

Subject:	Local Government Reorganisation	Status:	For Publication
Report to:	Council	Date:	July 2025
Report of:	Chief Executive	Lead Member:	Leader of the Council
Key Decision:	X Forward Plan X	General Exception <input type="checkbox"/>	Special Urgency <input type="checkbox"/>
Equality Impact Assessment:	Required:	No	Attached: n/a
Biodiversity Impact Assessment:	Required:	No	Attached: n/a
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1. RECOMMENDATION(S)

- 1.1 That Full Council note the process and timetable for the development of proposals for local government reorganisation in Lancashire.
- 1.2 That Full Council support in principle the three unitary model, including a Pennine Lancashire unitary council covering Blackburn with Darwen, Burnley, Rossendale, Hyndburn, Pendle and Ribble Valley.
- 1.3 That Full Council delegate to the Leader of the Council, in consultation with the Chief Executive, the authority to agree the council's position in the development of proposals to be submitted to government on November 28th, 2025.

2. EXECUTIVE SUMMARY

- 2.1 This report sets out a summary of the process to develop proposals for local government reorganisation in Lancashire, alongside a brief description of some of the main options being considered for the potential new unitary councils. It proposes that the initial preferred position of Rossendale Borough Council should be a model of three unitary councils in Lancashire.

3. BACKGROUND

- 3.1 Local government in Lancashire and some other areas of England operates in a two-tier system of governance (or three if parish and town councils are included) meaning that the delivery of local government services is split between the County Council and 12 district councils. Two unitary councils (Blackpool and Blackburn with Darwen) border the county council area. Local Government reorganisation refers to changing the structure of local government in an area, so the existing councils cease to exist and are replaced by new unitary authorities that are responsible for the delivery of all local government services and functions in the area they serve.
- 3.2 Towards the end of 2024, the government published its White Paper on English Devolution. The White Paper included significant proposals in relation to devolution and local government reorganisation. On 5 February 2025, the government issued a letter to all areas of England with two-tier local governance arrangements issuing a statutory invitation for proposals for reorganisation. The government has set an expectation that 'every effort' should be made to work together to develop and make one submission for the whole of Lancashire but accepts that may not be possible. The government will consider any suitable proposals submitted by local authorities. The timescales are as follows.

- **21 March 2025** – check in point to demonstrate direction, momentum and assurance councils in Lancashire are working together. An interim plan was submitted setting out progress on developing proposals in line with government guidance and criteria.
- Between **March 2025 and 28th November 2025** – Lancashire Leaders and Chief Executives will lead on the development of proposals.
- **28th November 2025** – deadline for submission of final Local Government reorganisation proposals for Lancashire.
- **January 2026 to April 2026** – the government will consult on final agreed proposals.
- **May 2026 to August 2026** – the government will make its decision on the final proposal.
- **September 2026 to December 2026** – Local Government Reorganisation legislation will be prepared and laid before Parliament.
- **May 2027** – elections to the new shadow unitary councils.
- **May 2027 to December 2027** – any transitional legislation will be prepared and laid before Parliament.
- **April 2028** – Go Live and Vesting Day for new unitary councils.

3.3 This report sets out some background on related developments on devolution before setting out requirements from the government in relation to proposals for reorganisation; the current potential options available for local government structures; and the recommended position for Rossendale Borough Council to adopt.

4. Devolution

4.1 Devolution and local government reorganisation are not the same, although there is a close relationship in the context of the White Paper, as the government suggests that simpler local government structures support deeper devolution.

4.2 A Lancashire County Combined Authority (LCCA) has now been formally established in Lancashire. Its constituent members are Lancashire County Council, Blackburn with Darwen Council and Blackpool Council. District Councils are not able to be full constituent members of the LCCA and instead are represented by two district leaders as non-voting members. Government has asked the LCCA members to review the options for deepening devolution arrangements in the Autumn 2025, with strong encouragement for adopting a model that includes a directly elected mayor for Lancashire. The powers and funding for areas with a combined authority and an elected mayor are significantly greater than for those without. If Lancashire were to pursue a model with an elected mayor, then there is the potential that the elections for that position would be held in May 2026. The White Paper also states that Combined Authorities will be renamed as Strategic Authorities.

5.0 Local Government Reorganisation - criteria

5.1 The government has set out guidance which will be used to assess proposals for reorganisation. The guidance is summarised below.

- **A proposal should seek to achieve for the whole of the area concerned the establishment of a single tier of local government**
Proposals should be for 'sensible economic areas, with an appropriate tax base' so there is not unfair advantage or disadvantage across the area. The proposals need to be supported by robust evidence and analysis.
- **Unitary local government must be the right size to achieve efficiencies, improve capacity and withstand financial shocks.**

‘As a guiding principle, new councils should aim for a population of 500,000 or more’, although there may be certain scenarios where that does not make sense for an area. The proposal should set out the rationale.

