was also the majority view locally. While I appreciate this adds some complexity, it will help support the new council to make the most of the opportunities afforded from reorganisation.

A broad support offer is in place for councils, including support to councils through our sector advisors and through funding to the Local Government Association for an enhanced support offer. We have already announced £63m in capacity funding to support the reorganisation process, and I am pleased to provide further detail today on how this funding will be allocated.

Of the £63 million capacity funding, as well as the unprecedented £900,000 transition support to each new unitary already announced, we are also committing up to £150,000 per each new unitary as supplementary funding for Leadership Capacity and Continuity in Children's Services, Adult Social Care and Public Health. This is part of a wider package of support worth up to £10m for children's services, adult's social care and public health leadership,

which will also fund targeted development, mentoring and peer support for current, new and aspiring leaders.

In addition, up to £1m of funding overall will be available to support the small number of areas with complex fire and rescue authority transitions.

Taken together, this means that areas undergoing local government reorganisation will receive more than £1 million per new unitary created. This is the first time reorganisation has been supported in this way and shows this Government is committed to supporting councils to get these reforms right. We will confirm details of these allocations in due course.

I look forward to continuing to work closely with you to deliver the vital improvements that reorganisation can facilitate.

I am copying this letter to your Chief Executives, MPs and the Police and Crime Commissioner for Gloucestershire.

Yours sincerely,

A handwritten signature in purple ink that reads "Steve Reed". The signature is fluid and cursive, with a horizontal line drawn underneath the name.

RT HON STEVE REED OBE MP

Secretary of State for Housing, Communities and Local Government