

Subject:	Local Government Reorganisation	Status:	For Publication
Report to:	Cabinet	Date:	26 th November 2025
Report of:	Chief Executive	Lead Member:	Leader of the Council
Key Decision:	☒ Forward Plan ☒	General Exception ☐	Special Urgency ☐
Equality Impact Assessment:	Required:	No	Attached: n/a
Biodiversity Impact Assessment:	Required:	No	Attached: n/a
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1. RECOMMENDATIONS

- 1.1 That Cabinet note the process and timetable for the submission of proposals for local government reorganisation in Lancashire.
- 1.2 That Cabinet agrees to submit the 'Three Lancashire Unitary Business Case' (Appendix One) to the Ministry of Housing, Communities & Local Government (MHCLG) for review and decision by ministers.

2. EXECUTIVE SUMMARY

- 2.1 This report seeks authorisation from Cabinet to submit the proposal for local government reorganisation in Lancashire, following the decision to support the three Lancashire unitary model made by Full Council on 16th July 2025, and the subsequent development of its business case. The report also considers a brief description of the other options developed for Lancashire and the timetable of government decision making and further consultation.

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 means 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 has clearly indicated that it will consider any suitable proposals submitted by local authorities.
- 3.3 On the 16th July 2025, following the publication of the English Devolution White Paper the Council recommended supporting the creation of a Pennine Lancashire Unitary Authority

(which includes (Blackburn with Darwen, Burnley, Hyndburn, Pendle, Ribble Valley & Rossendale) and its preferred option is the three-unitary model for Lancashire. The business case prepared, at Appendix One, in respect of the options suggest that this is the only configuration that meets all six of the Government's criteria for local government reorganisation while reflecting the way Lancashire's economy, services and communities already work and providing the best platform for the future.

3.4 The business case indicates that the three unitary model delivers a sustainable future for Lancashire through a stronger, more balanced financial case than any of the other proposed options, combining credible savings with the capacity to invest in services, work with partners, support economic growth, unlock deeper devolution, and connect at a local level to places people live, work and learn in.

3.5 The creation of new unitary authorities will be alongside the development of a Strategic Authority (currently referred to as the Lancashire Combined County Authority (LCCA) to address rising social care demand, housing pressures, health inequalities, and economic disparities. Lancashire, with 1.6 million residents and a £39.6 billion economy, faces significant socio-economic challenges including a £10bn economic productivity gap and high deprivation levels. Reorganisation provides a genuine opportunity to transform public services, involve residents in the decisions that affect their day-to-day lives, and support Lancashire to meet its full economic potential.

3.6 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 have led 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 July 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.

4.0 Local Government Reorganisation - criteria

4.1 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.

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

5.0 Business Case Development

- 5.1 In keeping with the government’s expectations, as outlined in 4.0, consultants 31Ten, Metrodynamics, and LG Futures were procured jointly by all 15 Lancashire authorities to support the development of reorganisation proposals for Lancashire.
- 5.2 All 15 agreed to the development of a single submission which consists of a joint evidence base supported by individual business cases for each of the proposals. In accordance with the decision made by Full Council on 16th July 2025, Rossendale Borough Council has worked with four other Lancashire councils to develop a proposal for a three unitary Lancashire.
- 5.3 Set out in the table below are the proposals being submitted for new local government structures in Lancashire alongside commentary on the proposals.

