Local Government Reorganisation in Lancashire

The case for three unitary authorities for Lancashire

Our Lancashire









Our place.
Our future.
Our Lancashire.
Putting people at the heart of change.

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Structure

How this document is structured: This proposal document is divided into separate sections, which are described below:

Section	Purpose
Section 1: Executive Summary	Sets out the vision for three new unitary authorities in Lancashire, summarising the case for change, key outcomes, and a summary of the proposal, including timeline and next steps.
Section 2: Context and Background	Describes the national and local context for reform, including government policy direction, Lancashire's economic and demographic profile, and the drivers for change.
Section 3: Background to Local Government Reorganisation in Lancashire	Explains why reorganisation is needed now, summarising existing arrangements, current service structures, challenges and opportunities, and the case for a new approach.
Section 4: Options Appraisal	Outlines the longlisting and shortlisting process undertaken in line with HM Treasury Green Book principles, assessing each option against the six MHCLG criteria and the financial and economic case for change.
Section 5: Our Proposal	Describes the proposed three unitary authorities including their geographic composition, rationale, and how they will deliver improved outcomes for residents, businesses, and partners across Lancashire
Section 6: Delivering Local Government Reorganisation Successfully	Sets out how change will be implemented, including transition approach, leadership and governance, risks, phasing, and the pathway to vesting day.
Section 7: Appendices	Provides supporting data, modelling outputs, detailed option assessments and other technical evidence underpinning the business case.

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1. Report Highlights and Insight

1.1 Our vision

Our vision is for three new unitary councils, balanced in scale and rooted in real places, to create the capacity and clarity needed to unlock Lancashire's potential. As the only configuration meeting all six government tests, this proposal will:

- **unlock Lancashire's potential through strategic capacity and operational clarity**
- **deliver integrated preventative services co-designed with the NHS and partners, shifting from crisis response to early intervention**
- **provide government and business with credible partners who can deliver growth and devolution at scale**
- **reconnect decision-making to the neighbourhoods, towns and communities where it matters most**

1. Report Highlights and Insight

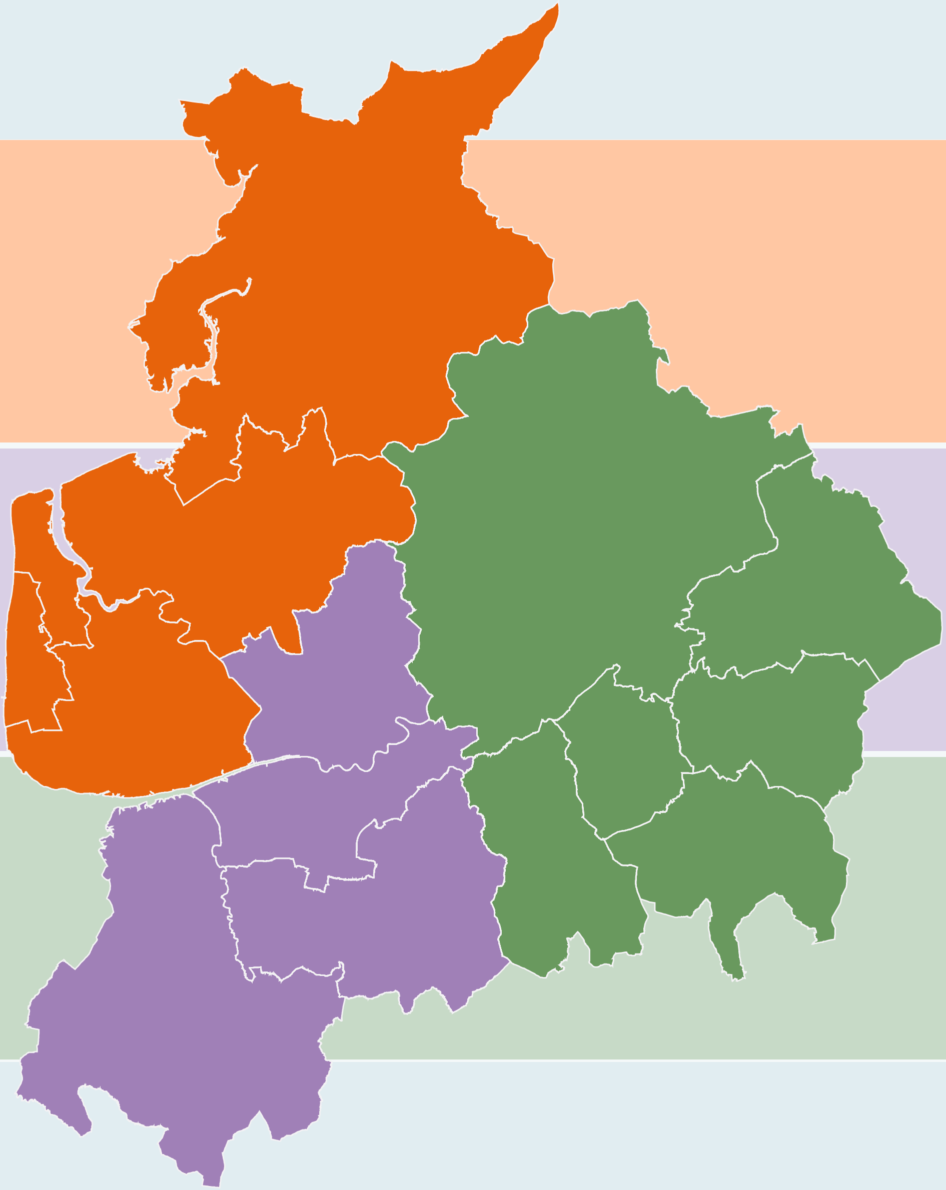
1.1 Our vision

Lancashire deserves a system of local government that matches our scale, character and ambition - one that reflects how people live, work and learn, and that brings together the full strength of our communities, economy and public services. A simpler, stronger and more equitable approach will enable Lancashire to lead with clarity, work in partnership across shared priorities, and deliver better outcomes for residents, businesses and communities. The three-unitary proposal will deliver that change. It will:

- Put neighbourhoods at the heart of decision-making – establishing co-produced neighbourhood governance so that communities help shape priorities, influence services and hold decision-makers to account.
- Join up services around people's lives – aligning local government boundaries with key partners like the NHS, police, and fire and rescue services to enable shared commissioning, integrated care and co-ordinated prevention.
- Invest in prevention and early intervention – connecting housing, health, care and community support around shared neighbourhoods to reduce demand, improve outcomes and extend independence.
- Plan growth across real economic geographies – linking the M65 manufacturing corridor, the central innovation spine and the coastal energy and visitor economy to attract investment, support jobs and deliver infrastructure.
- Unlock deeper devolution and investment – providing credible, strategically capable partners for the Combined Authority, government, business and neighbouring regions, with the scale to shape long-term priorities for housing, transport, skills and growth.
- Embed fairness and resilience – building broader tax bases, spreading demand more evenly and reinvesting efficiencies into frontline services and local priorities.

Delivering our vision will require more than structural change. It will depend on strong, credible leadership capable of driving transformation at scale, managing transition safely, and embedding new ways of working from day one. Our proposed leadership approach is designed with this in mind. Together, the three new unitary councils will give Lancashire the clarity and capacity it has long needed - each designed around its own strengths and united by a shared ambition for people, place and prosperity. The following sections set out how Coastal, Central and Pennine Lancashire each bring distinctive assets, communities and opportunities to the county's future, and how their combined potential forms a single, coherent vision for a stronger, fairer Lancashire.

1. Report Highlights and Insight



Unitary 1 (Coastal Lancashire)
Population: 493,387

- Blackpool
- Fylde
- Lancaster
- Wyre

Unitary 2 (Central Lancashire)
Population: 521,811

- Chorley
- Preston
- South Ribble
- West Lancashire

Unitary 3 (Pennine Lancashire)
Population: 586,357

- Blackburn with Darwen
- Burnley
- Hyndburn
- Pendle
- Ribble Valley
- Rossendale

Note: though the three unitary authorities are assigned consistent names throughout this document, these are provisional - we expect each council to select its own name in due course in consultation with its residents and communities.

1. Report Highlights and Insight

1.2 - Unitary 1: Coastal Lancashire (North)

Creativity, Energy and Renewal on the Coast

Coastal Lancashire brings together some of England's most distinctive and resilient communities, from the seaside towns of Lytham St Annes and Blackpool in the south to the historic city of Lancaster and the bay communities of Morecambe and Heysham in the north. Together they form a powerful coastal economy defined by creativity, innovation and natural beauty.

A connected coastal economy

This stretch of coastline unites the current authorities of Blackpool, Fylde, Wyre and Lancaster around a shared geography and a shared purpose. The coast is Lancashire's most visible asset, linking communities, tourism, offshore energy and defence industries in a single economic system. It combines a world-renowned visitor economy with nationally significant clusters in energy, nuclear, and advanced manufacturing, creating a foundation for sustainable, year-round growth.

The area hosts major strategic assets like the energy cluster at Heysham, the research excellence of Lancaster University, and a visitor economy with genuine global reach. Blackpool's Town Deal and Levelling Up programmes are re-imagining the UK's most iconic seaside resort, broadening its base into education, digital industries and green energy supply chains. To the south, Lytham St Annes and Fylde house high-value manufacturing and engineering firms anchored by BAE Systems Warton. Further north, Lancaster and Morecambe are emerging as the intellectual heart of the coast, with Eden Project Morecambe and Lancaster University forming the spine of a single innovation arc linking environmental science, clean energy and advanced materials.

Healthier communities and stronger services

But coastal communities in Lancashire also face deep-rooted health inequalities and an ageing population, placing pressure on adult social care, mental health and housing. A single, integrated Coastal Lancashire authority, with a Public Health Director and Director for Adult Social Care, would provide the scale and coherence to tackle these challenges while aligning services with NHS and key partner geographies. This would enable prevention, community health and social care to be planned and delivered around shared neighbourhoods, joining up support across the Fylde Coast and northern Lancashire to improve outcomes and reduce demand. The new unitary would also provide an opportunity to improve the quality of housing by tackling issues which disproportionately impact areas with high deprivation. A strong unitary authority would be in a position to oversee improvements to the housing sector, improving the lives of residents and making our built environment more efficient and sustainable.

1. Report Highlights and Insight

1.2 - Unitary 1: Coastal Lancashire (North)

Infrastructure, resilience and sustainable growth

Closer integration would allow co-ordinated strategic planning along the M6, M55, A585 and West Coast Main Line corridors, unlocking stalled housing and employment land and improving north–south connectivity. It would also strengthen logistics and tourism links across the Irish Sea and into Cumbria. Transport connectivity across Coastal Lancashire is a key future focus. Blackpool Council currently owns and operates Blackpool Transport Services Ltd, the municipally owned operator responsible for both the tramway and most local bus services, carrying around 14 million passengers a year, making it one of the few authorities nationally with direct operational responsibility for public transport. Blackpool also wholly owns Blackpool Airport, which has focused on non-commercial use since 2015. Alongside this, the new authority would look to utilise the unique asset of Myerscough College with its rural expertise, to further develop the agricultural sector and continue to deliver flood defence schemes which enhance our natural environment and eco-systems.

Over recent decades, hundreds of millions of pounds have been invested to protect thousands of homes and assets through flood and coastal defence works at Morecambe, Rossall, Anchorsholme and Fairhaven. A unified authority would bring these responsibilities together, working with the Regional Flood and Coastal Committee's Our Future Coast initiative to plan long-term resilience and sustainable adaptation.

A new generation of coastal leadership

With its rich cultural identity, diverse economy and world-class scientific base, Coastal Lancashire can lead the reinvention of the English seaside, a place where heritage, science and nature converge to power clean growth and healthier communities. The new authority will unite partners across health, housing, environment and education to address coastal inequalities, modernise ageing infrastructure and unlock sustainable growth.

