



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 Warwickshire
By email

16 July 2026

Dear Leaders,

Thank you for your continued work to deliver local government reorganisation in Warwickshire. 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We won't achieve effective devolution or enable effective place-based public services with outdated and misaligned structures that slow down delivery, fragment public services, hamper housebuilding and slow down important decision making.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 and all other relevant information.

Following this assessment, I have decided to move forward with the implementation of the **two unitary proposal submitted by North Warwickshire Borough Council, Nuneaton &**

Bedworth Borough Council, Stratford-on-Avon District Council and Warwick District Council. For ease, this is referred to as "my selected option".

These new councils will comprise the current areas of:

- North Warwickshire Borough Council, Nuneaton & Bedworth Borough Council, and Rugby Borough Council (referred to in the proposal as 'North Warwickshire')
- Stratford-on-Avon District Council, and Warwick District Council (referred to in the proposal as 'South Warwickshire')

I want to thank you for all of the work that has gone into developing proposals that seek to deliver new unitary councils that will help to grow the local economy and provide better public services for the people of Warwickshire. Your ongoing collaboration will be vital to ensure that my selected option 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 proposal also met the criteria for unitary local government, overall I consider my selected option to be the better option for Warwickshire, as this proposal reflects the realities of the county's different economies, identities, and demographics. My selected option performed particularly well because it will support the integration of housing and planning policies and strategies at a sensible geographic level, in line with local priorities and need. It will also provide greater flexibility for future devolution, and enable each council to deliver place-based, locally responsive public services tailored to local needs in the north and south of Warwickshire. This is demonstrated by both feedback in the statutory consultation and support from councils in the area.

In more detail, my selected option performed particularly well in the following areas:

- **Responsiveness to local identity and meeting local needs:** While I note the greater economies of scale that may be available through the single unitary model, I consider that my selected option will be better placed to recognise and reflect the distinct identities, communities and geographies in Warwickshire. My selected option clearly set out the challenges and opportunities, with the more industrial north experiencing greater deprivation when compared with the south, where connectivity and access to services is a particular concern. On housing, while I recognise the strengths of a single unitary in creating a consistent strategic approach to housing, in my view my selected option will create new councils better positioned to address the specific housing needs of the different parts of the county, such as the lack of affordable housing in the south.
- **Place-based prevention and service transformation:** While I note that the one unitary proposal would avoid the need for service disaggregation, I am persuaded that my selected option provides an opportunity to improve crucial public services through a place-focused and locally responsive approach that will enable early intervention and prevention approaches to meet underlying demand pressures, and greater opportunities for achieving transformation benefits. Each council would be better able to focus on the different priorities in each area – for the north, tackling health inequalities and increasing healthy life expectancy; for the south, supporting independence for a growing older population in rural areas.

- **Devolution:** While I judge that both proposals can support future devolution options, my selected option offers greater flexibility by enabling a wider range of future devolution options to be explored that could address the different characteristics and needs of the different parts of the area. Given that a range of potential devolution options are still being considered for the area, this flexibility is important.
- **Community engagement:** While both proposals make firm and clear commitments around community engagement, in my view the consideration given to the interaction between key public services and the local community makes my selected option particularly strong. I also note the greater support for my selected option among councils and residents.

I considered the expected costs and benefits set out in the modelling underpinning the proposals, as well as the ability of each new council to be financially resilient. I have noted the projected timescales within my selected option to pay back the upfront costs of reorganisation. However, based on the assessment carried out by my department, I judge that it is still likely to generally represent an overall improvement in, or be similar to the sustainability of current structures.

I also considered the fact that both new councils would be below the 500,000 population figure. That figure has always been a guiding principle, not a fixed threshold – and for all the reasons set out above, I judge that creating councils under that threshold is justified on the basis that the two unitary model would produce a better overall outcome for local government in Warwickshire.

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 a single Implementation Team formed of officers from across the area, and elections to the new unitary councils in May 2027. For the avoidance of doubt, these elections to the new unitary councils will replace any scheduled local elections, and affected councillors will have their terms extended.

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

Yours sincerely,

A handwritten signature in dark ink, reading "Steve Reed". The signature is written in a cursive style with a horizontal line underneath the name.

RT HON STEVE REED OBE MP

Secretary of State for Housing, Communities and Local Government