Option	Commentary
Two Unitary Lancashire	Two unitary councils with Lancashire split into North and South broadly across the River Ribble and M65. This has been developed by Lancashire County Council.
Three Unitary Lancashire	Three unitary councils of Central Lancashire (South Ribble Chorley, West Lancs and Preston), Coastal Lancashire (Fylde, Wyre, Blackpool and Lancaster) and Pennine Lancashire (Blackburn with Darwen, Hyndburn, Rossendale, Burnley, Pendle and Ribble Valley) This has been developed by Wyre, Blackburn with Darwen, Hyndburn, Fylde, and Rossendale.
Four Unitary Lancashire	Four unitary councils of Fylde Coast (Fylde, Wyre and Blackpool) North Lancashire (Lancaster, Ribble Valley and Preston), South Lancashire (South Ribble, Chorley and West Lancs) and Pennine Lancashire (Blackburn with Darwen, Hyndburn, Rossendale, Burnley, Pendle) This has been developed by Preston, Lancaster, Chorley, South Ribble and Ribble Valley.
Alternate Four Unitary Lancashire	An alternate four unitary option of North Lancashire (Lancaster, North Ribble Valley and Rural Wyre), South Lancashire (Chorley, South Ribble & West Lancs), East Lancashire (Blackburn with Darwen, Burnley, Pendle, Hyndburn, Rossendale & South Ribble Valley) and West Lancashire (Blackpool, Urban Wyre, Fylde & Preston) This has been developed by Blackpool.
Five Unitary Lancashire	Five unitary councils of North Lancashire (Lancaster & Wyre), West Lancashire (Blackpool, Fylde & Preston), South Lancashire (Chorley, South Ribble & West Lancs), East Lancashire (Burnley, Pendle and Rossendale) and Middle Lancashire (Blackburn with Darwen, Hyndburn and Ribble Valley) This has been developed by Burnley and Pendle.

6. Consultation

- 6.1 Communities and stakeholders across the county were invited to have their say on local government reorganisation in Lancashire. Two surveys were conducted across September 2025 to understand which council services Lancashire residents see as most important, the priorities for local government to focus on in the future and initial thoughts on moving to larger unitary councils.

- 6.2 The survey was promoted across the county, 13,414 respondents, including 67,784 individual written comments in answer to the open text questions, showing a genuine interest and high level of engagement from Lancashire.
- 6.3 A total of 409 responses were received for the stakeholder survey, representing over 200 unique organisations and individuals. Respondents included parish and town councils, businesses, voluntary and community groups and public sector organisations. Two reports have been produced, summarising the results of the surveys which were undertaken by Cratus Group, an independent agency on behalf of Lancashire's local authorities. This information has been used to inform the business cases.
- 6.4 What people told us across the engagement is that services that matter most to local people are those that touch daily life and wellbeing, such as good health and care services, reliable and accessible transport, affordable housing and good schools and opportunities for children. Community identity and connection remain strong. Clarity and simplicity were recurring themes in written feedback. Residents and businesses want less duplication, clearer responsibility for services that are more consistent and reliable, and a stronger link between local decisions and visible outcomes. Partnership working and fairness were also emphasised, with many respondents highlighting the importance of tackling inequalities across Lancashire and ensuring all areas have equal access to good quality local job opportunities, services and investment.
- 6.5 **Statutory Consultation:** After receiving proposals, the government (MHCLG) conducts a formal statutory consultation, where affected councils and other interested parties can provide their views before a final decision is made.

7.0 RISK

7.1 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.

8.0 FINANCE

8.1 There are no direct current financial implications arising from the report at this stage. Transition costs and long-term savings are being estimated and included within the business cases. Any costs of local government reorganisation will need to be considered as part of the budget process.

9 LEGAL

- 9.1 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.
- 9.2 Taking the case for three unitary authorities for Lancashire as an executive decision is legally sound, strategically appropriate and operationally efficient. It enables Lancashire to meet national deadlines, align with government expectations, and maintain momentum in pursuing devolution and governance reform.

10 POLICY AND EQUALITIES IMPLICATIONS

10.1 None currently

11 REASON FOR DECISION

11.1 To support the submission of the three unitary model for Lancashire Business Case.

12 BACKGROUND PAPERS

Appendix 1 - [‘Our Lancashire’ – shaping a stronger future together | Local Government Reorganisation | Rossendale Borough Council](#)

[English Devolution and Community Empowerment Bill](#)

[English Devolution White Paper](#)

[LGA Devolution & LGA FAQs](#)

[Report to Full Council – 16th July 2025](#)