1. Report Highlights and Insight

1.2 - Unitary 1: Coastal Lancashire (North)

Coastal Lancashire UA – at a glance

- Specialism in defence, energy, nuclear and agricultural sectors, including major employers such as BAE Systems and Westinghouse, with strong growth potential in nationally important low-carbon industries.
- Employment is concentrated in health and social care, education, accommodation and food services, and energy-related industries, reflecting the area's visitor economy, public sector employers and energy assets at Heysham.
- Deep interconnection between economy and wellbeing, with significant demand for adult social care and health services linked to ageing coastal communities and deprivation in parts of Blackpool and Fleetwood.
- Areas of major biodiversity and environmental significance, including Morecambe Bay and the Ribble and Wyre estuaries, designated as Sites of Special Scientific Interest.
- Our Future Coast, a multi-partner initiative along the North West coast, is testing sustainable flood-defence and adaptation models that strengthen community resilience.
- A strong visitor economy stretching from Lytham and St Annes to Blackpool, Cleveleys, Fleetwood and Morecambe, with clear links to Cumbria and the Lake District.
- Research and higher education assets at Lancaster University, Blackpool and Fylde College, Myerscough College and Lancaster & Morecambe College underpin skills and innovation.
- Strategic location with links north to Cumbria and east across the Pennines, supporting trade, tourism and energy collaboration.

Population **493,387**	Households **213,140**	Businesses **15,935**
Economic output **£11.4bn**	Jobs **227,000**	Avg. annual earnings **£34,587**
Adult social care referrals **34,830**	Children's social care referrals **4,349**	RQF4+ qualified **42.1%**
Female life expectancy **81.0**	Male life expectancy **76.5**	% green belt land **3.8%**

1. Report Highlights and Insight

1.3 Unitary 2: Central Lancashire (Central)

Lancashire's Centre for Enterprise and Opportunity

The Central Lancashire authority brings together Preston, Chorley, South Ribble and West Lancashire, a cluster that has long worked in partnership to plan growth, deliver services and connect people to opportunity. It sits at the heart of Central Lancashire's economy and is a major population centre, combining the strengths of the urban area of Preston, market towns like Chorley and Ormskirk, and rural hinterland to form a balanced and dynamic region.

A diverse, high-performing economy

Central Lancashire has the biggest economy and has seen strong growth of 1.7% a year on average since 1998, roughly in line with national and regional growth, growing by over £5bn to £15.5bn. The area is home to many of the county's most significant employment sites and innovation assets. Preston, anchored by the University of Lancashire and its Engineering and Innovation Centre, drives regional leadership in advanced manufacturing, robotics and materials science. To the south, Chorley's Strawberry Fields Digital Hub has become a launchpad for tech entrepreneurs, creative industries and start-ups, while South Ribble's Samlesbury Enterprise Zone, BAE Systems and Leyland Trucks form a national powerhouse in aerospace and green manufacturing. In West Lancashire, growing strengths in agricultural technology and sustainable food production reflect national priorities around food security and environmental sustainability. These places represent a unique blend of industrial capability and innovation, making Central Lancashire a natural engine for clean growth, skills and enterprise across the North West.

Stronger services and thriving communities

As the county's most connected region - the West Coast Main Line links the area with other major cities in the North, Midlands and Scotland, and the area is serviced by the M6, M65 and M58 - Central Lancashire provides access to employment, education, housing and healthcare for hundreds of thousands of residents. Yet rapid population growth and widening inequalities are placing increasing demand on services such as adult social care, children's services, transport and housing. A single unitary authority would provide the coherence and scale to meet these needs while keeping decision-making close to the communities it serves.

Aligned with NHS and partner footprints, the new authority would strengthen neighbourhood health and prevention work, building on established partnerships between councils, the voluntary sector and local health providers. This joined-up approach would improve outcomes, reduce duplication and ensure that social care and community support are designed around people, not institutions.

1. Report Highlights and Insight

1.3 Unitary 2: Central Lancashire (Central)

Connectivity, collaboration and growth

The new authority would build on the success of the Preston, South Ribble and Lancashire City Deal, which has already unlocked major infrastructure, housing and employment growth, with scope to extend this collaborative model across West Lancashire. With its strong transport and business connections, a Central Lancashire unitary authority is uniquely positioned as a gateway to the Liverpool City Region and to the innovation clusters of Cheshire and Warrington.

Education is a key strength to build upon. Edge Hill University and the University of Lancashire are both nationally respected for their innovative teaching and rigorous academic standards. Central Lancashire also benefits from high-quality college and sixth form education, with many institutions rated ‘Outstanding’ or ‘Good’ by Ofsted and recognised for their academic achievement and vocational excellence.

By uniting shared assets, skills and investment ambitions, the Central Lancashire authority will drive the county’s economic renewal while ensuring that growth directly supports improved outcomes. Integrated planning across housing, transport, health and care will strengthen communities, widen opportunity and deliver better outcomes for residents, working to ensure prosperity, opportunity and high-quality public services reach every part of Lancashire’s heartland.

1. Report Highlights and Insight

Our Lancashire

1.3 Unitary 2: Central Lancashire (Central)

Central Lancashire UA – at a glance

- Specialism in agriculture and energy, with West Lancashire home to England's second-largest concentration of Grade 1 farmland, underpinning national food production and green innovation.
- The largest employment sectors are health, education, and professional, scientific and technical services, anchored by the NHS, University of Lancashire and BAE Systems, alongside a fast-growing digital and business-services base.
- Health and social care form the backbone of local employment and community wellbeing, with major NHS providers and a large adult social care workforce supporting diverse urban and rural populations. The new authority can align services more closely with NHS footprints to drive prevention, integration and workforce resilience.
- The Samlesbury Enterprise Zone and Manufacturing Innovation Facility, together with strategic sites such as Preston Station Quarter and Cuerden, provide a nationally significant platform for advanced manufacturing and clean-growth investment.
- Preston serves as Lancashire's principal commuter and service centre, with strong travel-to-work connections across Chorley, South Ribble and West Lancashire.
- Strong education and training ecosystem, anchored by the University of Lancashire and Edge Hill University, supported by extensive FE and technical provision, helping to grow skills for health, green and digital sectors.
- Excellent transport connectivity via the M6, M61, M65 and West Coast Main Line, making the area Lancashire's central hub for business, logistics and access to services.

Population **521,801**	Households **206,858**	Businesses **18,770**
Economic output **£15.5bn**	Jobs **266,000**	Avg. annual earnings **£37,475**
Adult social care referrals **33,470**	Children's social care referrals **3,133**	RQF4+ qualified **40.9%**
Female life expectancy **82.3**	Male life expectancy **78.1**	% green belt land **66.9%**

1. Report Highlights and Insight

1.4 Unitary 3: Pennine Lancashire (East)

Made in the Pennines: Industry, Innovation and Identity

Pennine Lancashire forms the industrial heartland of the county and one of the most diverse, resilient and enterprising sub-regions in the North West. Rooted in centuries of innovation, craftsmanship and making, it remains defined by its ability to adapt, and is a place where world-class manufacturing, digital and creative industries, and a growing innovation ecosystem converge.

A powerhouse of manufacturing and innovation

The area has one of the UK's highest concentrations of advanced manufacturing businesses, with globally recognised supply-chain clusters in aerospace, defence, automotive and precision engineering. Burnley's Advanced Manufacturing and Aerospace Supply Park host firms such as Safran Nacelles, BCW Engineering and Kaman Tooling, while across Hyndburn, Pendle and Blackburn with Darwen, long-established manufacturers including Fort Vale Engineering, What More UK and WEC Group are combining traditional expertise with automation, additive manufacturing and digital design.

Pennine Lancashire's industrial corridors connect directly into Greater Manchester's advanced manufacturing network, enabling businesses to collaborate on innovation, supply chains and workforce development. Strong partnerships with Lancashire's universities are expanding research in materials science, digital engineering and low-carbon innovation, ensuring the region remains at the forefront of sustainable industrial growth.

Creative energy and cultural pride

The area's entrepreneurial spirit is matched by a vibrant cultural identity. From Blackburn's National Festival of Making and the British Textile Biennial to Burnley Canal Festival and Pendle's art and heritage programmes, Pennine Lancashire's towns celebrate the fusion of creativity and industry that has long defined them. Community-led regeneration, festivals and local initiatives, like Accrington's Food and Drink Festival and the Haworth Art Gallery's exhibitions, continue to strengthen civic pride, support local economies and attract visitors year-round.

Pennine Lancashire's landscapes, from the Forest of Bowland AONB and Pendle Hill to the Ribble and Rossendale Valleys, provide a setting of exceptional natural beauty and opportunity, supporting eco-tourism, rural diversification and a growing green economy.

1. Report Highlights and Insight

1.4 Unitary 3: Pennine Lancashire (East)

Balanced growth and stronger communities

Pennine Lancashire faces significant health inequalities and high levels of demand for adult social care, children's services and housing, as well as notably lower outcomes than the rest of the county. This proposal's alignment with NHS and partner footprints means there is a strong foundation to provide the stability and scale to strengthen prevention, community health and care. Blackburn with Darwen's well-regarded social care delivery model is a strong foundation upon which to embed good practice further across the region. A unified structure would enable more integrated delivery, reduce duplication and ensure resources are targeted where need is greatest.

The inclusion of Ribble Valley within the proposed authority ensures a balanced tax base and a fair distribution of population and resources across East Lancashire.

It would also create a platform for inclusive growth, linking education, skills, and employment with health and wellbeing to ensure prosperity and opportunity are shared across every community.

A modern industrial region for a new era

By combining manufacturing excellence, entrepreneurial dynamism and rich cultural and environmental assets, Pennine Lancashire can lead the next generation of sustainable industrial growth. It will continue to make things, but also make change – blending innovation, heritage and community strength to build healthier, fairer and more resilient communities. The new authority will link economic renewal with better life chances, connecting skills, employment, housing and care so that prosperity translates into improved outcomes for all residents. In doing so, Pennine Lancashire will stand as one of the most balanced and opportunity-rich economies in the North West.

1. Report Highlights and Insight

1.4 Unitary 3: Pennine Lancashire (East)

Pennine Lancashire UA – at a glance

- Employment is driven by manufacturing, health and social care, and retail and logistics, with advanced engineering, materials and component manufacture continuing to define the sub-region's industrial character.
- Strong and diverse manufacturing base, ranging from highly entrepreneurial SMEs to globally significant firms in aerospace, automotive, digital and creative industries, providing the backbone of Lancashire's export economy.
- Growing cultural and visitor economies, exemplified by the National Festival of Making, British Textile Biennial and local heritage programmes that strengthen identity and civic pride.
- Exceptional natural environment – Pendle Hill, the Forest of Bowland and the South and West Pennine Moors – offering scope for eco-tourism, outdoor wellbeing and sustainable land management.
- High health inequalities and social care demand, with life expectancy and healthy-life expectancy below regional averages, underlining the need for closer alignment between councils, NHS and community partners.
- Ambitious local work on prevention, family wellbeing and community safety, building on integrated place-based partnerships already active across East Lancashire.
- Inclusion of the Ribble Valley brings a balanced tax base, broader housing market and opportunities for rural diversification and green-growth innovation.
- Strong connectivity to Greater Manchester, particularly through Rossendale and Darwen, linking Pennine Lancashire into wider employment and skills networks across the North West.

Population **586,357**	Households **228,803**	Businesses **19,810**
Economic output **£12.7bn**	Jobs **246,000**	Avg. annual earnings **£31,637**
Adult social care referrals **31,588**	Children's social care referrals **5,689**	RQF4+ qualified **36.3%**
Female life expectancy **80.8**	Male life expectancy **76.6**	% green belt land **14.2%**

1. Report Highlights and Insight

1.5 Why these three unitary authorities work as a blueprint for Lancashire's future

Each new authority combines scale with identity, creating councils that are large enough to deliver complex services sustainably and local enough to stay connected to the places people recognise as home. Together, they create an approach that:

Strengthens services

Aligning local government with the footprints of the NHS and other partners, making it easier to plan and deliver joined-up health, care and community services across shared populations.

Drives growth

Linking Lancashire's economic corridors, including the M65 Pennine manufacturing spine, the M6/M55 central growth zone, and the coastal energy and visitor economy. Each new authority connects towns and cities with their surrounding areas, ensuring growth reaches across Lancashire's diverse communities.

Unlocks devolution

Providing three strategically capable councils that can work collectively with the Lancashire Combined County Authority, and act as strong partners to Greater Manchester, Liverpool City Region and Cumbria.

Connects communities

Creating three balanced areas that reflect Lancashire's real places and patterns of life, uniting cities, towns, and rural communities within coherent footprints that people recognise and identify with. Each brings together linked housing markets, travel-to-work areas and shared local economies, ensuring decisions are shaped by authentic communities and places.