- **Unitary structures must prioritise the delivery of high quality and sustainable public services to citizens.**
Proposals need to set out how they will improve local government service delivery and public service reform. Consideration needs to be made as to the impact on crucial services such as Children’s Services, SEND and Homelessness.
- **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.**
- **New unitary structures should support devolution arrangements**
Proposals will need to set out how the CCA arrangement will need to change because of reorganisation and ensure that there are sensible population size ratios between the new councils and the new strategic authority.
- **New unitary structures should enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment.**
It is expected that Area arrangements will be hardwired into the proposals.

5.2 In developing proposals, existing district areas should be considered the building blocks and strong justification is required for more complex boundary changes.

6.0 Options

6.1 Set out in the table below are the options currently being considered for new local government structures in Lancashire alongside commentary on the proposals.

Option	Commentary
Two Unitary Councils	This is an option being discussed by the County Council. The configuration of the two unitaries is currently uncertain. The councils would be of sufficient size, but they would continue to be potentially significantly remote from local need, as well as placing together areas with few economic or community ties.
Three Unitary Councils	<p>Although different configurations could create three unitary councils, the preferred option is:</p> <ol style="list-style-type: none"> 1. West Lancashire, Chorley, South Ribble, Preston 2. Fylde, Wyre, Blackpool, Lancaster 3. Blackburn, Hyndburn, Rossendale, Pendle, Burnley, Ribble Valley <p>Each of the Unitary Councils would serve a population of around 500,000 and would also be broadly of similar size. There are other advantages to this model, as the new unitary areas would sit on the same footprint as current policing divisions and co-terminus with health districts.</p>

	This model is supported by Blackburn with Darwen, Hyndburn, Fylde and Wyre, and is recommended to be supported by Rossendale.
Four Unitary Councils	<p>The option currently being considered is a four unitary model. This being:</p> <ol style="list-style-type: none"> 1. West Lancashire, Chorley, South Ribble 2. Fylde, Wyre, Blackpool 3. Lancaster, Preston, Ribble Valley 4. Blackburn, Hyndburn, Rossendale, Pendle, Burnley <p>Only one unitary authority in this model has a population over 500,000, although the other three have populations around 350,000, the minimum size for a new unitary, and aligned to most in the North West.</p> <p>This model is supported by Preston, Lancaster, Chorley, South Ribble and Ribble Valley.</p>
Five Unitary Councils	<p>The option for five unitary councils has been proposed by Burnley, this being:</p> <ol style="list-style-type: none"> 1. Lancaster, Wyre 2. Blackpool, Fylde and Preston 3. Chorley, South Ribble, West Lancs 4. Burnley, Pendle, Rossendale or Ribble Valley 5. Blackburn, Hyndburn, Ribble Valley or Rossendale <p>The population size in this model would vary from 250,000 to 370,000 and would cover smaller areas that would be closer to communities; however, the financial sustainability of this model would need to be effectively considered and some of the options do not meet the criteria published by government.</p> <p>This model is supported by Burnley and Pendle.</p>

7.0 Recommended preferred option

- 7.1 In seeking to establish a preferred option for Rossendale, it is important to ensure that the council best represents the needs of the borough, but also important that the council is prepared to possibly change its position based on the emerging proposals and evidence, which may include feedback from residents, partners or indeed the government.
- 7.2. It is proposed that the initial position of Rossendale Borough Council is that the preferred structure of local government in Lancashire should consist of three unitary councils covering:
1. West Lancashire, Chorley, South Ribble, Preston
 2. Fylde, Wyre, Blackpool, Lancaster
 3. Blackburn, Hyndburn, Rossendale, Pendle, Burnley, Ribble Valley

7.3 The rationale for this being the preferred model is that the new councils would:

- Be sufficient size to be financially sustainable
- Bring together boroughs with similar characteristics
- Provides the opportunity to deliver significant change and improvements in the delivery of local government services
- It is focused on a 'known' Pennine Lancashire economic area.

8.0 RISK

8.1 The key risks associated with this report include:

- Creation of uncertainty, which could lead to greater turnover of staff and further difficulties in recruitment. This is currently being managed through a programme of internal communications to provide reassurance and updates, as well as a continued focus on delivering the Valley Plan and core services of the council.

9.0 FINANCE

There are no direct current financial implications arising from the report at this stage.

10 LEGAL

This report provides Full Council with an update on the emerging process for local government reorganisation and the different options which are available, at this stage there are no direct legal implications.

11 POLICY AND EQUALITIES IMPLICATIONS

None currently

12 REASON FOR DECISION

Agreeing a position for Rossendale in the discussions on local government reorganisation will ensure that Rossendale's position will be stronger than if no position is adopted.

13 BACKGROUND PAPERS

Ministerial letter to Lancashire 5 February 2025

<https://www.gov.uk/government/publications/local-government-reorganisation-invitation-to-local-authorities-in-two-tier-areas/letter-lancashire-blackburn-and-blackpool>