Builds resilience

Establishing fairer and more balanced tax bases, spreading service demand more evenly, and creating councils of optimal population size and financial sustainability, with lower transition risk than larger or more fragmented alternatives.

1. Report Highlights and Insight

1.6 Our proposal

We are proposing three unitary authorities for Lancashire, 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 future. It is the only deliverable, balanced and locally credible option that:

- Meets every MHCLG test on scale, sustainability, identity and service integration
- Has strong local identity and support, with each proposed unitary built around established places and communities (including a major town or city in each area), cross-party political backing, and the combined support of upper-tier and district councils.
- Includes university provision in each area, supporting skills, innovation and pathways to employment
- Balances economies and populations, avoiding any authority being dominated by very high deprivation or an unduly narrow tax base
- Is coterminous with key public service partner footprints, enabling joined-up planning and delivery for health, care, community safety and beyond
- Fits the Growth Plan's corridors and functional economic geographies, aligning the coast, the central M6/M55/M58 corridor, and the M65 Pennine corridor so housing, transport and skills can be planned together.
- Represents the fairest and most balanced option, offering financial resilience, optimum population scale for commissioning and the lowest level of transition risk.
- Is supported by the business community, recognising that streamlined governance and coherent economic geographies will strengthen investment confidence and competitiveness.

Our proposal is built around a clear vision for Lancashire, which is for three new unitary councils, balanced in scale and rooted in real places, to create the capacity and clarity needed to unlock Lancashire's potential. They will deliver stronger services for geographies that reflect places, communities and key partner footprints, give businesses and government credible partners for growth and devolution, and reconnect decision-making to the places people live, work and learn in.

1. Report Highlights and Insight

1.6 Our proposal

This vision is underpinned by a clear set of strategic objectives that describe what three unitary authorities will achieve - stronger leadership, improved service design and more resilient councils. These objectives translate the national criteria for reform into practical benefits for Lancashire - clear governance, stable transition, innovative services, democratic strength, functional economic geographies, credible devolution and the right scale for efficiency and resilience.

Together, these objectives will create a simpler and stronger system of local government which can work with residents and partners to tackle challenges, seize opportunities and build a more confident, prosperous Lancashire. The outcomes shown below describe what this means in practice:

- **Improved services and social outcomes: evolving service delivery to tackle key socio-economic challenges and pioneer new approaches.**
- **Accelerated economic growth: mobilising Lancashire's economic and place assets to deliver growth and deliver government priorities like increased housing.**
- **Increased resident and community engagement: demonstrating our ability to deliver improved outcomes and strengthen the case for greater devolved powers.**
- **Accelerated devolution: creating simpler, stronger local government built on established identities and community ties.**
- **Increased financial resilience: driving financial sustainability to support efficiency, investment and long-term stability.**

This is a once-in-a-generation opportunity to reshape local government in Lancashire. The three-unitary proposal is the only configuration that truly balances ambition with deliverability. It achieves the right scale for strategic leadership and financial resilience while preserving the local identity and accountability that residents value. It reflects how Lancashire already works - our health systems, key public sector partners, economic corridors and community networks - and provides the firmest foundation for the future. This is a proposal that can move Lancashire forward with unity, purpose and confidence.

1. Report Highlights and Insight

Our Lancashire

1.6 Our proposal

1.6.1 Visual representation of the three-unitary proposal

Vision...
Our direction to travel

Our vision is for three new unitary councils, balanced in scale and rooted in real places, to create the capacity and clarity needed to unlock Lancashire's potential

They will deliver stronger services for geographies that reflect places, communities and key partner footprints, give businesses and government credible partners for growth and devolution, and reconnect decision-making to the places people live, work and learn in.

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Strategic objectives...
What 3UA will deliver

- Establish a clear and stable governance footprint
- Ensure continuity of service delivery during transition
- Embed a culture of innovation and continuous improvement
- Strengthen democratic and community connection in new structures
- Align organisational boundaries with functional economic geographies
- Create governance structures that provide a credible platform for future devolution
- Appropriate scale and balance to support efficiency and resilience

MHCLG criteria...
3UA alignment with MHCLG criteria

- Single tier of Local Government
- Right size for efficiency and resilience
- High-quality, sustainable services
- Joint working and local support
- Supports devolution
- Stronger community engagement

Outcomes...
Why 3UA makes sense for Lancashire

Improve services and social outcomes
Reconfigure and integrate services around people's lives, joining up health, care, housing and prevention to improve outcomes, reduce inequalities and tackle complex social challenges at their root.

Accelerate economic growth
Harness Lancashire's real economic geographies to unlock investment, support innovation and skills, and deliver new jobs, homes and infrastructure across key growth corridors.

Increase resident & community engagement
Put neighbourhoods and communities at the heart of decision-making through stronger local governance, co-design with residents, and deeper partnerships with the VESFE.

Accelerate devolution
Create the scale, capability and strategic clarity needed for meaningful devolution with three strong councils able to shape shared priorities and secure greater powers and funding.

Increase financial resilience
Build a sustainable future through fairer tax bases, stronger demand management and sustained investment in prevention, enabling long-term financial stability and value for money.

Residents | Businesses | Partners | Visitors

1. Report Highlights and Insight

1.6 Our proposal

1.6.2 Strategic objectives

Our vision for Lancashire sets out seven strategic objectives that the three-unitary proposal will deliver, improving outcomes for residents, businesses and partners.

1. **Establish a clear and stable governance footprint** to align boundaries with key partners like the NHS and police, strengthening collaboration, reducing duplication and enabling more coordinated delivery, and making it simpler to identify areas of responsibility and accountability
2. **Ensure continuity of service delivery during transition** to protect existing strengths, maintain performance in critical services and ensure a smooth, well-managed transition for residents and staff.
3. **Embed innovation and continuous improvement to redesign services** with residents, businesses and partners at locality and neighbourhood level - using evidence and best practice to modernise delivery and empower communities to tackle shared challenges.
4. **Strengthen democratic and community connection** within new co-designed structures, maintaining strong local identity and ensuring decisions are informed by the voices and priorities of Lancashire's communities.
5. **Align organisational boundaries with functional economic geographies** to create councils built around real patterns of living, working and travel, supporting investment, growth and opportunity across Lancashire.
6. **Create governance structures that provide a credible platform for future devolution** to establish authorities with the scale, coherence and capability to secure greater powers and resources from government.
7. **Appropriate scale and balance to support efficiency and resilience** ensuring each council is large enough to deliver efficient, sustainable services, while remaining close enough to communities to be responsive and locally accountable.

1. Report Highlights and Insight

1.6 Our proposal

1.6.3 Outcomes

Moving to three unitary authorities offers a simpler and more sustainable system of local government for Lancashire, one that is easier for residents, businesses and partners to navigate, financially stronger, and better able to reinvest savings in frontline services. The proposal enables more joined-up and locally responsive services, strengthens Lancashire's collective voice and influence nationally, and does so while respecting and enhancing the distinct identity of its towns, parishes and communities.

It is built around a clear set of outcomes for residents, businesses, partners and visitors, as illustrated below.

Improve services and social outcomes	Accelerate economic growth	Increase resident & community engagement	Accelerate devolution	Increase financial resilience
Reconfigure and integrate services around people's lives, joining up health, care, housing and prevention to improve outcomes, reduce inequalities and tackle complex social challenges at their root.	Harness Lancashire's real economic geographies to unlock investment, support innovation and skills, and deliver new jobs, homes and infrastructure across key growth corridors.	Put neighbourhoods and communities at the heart of decision-making through stronger local governance, co-design with residents, and deeper partnerships with the VESFE.	Create the scale, capability and strategic clarity needed for meaningful devolution with three strong councils able to shape shared priorities and secure greater powers and funding.	Build a sustainable future through fairer tax bases, stronger demand management and sustained investment in prevention, enabling long-term financial stability and value for money.

Residents | Businesses | Partners | Visitors

1. Report Highlights and Insight

1.6 Our proposal

1.6.4 What this means for residents

Three unitary authorities for Lancashire creates the strongest platform to improve frontline services and outcomes for residents. It reflects how people live, work and access services, while strengthening the capacity to plan, deliver and invest locally. The following key features of the model illustrate why it works for residents:

Coterminosity with partner footprints

Three new authorities align closely with Lancashire's existing NHS and Integrated Care Board (ICB) footprints. This alignment is critical to delivering the government's health reform agenda, enabling joint planning and delivery between councils, the NHS and wider partners to shift the balance of care from hospitals to communities, tackle health inequalities, and move towards a neighbourhood health model.

Coterminosity makes it easier to design shared priorities, co-ordinate care pathways across primary, community and social care, and reduce the fragmentation that undermines patient outcomes. It creates the foundation for genuinely integrated locality and neighbourhood teams - the cornerstone of the government's preventative health ambitions - where GPs, social care, mental health services and community support work as one around the needs of local populations.

In East Lancashire, for example, the Pennine Lancashire Health and Care Partnership, one of five local partnerships within the Lancashire and South Cumbria ICB, already brings together Blackburn with Darwen, Burnley, Hyndburn, Pendle, Rossendale and Ribble Valley around shared priorities for population health. The Lancashire Pennine Local Medical Committee (LMC) also represents GPs across Blackburn with Darwen and East Lancashire, reinforcing this alignment at a practical level.

The Police and Crime Commissioner for Lancashire, Clive Grunshaw, and the Chief Constable of Lancashire Constabulary, Sacha Hatchett, have endorsed the three-unitary proposal, stating that it:

"Builds on the strong relationships already in place between councils through community safety partnerships [and] leverages existing local knowledge and collaborative working arrangements, ensuring continuity and enhancing the effectiveness of future governance structures."

They confirmed their support for this proposal's alignment with operational boundaries, emphasising that...

"aligning any future local government reorganisation with existing police divisional boundaries presents a compelling and practical model for reform."

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Over time, this provides the platform to deliver more accessible, better-integrated local health and care services with improved outcomes for residents. The coterminous relationship directly enables the NHS 10-year plan's 'big shift' from hospital to community, supports the government's mission to build an NHS fit for the future, and aligns with wider priorities around prevention, early intervention, and addressing the social determinants of health at a neighbourhood level.

The proposal also aligns with the operational footprints of Lancashire Constabulary, a strong foundation for enhanced partnership working which can enable closer co-ordination between community safety, social care, housing and enforcement services. This alignment means intelligence, priorities and interventions can be planned jointly, improving how agencies respond to issues such as anti-social behaviour, domestic abuse or vulnerability. The three-unitary option is the model with the strongest potential to deliver a more consistent, preventative approach to community safety across the whole area.

A polycentric region with balanced local centres

The three-unitary proposal creates a county shaped around several strong and interdependent centres - Blackburn and Burnley in Pennine Lancashire, Blackpool and Lancaster in Coastal Lancashire, and Preston in Central Lancashire. Each area combines urban centres, market towns and rural communities, with balanced populations of around 490,000-580,000. This matters because it:

- Spreads growth more evenly – economic activity is not drawn into a single dominant centre but distributed across multiple thriving towns and cities.
- Strengthens functional economic areas – the proposal reflects how people actually live, work and learn, aligning with commuting and housing market patterns identified in the Lancashire Independent Economic Review (2021).
- Supports long-term resilience – three balanced authorities ensure that no single area is too large to dominate or too small to sustain complex services.

Building on strong local service foundations

The three-unitary proposal enables Lancashire to build on existing local strengths while tackling variation in service quality. Blackburn with Darwen's consistently strong Ofsted and CQC performance provides an exemplar for high-quality, people-centred social care and education services that can be scaled across neighbouring areas. By bringing together existing good practice within manageable footprints, the proposal makes it possible to establish common standards, share specialist expertise and improve consistency in care and outcomes across the county.

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Neighbourhood and community engagement

The proposal also supports deeper community connection and local accountability. Balanced populations mean that services will still feel local, with strong place-based delivery structures and engagement at neighbourhood level. This approach aligns with national policy on neighbourhood health and care, ensuring that decisions are taken close to communities and that residents continue to influence local priorities.

Support from Lancashire MPs

The three-unitary proposal builds on a foundation of broad local support from councils of different political leaderships, business networks, civic institutions and local partners. That consensus is reflected among Lancashire MPs, several of whom have expressed support for the three-unitary proposal and the need to simplify the structures that serve their constituencies so that they reflect real communities and the places that shape daily life.

Sarah Smith MP, Member of Parliament for Hyndburn and Haslingden, has confirmed her support for the three-unitary authority proposal as the only option that sets out a single East Lancashire authority encompassing Hyndburn, Burnley, Pendle, Ribble Valley, Rossendale and Blackburn with Darwen. She highlighted the area’s natural coherence and the strength of existing institutional and community links across health, policing and local services:

“There are overwhelming inter-relationships between the current boroughs. Residents in Hyndburn go out to work in Blackburn or Burnley, and vice versa. A mother in Blackburn will more than likely give birth to her child in Burnley. Likewise, Rossendale residents use services and facilities in Burnley, Hyndburn and Blackburn, and Pendle residents work, shop and use services in Burnley and Ribble Valley.”

She also noted that the proposal would create...

“the least disruption to residents and a far more efficient and cost-effective structure of local government”, balancing population scale with proximity and accountability.

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Adnan Hussain, the Member of Parliament for Blackburn, has recognised the need for improvement with the current two-tier system across Lancashire and believes that this proposal will *"unlock our region's full potential"*, further adding:

"This is the option which makes the most sense to me […] as this defines a natural economic geography, connecting major growth priorities and corridors, to form a more coherent travel-to-work area. It also represents a sensible place-focused geography, which brings together communities that are similar in character, needs and history. Indeed, there are strong and shared historical, cultural and societal links across the whole area."

He emphasised the importance of including the Ribble Valley within a Pennine Lancashire unitary authority, and the benefits this brings as part of the three-unitary authority proposal, stating that the other options will

"have the risk of a significant bias towards higher poverty and deprivation".

He also added that this proposal would

"create a council that is both responsive and sensitive to the needs of its residents and communities."

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This position is echoed by Andy MacNae, the Member of Parliament for Rossendale and Darwen, who raises his concern that the current two-tier system in Lancashire is not ***"fit for purpose"***. He acknowledges the benefits of including Ribble Valley within a three-unitary structure, and stated:

"The process of reorganisation, coupled with a meaningful devolution of power from Westminster, represents a generational opportunity to rectify this situation, unlock our region's potential, and ensure taxpayers' money is directed towards services."

In support of this proposal, he confirms that:

"It establishes a council that is large enough to operate efficiently and strategically yet remains grounded in and accountable to the distinct communities it serves."

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1.6.5 What this means for Lancashire businesses, partners and visitors

Three unitary authorities will give Lancashire's businesses, visitor economy and strategic partners a clearer, more coherent environment in which to invest, collaborate and grow. It simplifies the local government landscape, aligns economic planning with real market geographies, and provides the scale and capability to lead major programmes in infrastructure, housing, skills and regeneration.

A structure aligned to Lancashire's functional economies

The three-unitary configuration reflects the functional economic areas identified in the Lancashire Independent Economic Review (2021). Each proposed authority brings together interdependent towns, cities and rural areas with shared labour markets and transport networks. This alignment allows councils to plan housing, employment land, transport investment and visitor infrastructure together, ensuring business parks, high streets and digital infrastructure grow in the right places and at the right pace.

A stronger foundation for business-led growth

By simplifying governance and creating three strategically capable authorities, the proposal provides businesses and investors with a more consistent and predictable experience across Lancashire. Streamlining decision-making bodies will mean faster, clearer planning and licensing processes and a single point of contact for major employers and developers. Each new council will have the capacity to influence co-design of local industrial and skills strategies, working alongside the Combined County Authority and Chamber of Commerce, as well as with colleges and universities to support key sectors such as advanced manufacturing, health innovation, energy and logistics.

Dr Fazal Dad, Principal and Chief Executive of Blackburn College, has said in support of the creation of three unitary authorities:

"I have witnessed first-hand the integration of students from across East Lancashire who study at the College each year. Our students mix together no matter which town or village they come from, brought together by their shared passions and interests. This is a natural and beneficial situation for us and leads me to lend my support."

He emphasises the importance to the local community in building on the current quality of educational provision across Lancashire:

"In my view, this option would be the most beneficial for education across the area […] it would encourage more integration of young people from the surrounding areas, allow us to join up more closely with other educational providers which would build on our goals to invest for the communities of East Lancashire, provide the highest quality of education for students, and develop their skills and knowledge for their future careers."

Dr Dad notes the benefits of three unitary authorities built around natural economic communities to consolidate joint planning with employers, stating that it will:

"allow us to better work with all employers and other educational providers to tailor our syllabus and curriculum to best meet the needs of the local economy."

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Balanced connections across regional economies

The three new authorities would strengthen Lancashire's position within the wider North West economy:

- Coastal Lancashire will deepen connections with Cumbria and the Morecambe Bay economic area, building on energy and visitor economy strengths.
- Central Lancashire will enhance links with the Liverpool City Region and Cheshire, particularly through logistics and advanced manufacturing supply chains.
- Pennine Lancashire will strengthen commercial and workforce connections with Greater Manchester and West Yorkshire, unlocking shared housing, skills and tourism investment opportunities.

This balance creates the conditions for Lancashire to operate as a unified regional economy which is outward-looking while remaining anchored in local identity and strengths.

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Harnessing the power of Lancashire's visitor economy

Tourism is one of Lancashire's most valuable economic assets, attracting millions of visitors each year to our coastline, countryside and cultural destinations. The three-unitary proposal creates the scale and coordination needed to plan and promote the visitor offer strategically, linking transport, place-making, cultural investment and marketing across shared geographies. It will allow Lancashire to develop destination management plans that connect coastal attractions with market towns, heritage sites and rural landscapes, growing visitor numbers, extending stays and increasing local spend. By treating tourism as a shared driver of growth, the new councils can unlock its full potential as part of a balanced and resilient economy.

This position has also been endorsed by the Reverend Canon Andrew Horsfall, Interim Dean of Blackburn, who wrote in support of the proposal:

"As the mother church of the Diocese of Blackburn, we work closely with many community organisations, inter-faith groups, charities, arts organisations and partners. It is through this work that the Cathedral has seen first-hand the benefits that a strategic, joined-up East Lancashire unitary authority would bring to the area."

The Cathedral's endorsement reflects its belief that the three-unitary approach will strengthen partnership working, community engagement and shared purpose across the region.

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A stronger platform for partnership and investment

Three unitary authorities will enable more focused collaboration between councils, business networks and anchor institutions. It creates the capacity for co-ordinated inward investment promotion and the joint delivery of regeneration projects. With clearer accountability and shared priorities, Lancashire will be better placed to attract external funding, secure devolved investment through the Combined County Authority, and make a stronger collective case to government and investors.

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Place-based approach to community safety

Clive Grunshaw, Police and Crime Commissioner for Lancashire, and Sacha Hatchett, Chief Constable of Lancashire Constabulary, have highlighted that three coterminous unitary authorities would build on existing inter-agency relationships and embed an approach to community safety that would:

- Enable integrated, place-based service delivery, bringing together policing, health, housing, and social care in a more cohesive and responsive way.
- Support financial sustainability, with each proposed unitary authority serving approximately 500,000 residents, an efficient scale for strategic planning and resource allocation.
- Strengthen strategic leadership, providing clearer lines of accountability and more agile, responsive governance.
- Lay the groundwork for a future Mayoral office, particularly as policing functions are expected to transfer under the English Devolution framework. A coterminous footprint between policing and local government would ensure seamless operational alignment.
- Minimise disruption to communities and protect continuity of public services, by retaining familiar divisional boundaries that reflect how people live, work, and access support. This approach ensures that local voices remain central, services stay joined up, and communities continue to benefit from trusted relationships and consistent delivery.

They are supportive of this proposal on the basis that it will ***"establish a structure that meets the needs of our communities, is resilient to long-term challenges, and strengthens practical delivery on the ground."***

Endorsed by the business community

The proposal has been backed by key business networks, including the Preston Partnership and the North and Western Lancashire Chamber of Commerce following a survey of its members. The Chief Executive of the Chamber of Commerce, Babs Murphy, stated that:

"The business community wants to see a structure of local government that can act at scale, work strategically and speak with a clear, united voice. We believe the three-unitary model will provide the clarity and confidence needed to attract new investment, support business growth and deliver for Lancashire's economy."

She highlights that Lancashire's current system of local government too often creates ***"complexity, duplication and confusion for investors"*** and that a simpler structure with clear accountability will ***"give the private sector greater confidence to engage, invest and partner with local government on long-term priorities.***

That sentiment is echoed by John Chesworth, Chair of the Preston Partnership, who stated publicly that the proposed Central Lancashire grouping ***"just makes sense."*** He noted that: ***"Preston, Chorley, South Ribble and West Lancashire already share economic, housing and transport links"*** and that a single authority would ***"bring greater coherence to local planning and economic development,"*** helping to accelerate delivery of housing, employment land and infrastructure across the growth corridor.

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The right option to secure Lancashire's future

Both John Chesworth and Babs Murphy's endorsement for the merits of this proposal are echoed by the management team at Blackburn and Darwen Youth Zone, with Wayne Wild, Chair, and Andrew Graham, Chief Executive Officer, clear that they will:

"Support any option that will create an East Lancashire-wide unitary authority including the Ribble Valley, recognising it as a natural economic area, its sensible geography and similarities in terms of character, history and need."

Together, these endorsements underline that the three-unitary structure reflects Lancashire's real economic geography by creating investable areas with the scale and strategic capacity to work credibly with business, government and combined authority partners. It will simplify engagement, strengthen competitiveness and ensure that the benefits of growth, investment and visitor appeal are shared evenly across the county.

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1.7 Background and context

Local government across England is operating under sustained financial pressure, rising demand and growing complexity in health, care and housing. National reform has focused on simplifying local government structures and strengthening place-based leadership through devolution.

Recent moves to create new unitary councils elsewhere have shown that clearer accountability and integrated local delivery can improve efficiency and financial sustainability, but also that these benefits rely on strong local design and well-managed transition.

Lancashire is a large and diverse county with significant economic strengths in aerospace, advanced manufacturing, energy, logistics and higher education. Yet it also faces deep-rooted deprivation and poor health outcomes – almost a third of neighbourhoods are among the most deprived nationally, with the highest levels concentrated in Blackpool, Blackburn, Burnley, Hyndburn, Preston and Pendle. Early outputs from the most recent Indices of Deprivation, released in late October 2025, show that several of these areas remain amongst the most deprived nationally.

The current two-tier system of fifteen councils makes collaboration harder and responsibilities less clear. This complexity can constrain investment, dilute accountability and slow progress on shared priorities.

The three unitary councils represent a once-in-a-generation opportunity to reshape local government in Lancashire and set a new direction for the county's future. It offers a bold solution as well as a practical one, reflecting Lancashire's diversity, building on our economic strengths and uniting our communities behind a shared ambition for change. Creating three new councils will simplify and strengthen how Lancashire is governed, providing the scale, capability and focus needed to deliver outstanding public services, accelerate growth and improve lives. This approach is not only about structural reform but about unlocking Lancashire's full potential. It creates the clarity, confidence and momentum to move forward as one county, defined by stronger leadership, deeper collaboration and a commitment to deliver better outcomes for all residents, businesses and communities.

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1.8 The case for reorganisation

1.8.1 Key economic figures

Lancashire is one of England's largest and most diverse counties, home to more than 1.6 million residents and an economy worth £43.08 billion in 2023[1].

Between 1998 and 2023, Lancashire's economy grew by an average of 1.4% per year, below annual growth of 1.7% seen nationally and 1.9% across the North West. Within this overall picture, performance varies - areas such as Blackburn, West Lancashire, Pendle, South Ribble and Chorley have seen faster long-term growth, while Blackpool, Burnley, Fylde and Lancaster have grown more slowly. Over the most recent year, growth has stalled, with no overall change in Lancashire's economy compared with increases of 0.5% nationally and 0.9% across the North West.

The number of businesses in Lancashire rose from 45,735 in 2010 to 54,320 in 2025, an average increase of 1.2% per year. Business survival rates remain strong, with 40.3% of firms surviving five years compared with 36% regionally. Ribble Valley, Pendle and Rossendale stand out for particularly high business resilience.

The total number of jobs in Lancashire increased from 703,000 in 2011 to 740,000 in 2023, a rise of 0.4% on average each year. However, job numbers remain slightly below pre-pandemic levels of 749,000 in 2019. Blackburn, Fylde, West Lancashire, and Hyndburn have seen average annual jobs growth of 1% or more since 2011, while other districts have experienced slower or marginally negative growth.

In 2024, median annual earnings in Lancashire reached £35,434, slightly above the North West average of £35,298, but around £2,000 below the UK average. Ribble Valley, Chorley, Fylde, South Ribble and Wyre consistently record the highest earnings across the county, with Ribble Valley surpassing £40,000 in 2024.

[1]Current price estimates have been used to illustrate the overall size of Lancashire's economy because they reflect the actual monetary value of goods and services at today's prices, providing a relatable measure of economic scale. To assess growth and year-on-year changes accurately, 2022 prices are used to ensure that comparisons reflect real changes in the size of the economy rather than the effects of inflation. GVA per capita also use inflation adjusted figures. The growth figures refer to compounded annual growth rate.

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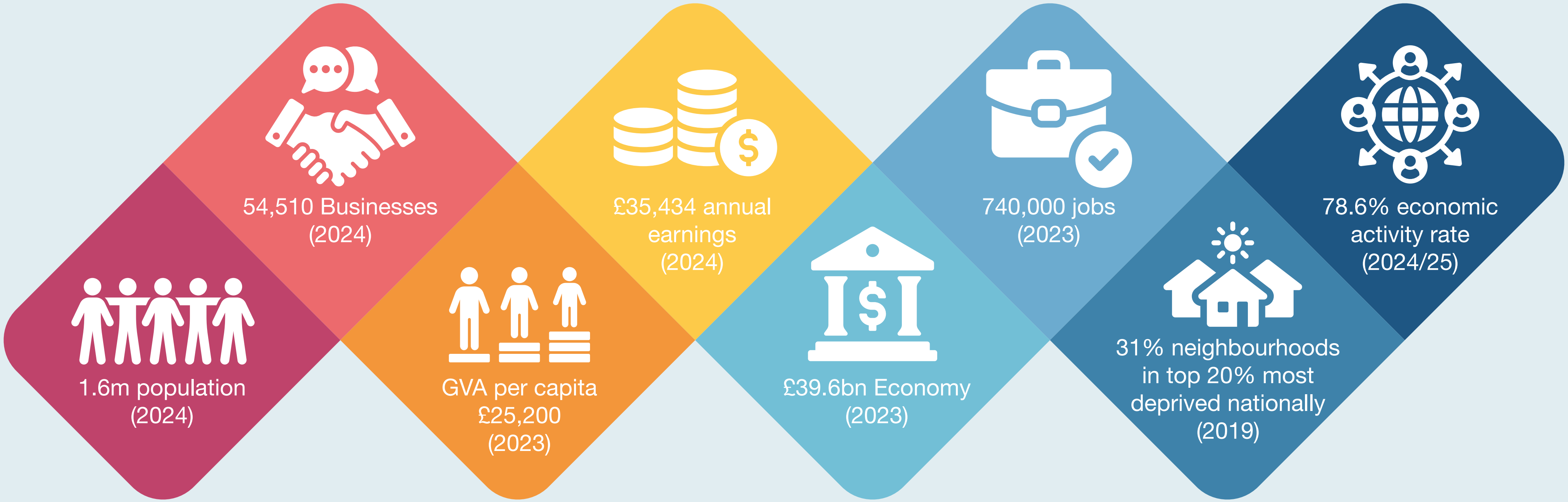
1.8 The case for reorganisation



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1.8 The case for reorganisation

1.8.1 Key economic figures

Despite productivity gains in recent years, there remains a significant gap in GVA per capita between Lancashire and regional and national averages. Between 1998 and 2023, Lancashire's GVA per capita grew by an average of 1.0% a year, reaching £25,200 in 2023. This is roughly in line with the national rate of 1.1% but below the regional rate of 1.5%, widening the productivity gap with the North West from around £600 in 1998 to more than £4,000 in 2023.

There has been a positive reduction in the proportion of employees earning below the living wage over the past decade. However, the latest estimates show that around one in five employees in Lancashire still earn below the living wage, compared with 16–17% regionally and nationally.

Widening productivity gap to the North West

One fifth of employees earning below the living wage

31% neighbourhoods in top 20% most deprived nationally

An 11-year gap in life expectancy within Lancashire

Deprivation remains high, particularly in Blackpool, Blackburn, Burnley, Pendle and Hyndburn, where at least a quarter of neighbourhoods are among the 10% most deprived nationally, based on data from the most recently available English Indices of Deprivation in 2019. Across Lancashire as a whole, around 20% of neighbourhoods fall within the top 10% most deprived, including 14 that rank among the 20 most deprived in England. In contrast, many neighbourhoods in Ribble Valley, South Ribble, Chorley and West Lancashire are among the 20% least deprived nationally.

There are also stark health inequalities across the county. Men living in Lancashire's most deprived areas have a life expectancy over 11 years lower than those in the most affluent areas, and women nine years lower.

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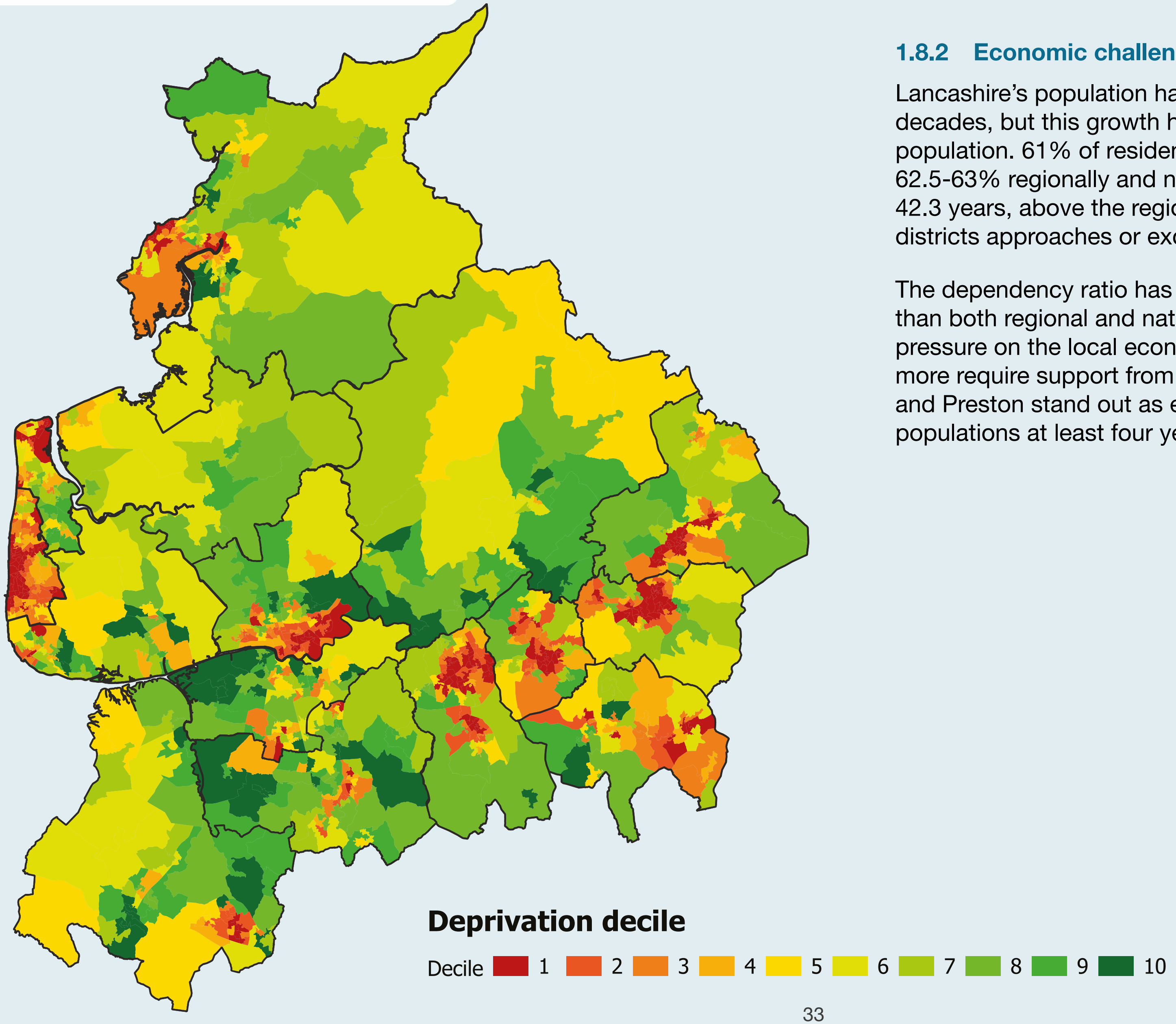
1.8 The case for reorganisation



1.8.2 Economic challenges

Lancashire's population has grown steadily over the last three decades, but this growth has been driven primarily by an ageing population. 61% of residents are of working age, compared with 62.5-63% regionally and nationally. The median age in Lancashire is 42.3 years, above the regional and national figure of 40, and in some districts approaches or exceeds 50.

The dependency ratio has been rising as a result and is now higher than both regional and national averages, indicating increasing pressure on the local economy as fewer people are in work and more require support from health and social care services. Blackburn and Preston stand out as exceptions, each with relatively young populations at least four years below the national median.

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1.8 The case for reorganisation

1.8.3 Current structure of local public services in Lancashire

Lancashire is currently served by fifteen councils: one county council, two unitary authorities and twelve district councils. An overview of the scope of services at each tier is summarised below:

Council	Functions
County council	Lancashire County Council, upper-tier authority delivering county-wide services including adults' and children's social care, education, highways and transport, libraries, registrars, waste disposal, trading standards and strategic planning.
Twelve district councils	Burnley, Chorley, Fylde, Hyndburn, Lancaster, Pendle, Preston, Ribble Valley, Rossendale, South Ribble, West Lancashire, and Wyre deliver local services such as housing and homelessness, local planning and development management, waste collection, environmental health and licensing, council tax and housing benefits administration, leisure, parks, coastal protection, visitor economy and local economic development.
Two unitary authorities	Blackpool Council and Blackburn with Darwen Borough Council deliver the full range of functions undertaken by both the county and district councils.

This structure means that interdependent functions - for example, housing (districts) and social care (county), refuse collection (districts) and waste disposal (county) – are, within the two-tier system, managed by separate organisations. This can make co-ordinated planning and delivery more challenging, and risks fragmented responsibilities, reducing the ability to deliver integrated services and clear accountability. The current arrangements stem from two previous rounds of local government reorganisation, in 1974 and 1998.

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1.9 Appraisal of reorganisation options

1.9.1 Overview

The appraisal of reorganisation options was undertaken in two stages: a longlisting process followed by a shortlisting and detailed assessment in line with HM Treasury Green Book guidance. Each option was subject to a structured, evidence-based appraisal against the six Ministry of Housing, Communities and Local Government (MHCLG) criteria for local government reorganisation. These criteria provide the national framework for determining whether new unitary structures are credible, deliverable and locally supported. The full MHCLG criteria are summarised in the appendix, and full guidance is available here.

1.9.2 What these criteria mean for Lancashire

This proposal is grounded in the six MHCLG criteria for local government reorganisation. However, their application must reflect the local context and priorities of Lancashire. Our approach has therefore been to interpret each criterion in practical terms - what it means for Lancashire's communities, economy and system of local government. In doing so, we have aligned the strategic objectives of the three-unitary proposal with the criteria, as shown below:

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1.9 Appraisal of reorganisation

Strategic objective	Link to MHCLG criteria	What this means for Lancashire
Establish a clear and stable governance footprint	1, 3, 5	Align council boundaries with the operational footprints of key public service partners, including the NHS Lancashire and South Cumbria ICB, Lancashire Constabulary, and Lancashire Fire and Rescue Service, to improve coordination, reduce duplication and strengthen joint accountability.
Ensure continuity of service delivery during transition	3	Protect existing areas of strong performance by managing the transition carefully, maintaining and improving service quality in critical areas such as Adult Social Care, Children's Services and SEND.
Embed a culture of innovation and continuous improvement	3, 4	Use reorganisation as a catalyst for service redesign with partners, tackling persistent challenges such as SEND and homelessness, scaling best practice, and embedding a stronger culture of shared planning and improvement across Lancashire.
Strengthen democratic and community connection	4, 6	Retain strong recognition of established geographies and identities, ensuring decisions remain close to communities through effective local governance and active engagement with residents, businesses and partners.
Align organisational boundaries with functional economic geographies	1, 5	Create authorities based on coherent economic areas that reflect travel-to-work patterns and housing markets, supporting joined-up planning for skills, transport and growth.
Create governance structures that provide a credible platform for future devolution	5	Position Lancashire to go further and faster on transport, housing, skills and growth by establishing authorities that can work effectively with the Combined County Authority and central government.
Appropriate scale and balance to support efficiency and resilience	2	Design councils within a population range that balances efficiency and resilience with accessibility and local connection, ensuring new authorities have the scale to plan strategically and the proximity to stay responsive to residents.

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1.9 Appraisal of reorganisation

1.9.3 Options appraisal outcome

The options appraisal considered a range of potential options for local government reorganisation in Lancashire, assessing each against the government's six criteria for structural change. The analysis concluded that a three-unitary proposal represents the option that most effectively balances efficiency, service quality, local identity and deliverability. It offers the strongest foundation for sustainable growth and improved outcomes, while minimising disruption and maintaining clear alignment with existing community and service geographies.

Local government reorganisation therefore presents a pivotal opportunity to secure Lancashire's long-term economic growth, social resilience and financial sustainability. The proposed three-unitary option offers the most balanced and durable structure for achieving this. It distributes social need, economic strength and fiscal capacity more evenly across the county, ensuring that no single authority is burdened with disproportionate levels of deprivation or service demand.

Each new authority would bring together a balanced mix of urban and rural communities, combining major towns and cities with their surrounding areas. This creates councils that are large enough to plan strategically and manage complex services, yet local enough to retain strong community connection and accountability.

The proposal builds on Lancashire's existing assets including strong local partnerships, examples of effective practice in social care and education, and vibrant local economies, while aligning local government boundaries with the county's real economic and social geographies. It provides the scale, stability and shared ambition needed to accelerate progress: unlocking investment, driving regeneration, and delivering consistently high-quality, joined-up public services that improve outcomes for Lancashire's residents, businesses and communities.

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1.10 Financial analysis

The financial impact analysis demonstrates that the three-unitary authority option delivers the strongest and most resilient financial position of the options modelled.

While the proposal incurs significant upfront costs of £32.8m in transition and £22.8m in aggregation, these investments are outweighed over time by the efficiencies unlocked through its scale and footprint, which allow faster integration, more effective consolidation and strategic service redesign. The three-unitary option reaches break-even between 2029/30 and 2030/31 and generates greater long-term savings than alternative models, with a cumulative net benefit by 2032/33 of £188.4m.

By combining scale with a well-established footprint, the three-unitary authority proposal provides a clear pathway to sustainable financial and operational improvements.

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1.11 Timeline and challenges

Delivering local government reorganisation in Lancashire will be a complex and far-reaching programme of change. The proposed timetable allows sufficient time to plan, implement and embed the new arrangements while maintaining service continuity and public confidence.

The indicative timeline below sets out the key phases and milestones for implementation. It is designed to ensure a smooth transition from the decision to proceed with reorganisation through to the establishment of fully operational new councils. This timetable aligns with the Government's expectations for local government reorganisation and will be refined as national decisions and local planning progress.

2026	2026 - May 2027	May 2027 - March 2028	April 2028
Outcome: Delivery structure and detailed plan established to oversee transition and implementation.	**Outcome:** Shadow Authority in place, ready to take on functions from Vesting Day.	**Outcome:** New council ready to operate effectively from Vesting Day.	**Outcome:** New council fully operational and progressing its longer-term reform and transformation goals.

Post Decision Mobilisation → **Transition** → **Shadow authority establishment & transition** → **Implemention & Delivery**

Post Decision Mobilisation

- Mobilise implementation team and setup programme board
- Confirm programme governance and implementation planning framework
- Develop and agree design principles for the new councils
- Begin early engagement with members, districts, and partners
- Prepare draft operating model and implementation plan for approval

Transition

- Implementation team fully mobilised
- Finalise operating model
- Develop and deliver detailed transition plans for all services
- Establish and Shadow Authority arrangements
- Hold elections for Shadow Authority (May 2027)

Shadow authority establishment & transition

- Shadow Authority leads preparations for the new council
- Finalise constitution, policies, and budget
- Agree senior structure and appointments
- Prepare for service delivery under new arrangements
- Develop communications and staff engagement programme

Implemention & Delivery

- New council operational from Vesting Day
- Embed new governance, service and management arrangements
- Begin longer-term transformation and improvement in line with business case
- Focus on service integration, and customer experience

1. Report Highlights and Insight

1.11 Timeline and challenges

Effective planning and delivery will be critical to achieving a smooth transition and realising the benefits of reform. The process of creating three new councils will require disciplined programme management, clear accountability, and strong partnership working across all existing authorities. While the transition presents inherent challenges, these can be managed through proactive planning, early mobilisation, and transparent engagement with residents, staff, members, and partners. The table below outlines the principal challenges associated with implementation and the approaches that will help to meet them:

Challenge	Proposed approach
1. Financial and service benefits are not fully realised, resulting in under-delivery of the business case.	► Develop and maintain a benefits realisation framework aligned to programme governance. ► Assign accountable senior leads for delivery of both financial and service outcomes. ► Undertake regular progress reviews and independent assurance.
2. Insufficient capacity or capability within existing councils to deliver reform alongside day-to-day operations.	► Undertake early resource and skills planning to identify gaps. ► Use shared resources or temporary external expertise where necessary. ► Phase implementation to balance transition activity with ongoing service delivery.
3. Staff or member uncertainty leading to disengagement or reduced morale.	► Implement a comprehensive engagement and wellbeing plan. ► Provide timely and transparent communication about roles, structures and opportunities. ► Encourage staff involvement in designing the new councils and shaping new ways of working.
4. Insufficient alignment or shared understanding of the vision among members, staff and partners.	► Maintain visible, collective political and managerial leadership. ► Deliver consistent messaging about the aims and benefits of reorganisation. ► Engage partners early to co-design transition and transformation priorities.
5. Service disruption during transition or handover.	► Develop detailed transition plans for all critical services with clear accountabilities. ► Establish joint oversight between existing councils and the Shadow Authorities. ► Prioritise business continuity, safeguarding and public protection services.

2. Context and Background

2.1 National Context

Local government across England is undergoing profound change while continuing to face deep-seated structural pressures. Councils are managing rising demand alongside the impact of inflation, demographic change and constrained resources. These pressures have limited flexibility to invest in growth, prevention and innovation, even as communities expect more personalised and digitally enabled services.

Successive governments have maintained a clear policy direction to simplify local government structures and strengthen place-based leadership. This sits alongside the national devolution agenda, which recognises that strategically capable local institutions are critical to securing greater powers and investment in transport, skills, housing and economic development. The Government's English Devolution White Paper emphasised that local authorities must operate at the right scale to act as credible partners for central government, business and the wider public sector, and that structural reform is often a necessary step before meaningful devolution can follow.

2. Context and Background

2.1 National Context

Over the past five years, new unitary councils have been established in Dorset, Buckinghamshire, North Yorkshire, Somerset and Cumbria. These reconfigurations were designed to simplify governance, integrate services and improve financial resilience. In most cases, they have delivered clearer leadership and reduced duplication. They also provide a valuable evidence base for this proposal. Cumbria's 2023 reorganisation, which created two new authorities with a combined population of around 500,000 people from one county and six districts, highlights the importance of realistic transition planning, especially around service continuity, workforce transfer and phasing of implementation. North Yorkshire's move to a large single unitary demonstrates both the opportunities and challenges of scale, reinforcing the value of balanced footprints that are large enough for strategic delivery but not so large that they lose local connection. Somerset's recent transition shows that early savings can be achieved when robust delivery plans and change programmes are in place, but also that these require sustained focus beyond vesting day to be fully realised.

All these unitarisation processes underline the importance of careful planning, robust transition management and sustained engagement with residents and staff to ensure change is delivered successfully. Our proposal has been designed with these lessons in mind, building on what has worked elsewhere, addressing the risks that others encountered, and demonstrating that Lancashire's three-unitary approach combines the benefits of scale with the agility needed to deliver transformation effectively.

The direction of national policy is clear - the Government expects local authorities to demonstrate strategic capability, financial sustainability and local accountability through clear governance aligned to economic and public service geographies. Against this backdrop, Lancashire must determine how best to organise itself to deliver for residents today while preparing for future challenges and opportunities.

2. Context and Background

2.2 Lancashire Context

Lancashire is a place of scale, heritage, and untapped potential. As one of England's largest and most diverse counties, we're home to 1.6 million people and a £43.1 billion economy that punches below its weight - not because of a lack of talent or ambition, but because our fragmented local government structure has held us back.

This is the county that powered the Industrial Revolution, that gave the world modern manufacturing, that shaped Britain's social and political landscape. That spirit of innovation has not disappeared but is constrained by a system that no longer serves us.

Our geography tells the story of modern England in microcosm. The Pennine Lancashire towns - Blackburn, Burnley, Accrington, Nelson, Colne, Darwen, Rawtenstall, Bacup, Haslingden - carry a proud industrial legacy and are reinventing themselves for advanced manufacturing and digital industries. Preston, one of England's newest cities, sits at a crossroads of opportunity with thriving university partnerships and major transport connections. Chorley, Leyland, and South Ribble are growing fast, home to skilled workforces and expanding businesses. Lancaster combines a world-class university with a historic city centre and access to stunning coastal landscapes. The Fylde Coast - Blackpool, Fleetwood, Lytham, St Annes - welcomes millions of visitors annually while transforming its economy for the future. And thriving market towns like Clitheroe, Longridge, Garstang, Kirkham, and Ormskirk anchor our rural heartlands, sustaining agriculture, protecting natural landscapes, and serving communities that have endured for generations.

But here's the reality - this diversity has become fragmented. Fifteen separate councils mean fifteen separate economic strategies, fifteen sets of priorities, and missed opportunities to compete as one powerful voice. Lancashire deserves a structure that matches its ambition and can harness our strengths, tackle our challenges at the right scale, and finally unlock the investment and devolution that regions with unified leadership have already secured.

2. Context and Background

2.2 Lancashire Context

Lancashire's economy hosts world-class aerospace and advanced manufacturing clusters at Warton and Samlesbury, nationally critical energy infrastructure at Heysham, and a growing logistics and distribution corridor along the M6 that connects Lancashire to regional, national and international markets. Other strengths include food and drink manufacturing, chemicals, digital, health innovation and emerging low carbon technologies. The county's three major universities - the University of Lancashire, Edge Hill University and Lancaster University - underpin skills development, research and innovation, supporting emerging industries such as cyber, net zero technologies and advanced materials.

Lancashire also faces some of the most entrenched social and economic challenges in England. Blackpool has consistently ranked as one of the most deprived local authority areas in the country, and Blackburn with Darwen, Burnley, Hyndburn, Rossendale, and Pendle also rank among the most deprived districts nationally. Health outcomes vary dramatically across our county, with gaps of more than a decade in life expectancy between the healthiest and least healthy communities.

Many coastal communities in Blackpool, Fleetwood, and Morecambe face seasonal employment, low wages, and limited year-round economic opportunities. Rural areas in the Ribble Valley, West Lancashire, Wyre, and Lancaster experience isolation, poor transport connectivity, and reduced access to essential services. Meanwhile, towns like Preston, Chorley, Leyland, and parts of South Ribble face different pressures including population growth, acute housing demand, infrastructure strain, and rising pressure on schools, health services, and transport networks. In the Pennine towns of Accrington, Bacup, Colne, Darwen, Haslingden, Nelson and Rawtenstall, the legacy of industrial decline persists in skills gaps, worklessness, and communities that have been left behind by economic change.

These pressures are amplified by a rapidly ageing population, placing growing strain on adult social care, health and housing systems already working at full stretch. At the same time, children's social care, homelessness, and public health services are dealing with increasingly complex demand - symptoms of wider inequality that current structures make harder to address. The result is that councils spend too much effort managing pressure and too little on prevention, growth and innovation.

2. Context and Background

2.2 Lancashire Context

Lancashire's current local government system makes this even more challenging. Services that are deeply connected in people's lives, like housing and social care, are delivered separately. This creates duplication, delays, and confusion about who does what. It is a system that works hard but is not always given the freedom to work together.

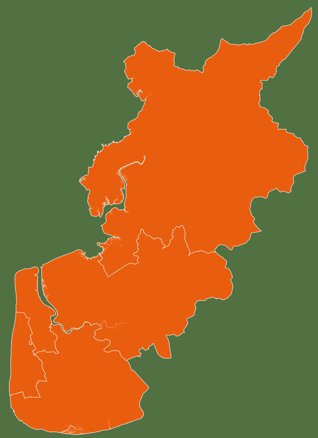
In response to the government's invitation to submit proposals for reorganisation, Lancashire councils prepared and submitted an interim plan outlining potential options for reform. That work reflected the differing views across councils on the future of local government in Lancashire, while recognising the value of engaging constructively to shape whatever solution may ultimately be taken forward. Government feedback emphasised the need for clear, evidence-based options, robust analysis of service implications and financial sustainability, and strong transition planning. It also highlighted the expectation that proposals should cover the full county footprint, be supported by a consistent evidence base and align with wider partnerships, including the Lancashire Combined County Authority and Integrated Care Board.

Lancashire's identity runs deep and is shaped by centuries of innovation, enterprise, and community spirit, but also by enduring civic and cultural traditions that bind our towns and villages together. Across our historic market towns and industrial heartlands, offices like the Lord-Lieutenant and High Sheriff have served the county for generations, showcasing that Lancashire's story is one of continuity and change alike. Any reform must respect and preserve this legacy, even as it creates the conditions for a modern, dynamic future.

2. Context and Background

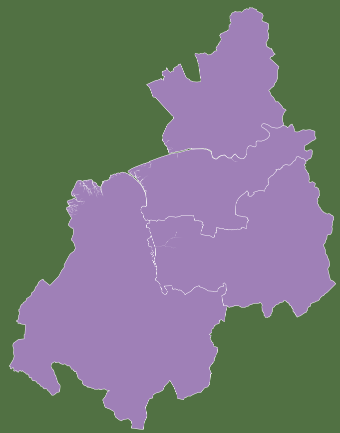
2.2 Lancashire Context

The three-unitary proposal set out in this business case directly answers all these challenges.
It creates three new councils that reflect Lancashire's established economic, social and service geographies:



Coastal Lancashire:

- Blackpool
- Fylde
- Wyre
- Lancaster



Central Lancashire:

- Preston
- Chorley
- South Ribble
- West Lancashire

Pennine Lancashire:

- Blackburn with Darwen
- Burnley
- Hyndburn
- Pendle
- Ribble Valley
- Rossendale

This is the only proposal which captures Lancashire's natural patterns of community and economy - Coastal, Central and Pennine. Each new unitary authority combines major towns and cities with the villages and rural communities connected to them, giving the scale to plan strategically and the local connection to respond directly to communities. This proposal offers the right balance of ambition and practicality - large enough to deliver sustainable, high-quality services, yet local enough to retain the character, culture and accountability that Lancashire's residents value. It is a structure built not for the past, but for the next generation.

2. Context and Background

2.3 Growth Potential

Lancashire has a clear and ambitious vision for growth - one that local government reorganisation can help to unlock. The Lancashire Growth Plan identifies five priority sectors with the greatest potential to drive investment, employment and innovation over the coming decade:

National security and resilience

Building on Lancashire's strengths in manufacturing, energy, nuclear and cyber to support national defence and infrastructure security.

Clean growth

Capitalising on opportunities across the nuclear lifecycle, renewable generation, energy storage and efficiency technologies, and the emerging low-carbon economy.

Digital and AI

Leveraging Lancashire's transatlantic connectivity and role within the North West Cyber Corridor to accelerate the adoption of artificial intelligence and digital technologies across all sectors.

Advanced engineering and manufacturing

Drawing on Lancashire's long-standing reputation for innovation and excellence in aerospace, energy and chemicals to drive productivity and exports.

Tourism

Revitalising Lancashire's coastal and cultural offer and investing in visitor economy assets to support regeneration and inclusive growth.

2. Context and Background

Our Lancashire

2.3 Growth Potential

These sectors provide the foundation for a more productive and resilient economy, offering high-quality jobs, improved skills pathways and opportunities to retain and attract talent. Lancashire also benefits from the Lancashire and Cumbria Institute of Technology, a partnership between three universities and seven colleges working with local businesses to boost productivity and economic growth. Its mission is to make the North West a global leader in digital, engineering and manufacturing technologies, which aligns directly with the Growth Plan's priority sectors and will be central to delivering the skills and innovation that underpin Lancashire's long-term competitiveness.

Local government reorganisation can help realise this potential by creating a governance framework capable of aligning decisions, investment and delivery across the right geographies. Three unitary authorities would strengthen the key enablers of growth through:

- Closer alignment between technical education, skills and workforce planning to meet employer demand.
- Better integration of transport planning with housing and economic development, improving connectivity within and beyond Lancashire.
- The development of strong place-based innovation ecosystems, connecting industry, research and talent within functional economic areas to support sustainable sector growth.

3. Background to LGR in Lancashire

3.1 Background to Local Government Reorganisation in Lancashire

Lancashire has a long and proud tradition of civic leadership and innovation that shaped modern Britain. From the late 1700s through the 19th century, our industrial towns didn't just drive economic change - they pioneered the very idea of progressive local government. Some of the country's earliest borough councils and public health boards were formed here, and twenty-two Lancashire towns were incorporated in the wake of the 1835 Municipal Corporations Act, seizing the opportunity to govern themselves and serve their communities.

Places like Preston, Blackburn, and Burnley were early adopters of transformative civic innovations. Since 1542, the Preston Guild has been held every 20 years to celebrate the town's culture, arts and community whilst promoting trade. Preston also established one of England's first public parks in 1833 at Avenham and Miller Parks. Blackburn built a groundbreaking public library in 1860, one of the first purpose built free museums outside London in 1874 and pioneered municipal gas lighting to make streets safer. Burnley's corporation invested early in clean water supplies and sewage systems that saved countless lives, while Burnley Mechanics became a model for working-class education and self-improvement. Nelson established itself as a 'model town' in the late 19th century with progressive housing and sanitation. Colne invested in civic buildings and public infrastructure that reflected municipal ambition. Accrington became famous not just for its bricks that built the Empire State Building, but for its model of co-operative municipal enterprise. Darwen's India Mill chimney stood as a testament to industrial pride and civic identity. Rawtenstall pioneered the temperance movement and public reading rooms as alternatives to the alehouse.

Transport innovation runs deep in our DNA. Blackpool gave the world its first passenger-carrying electric tramway in 1885 - still running today - and established one of Britain's first municipal airports in 1909. The Preston Bypass, now part of the M6, opened in 1958, becoming the UK's first stretch of motorway and pioneering the infrastructure that would connect the nation. The East Lancashire Railway connected the cotton towns and opened up markets and mobility for working people. Lancaster's railway viaduct and canal systems showcased Victorian engineering ambition. Even the concept of the seaside holiday as we know it was shaped by Lancashire's coastal towns, with Blackpool's Tower, piers, and illuminations setting the standard for civic pride and public spectacle.

This was not just infrastructure - it was vision. Lancashire councils understood that great places need bold leadership, long-term investment, and the courage to innovate. That spirit built libraries when others saw no need, installed street lighting when it seemed extravagant, and created parks, baths, mechanics' institutes, and public spaces that belonged to everyone.

This rich and proud history shapes the sense of belonging and pride that Lancashire residents feel today, unparalleled across the country. Being from Lancashire is something that matters deeply to those who live, work and learn in our cities, towns and villages. But we know that people's feelings of connection are not to civic structures or council organisations, but to places, families, friends and communities. What Lancastrians want from their local councils are well-run services which put their needs, aspirations, prosperity and wellbeing at the heart of delivery.

We believe, working with our partners, and through this business case, we can create government that is simpler, smarter and more sustainable than the current system.

Your place.
Your future.
Our Lancashire.
Putting people at the heart of change.

3. Background to LGR in Lancashire

Our Lancashire

3.1 Background to Local Government Reorganisation in Lancashire

A quarter of the way into the 21st century, Lancashire's current local government structure is rooted in the 1974 Local Government Act alongside the reorganisation that established the two unitary authorities in 1998, and is composed of a county council, twelve districts and two unitary councils. The opportunities presented by the government's call for LGR proposals need to balance stability, efficiency and cost as well as coherence, strategic capacity and service sustainability. The two-tier system has led to the fragmentation of key services. Housing and social care, economic development and infrastructure planning are all critical drivers of health, wellbeing and prosperity. But the status quo leads to duplication in some areas and gaps in others, making it harder to respond to shared challenges in a joined-up way. Lancashire County Council's Market Sustainability Plan explicitly states that there are gaps in provision, including difficulties sourcing homecare in more rural North Lancashire areas (Lancaster, Fylde and Wyre) and periodically in some urban areas (Burnley, Chorley and South Ribble). As people live longer and expectations rise, rapid social, economic and technological change is placing new demands on councils. Constrained resources and a fragmented system limit the scope for prevention, integration and innovation.

Lancashire is home to some of the most deprived communities in England. Councils face rising demand across adults' and children's services, a growing housing and homelessness challenge, and increasing complexity in delivering statutory services. But without better alignment between functions, it becomes harder to plan effectively for population health, housing, infrastructure, or growth and to tackle the persistent inequalities that exist across the county.

The current arrangements disconnect responsibility for critical growth functions like planning and highways and transport and slow down decision-making across the system. For partners including the NHS, police, business groups and the voluntary sector, this fragmentation creates confusion, with overlapping footprints and inconsistent boundaries across the county.

We have an opportunity to create a more coherent structure for local government that is better aligned to how Lancashire works today. The three-unitary proposal provides a practical, deliverable and future-facing alternative that responds directly to the issues set out. It is designed to align more closely with health and policing geographies, reflect functional economic areas, and create councils with the scale and capability to lead reform, drive investment, and support communities more effectively. Crucially, this proposal maintains and strengthens links to local identity, enabling services to be designed around the needs and character of different places.

3. Background to LGR in Lancashire

3.2 The opportunity for Lancashire

Lancashire can seize a generational opportunity to reshape our local government so we can rise to the challenges we face and take full advantage of the opportunities we are presented with. We have excellent strengths to build on – well-run councils with a track record of delivering change, prudent financial management, and a solid basis of strongly-rated social care delivery in Blackburn with Darwen. Lancashire's sense of belonging and identity are vital – they are the bedrock upon which our civic institutions are built.

But the current structures make it hard to respond quickly, plan strategically, and deliver consistently for residents, communities and businesses. Our proposed three-unitary structure can unlock the clarity, capacity and capability needed to lead change at pace and scale.

Our proposal aligns with the government's priorities set out in the English Devolution White Paper to create local institutions with the scale and capability to act as strong partners for central government and other agencies. The government has made clear that structural change must be taken forward to unlock meaningful devolution. The three-unitary structure we are presenting directly addresses that challenge, creating councils that can operate effectively at scale, synergise with our colleagues in health, policing and beyond, and retain local connection and accountability.

We believe that our proposal can realise the full potential of the Lancashire Combined County Authority (CCA), offering a clearer, more coherent local government landscape to underpin strategic decision-making on transport, skills, housing and economic development. With three coherent, sensibly scaled authorities that clearly represent distinct places, the CCA will be better positioned to act decisively and intelligently on behalf of the whole county and the varying needs of our communities, securing new investment and co-ordinating major programmes and interventions that extend across existing boundaries.

Local government reorganisation gives us a chance to bring social care, housing, health and community services into closer alignment, so people receive more joined-up, locally rooted support which helps them to live healthier and independently for longer. We can connect transport, planning and economic development in a single vision, driving growth while ensuring that prosperity is shared across the county. And we can ensure Lancashire is in a stronger position to plan for the long-term, invest in prevention, and use resources more effectively.

Our three-unitary proposal reduces duplication, makes accountability clearer, and creates councils with the strategic reach to work effectively with government, the NHS, the police, businesses and the voluntary sector. We have developed it to fit the geographies that already shape economic activity, public service delivery and community identity, making it easier to work with partners and secure investment. Our proposal protects and strengthens Lancashire's local identity. Decisions will continue to be made close to the communities they affect, but with the benefit of the capacity, stability and influence that comes from operating at a larger scale over three aligned, complementary and functional footprints.

This is the opportunity: to create a simpler, more coherent system of local government that can deliver better services, stronger partnerships and fairer outcomes, enabling Lancashire to seize the future with confidence.

3. Background to LGR in Lancashire

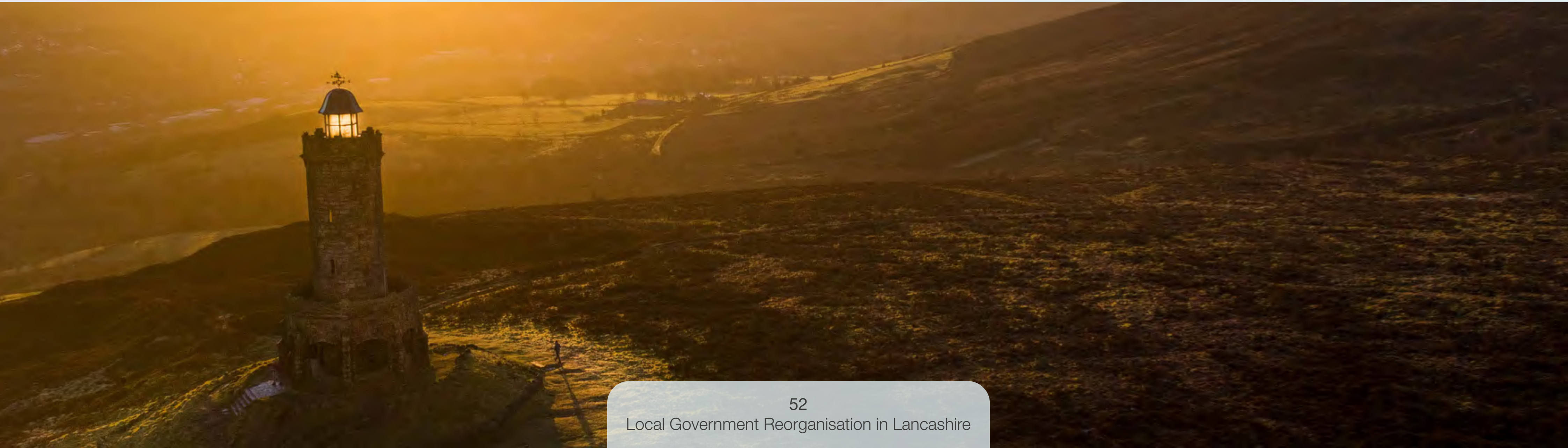
3.3 The time for change is now

The issues facing Lancashire are immediate and pressing. Demand for care and housing continues to rise, health inequalities remain stark, and many communities face persistent economic and social challenges - these are today's challenges, here and now. At the same time, opportunities for investment, growth and devolution are emerging that require clearer leadership, greater strategic capacity and more coherent local government to fully take advantage of.

The government is actively inviting and progressing reorganisation proposals with the aim of unlocking greater devolution and reshaping how local government can maximise its role. Locally, the establishment of the Lancashire Combined County Authority provides a new platform for strategic leadership, but its potential will only be fully realised if complemented by councils with the scale, capability and alignment to work effectively together and move forward for Lancashire.

Acting now means we can shape our view of the best response while momentum and engagement are high and the national conversation is focused, avoiding the loss of focus and opportunity that can come from delay. It also allows us to plan changes in a measured and locally shaped way, rather than in response to future external pressures or constraints.

The time is right for Lancashire to re-structure in a way that matches how Lancashire's economy and services work today, strengthens local accountability, and positions the county to secure greater powers and resources. If we do not act now, we risk falling behind areas already progressing their own proposals, limiting our ability to shape Lancashire's future on our own terms.



3. Background to LGR in Lancashire

3.4 Current delivery and future opportunities for public services in Lancashire

Lancashire's public services sit within a complex patchwork of county, district and unitary responsibilities, intersected by health, policing and fire service footprints that rarely align neatly with council boundaries.

3.4.1 Adult Social Care

Adult social care is delivered by three upper-tier authorities: Lancashire County Council, Blackpool Council and Blackburn with Darwen Borough Council - taken together, gross annual spend exceeds £1.3bn. In 2025, the Care Quality Commission's new local authority assessments reported "Requires Improvement" for LCC, "Good" for Blackburn with Darwen, and "Inadequate" for Blackpool.

The CQC highlighted variations in governance grip, market sustainability and workforce, with strong oversight and performance in Blackburn, mixed performance at LCC, and material weaknesses in Blackpool that require accelerated improvement.

Lancashire's age profile is shifting - in the Lancashire-12 area, an estimated 21% of residents are 65+, with the highest proportions in Wyre and Fylde (28%) and Ribble Valley (24%). This intensifies demand for care and support and stretches homecare and stepdown capacity in rural and coastal areas. Evidence from Lancashire County Council's Adult Social Care Market Position Statement (2022) and Market Sustainability Plan (2023) highlights specific gaps in homecare provision in rural districts such as Lancaster, Fylde and Wyre, together with reduced bed availability in the north of the county. Blackpool's market position statement signalled that the homecare market is under pressure as commissioned hours rise with a growing elderly population. In Blackburn with Darwen, a 2023 LGA Peer Challenge highlighted escalating social care demand as a significant strategic risk.

Approximately 1.5% of Lancashire's population live with psychotic disorders, following a rising trend from 0.9% in 2013/14. New diagnoses of depression nearly doubled between 2013/14 (10,950) and 2023/24 (22,230). Lancashire & South Cumbria NHS Foundation Trust (LSCFT), with around 7,000 staff across over 400 sites, delivers secondary mental health, perinatal, forensic, and child and adolescent mental health services (CAMHS) services. The interface between ASC and NHS community teams remains complex, and financial sustainability issues in both health and local government are being exacerbated by rising demand.

In the Lancashire-12 area, an estimated 22,725 adults (18+) have a learning disability (2020 baseline), projected to 24,420 by 2035. Within that, adults with moderate or severe learning disability are projected to total 4,924 by 2035 (4,004 aged 18–64 and 920 aged 65+), up from 4,671 in 2020. 558 people in Blackburn with Darwen and 528 in Blackpool have a moderate or severe learning disability, with both populations expected to increase slightly by 2035.

3. Background to LGR in Lancashire

3.4 Current delivery and future opportunities for public services in Lancashire

The LGR opportunity: Adult social care faces systemic challenges across Lancashire - rising demand from an ageing population, fragile local care markets serving both urban and rural populations, workforce shortages, and variable quality and governance highlighted by recent CQC assessments. The new inspection regime found clear differences in leadership capacity and assurance across the three authorities currently delivering social care - Blackburn with Darwen demonstrated strong governance and performance, whilst elsewhere there is scope for greater consistency and accelerated improvement. These variations underline both the challenge and the opportunity to raise standards across the county by building on existing leadership strength and proven good practice.

Mental health needs are rising faster than national averages, with complex interfaces between ASC and NHS providers that complicate accountability. Learning disability needs are projected to grow steadily, adding pressure to already stretched supported living and respite markets. Three unitary authorities provide the scale and stability to strengthen system leadership, align governance and drive consistent improvement across all areas. A larger commissioning footprint under the three-unitary proposal would enable councils to invest in a wider range of housing with support options - bridging social care and housing functions - helping people live independently while reducing residential care demand.

The three-unitary option can help to further develop collaborations like the Health and Social Care Career Academy (HSCCA), a new partnership initiative between Blackpool and The Fylde College, the NHS and Blackpool Council aimed at developing a pipeline of education and training solutions for the health and social care economy across the Fylde Coast. Lancashire University is also a partner in this, and the three-unitary option can open this up throughout the Coastal Lancashire unitary where there are identified gaps in homecare provision within an ageing population.

Local government reorganisation offers scope to address pressures through stronger market-shaping, integrated commissioning and workforce planning at scale, and clearer governance. Three unitary authorities would create footprints that are large enough to shape resilient markets and engage strategically with the NHS, whilst remaining right-sized so that care and support can remain connected to local communities and partners, engaging smaller local providers where appropriate.

3. Background to LGR in Lancashire

Our Lancashire

3.4 Current delivery and future opportunities for public services in Lancashire

- **Improved consistency:** Aligning standards and practice across authorities, reducing the variation in quality and outcomes highlighted by CQC. Three unitaries would enable consistency at a scale that is achievable and manageable, building on Blackburn's strong foundations, while remaining attuned to local needs.
- **Market sustainability:** Using more sensible footprints to shape more resilient care markets, with co-ordinated contracting to stabilise providers, especially in rural and coastal areas where fragility is acute (see Case Study A).
- **Integration with health:** Three unitaries, broadly aligned with the Integrated Care Board (ICB), would provide clearer interfaces with the Lancashire & South Cumbria system. This would strengthen opportunities for pooled budgets, shared outcomes frameworks, and joint workforce development.
- **Prevention and early intervention:** A rationalised system can invest more effectively in community-based support, digital tools, reablement and early help, reducing demand for residential placements and unplanned hospital admissions. Integrating district services like housing and administering Disabled Facilities Grants with social care services can prompt a real step change in how people can be supported to live more independently and remain at home for longer, reducing costs across the system.
- **Specialist services:** Co-ordinated planning for learning disability, autism and mental health provision, where need is growing but supply is currently inconsistent, ensuring equitable access and efficient use of scarce resources. Currently, Blackburn with Darwen lacks the commissioning scale to sustain cost-effective niche provision such as learning disability support and community equipment services. The three-unitary proposal would provide that scale while keeping delivery locally attuned.

3. Background to LGR in Lancashire

3.4 Current delivery and future opportunities for public services in Lancashire

All reorganisation options will involve some degree of disaggregation and aggregation of services. However, the presence of three established Directors of Adult Social Services (DASS) across the proposed unitary footprints provides a strong foundation for leadership continuity through transition. This continuity mitigates the risks associated with creating multiple new statutory leadership posts, as would be the case under the four- or five-unitary options, where competition for senior talent would be more acute. Retaining experienced leadership and coordinating recruitment across three coherent footprints offers a more stable and resilient pathway to reform, ensuring that progress on adult social care improvement can continue at pace during transition, rather than being delayed by structural disruption.

Three right-sized, viable and sustainable unitaries running adult social care across Lancashire have a generational opportunity to create a more coherent and equitable system with clearer accountability, better positioned to work with the NHS and providers to deliver sustainable improvement.

3. Background to LGR in Lancashire

3.4 Current delivery and future opportunities for public services in Lancashire

Case Study A - Cornwall Council – Building a More Resilient Home Care Market

The challenge

Cornwall's geography makes delivering home care difficult. Many communities are rural, coastal, or remote, meaning carers spend a lot of time travelling between visits. Under the old system, the council bought care on a case-by-case basis from dozens of providers. This left the market fragile: providers struggled to plan, there were frequent gaps in coverage, and the council often paid high costs for urgent packages.

What the council did

In 2024 Cornwall replaced this system with a new "Home Care Alliance". The county was divided into 11 local zones, each with a lead provider responsible for organising care in their patch. The lead works with a small group of local partners, ensuring there is always back-up capacity. If another provider pulls out, the lead must step in so that no one goes without support. Contracts run for up to eight years, giving providers stability and confidence to invest in staff.

How it works in practice

- **Care requests are sent through a single referral system.**
- **The lead provider co-ordinates who delivers each package, reducing duplication and travel.**
- **Local partners are guaranteed a share of work, helping smaller providers stay viable.**
- **Payment rates take account of rural travel, so providers are not penalised for serving remote communities.**

Why it matters

This approach gives people in rural and coastal areas more reliable access to care, while providers benefit from predictable income and longer contracts. By using sensible footprints and co-ordinated contracting, Cornwall has made its home care market more resilient and better able to cope with the pressures of geography and workforce shortages. It also shows how authorities with the right scale, balanced between too large to manage and too small to effect meaningful change, can take a system-wide view of fragile markets and design more resilient solutions. This is an important lesson for Lancashire, where three unitary authorities would give each area the right scale to shape markets more effectively across health, care and housing.

3. Background to LGR in Lancashire

Our Lancashire

3.4 Current delivery and future opportunities for public services in Lancashire

3.4.2 Children's Social Care

Children's services across Lancashire are delivered by the three upper-tier authorities. The most recent Ofsted inspections for children's services rated Blackburn with Darwen as "Good" (2025), Lancashire County Council as "Good" (2023), and Blackpool as "Requires improvement" (2022). Performance therefore remains variable, with strengths in early help and edge-of-care practice in Blackburn alongside challenges in Blackpool.

Rates of looked after children (LAC) illustrate this - Blackpool's rate remains the highest in England at 181 per 10,000 children in 2024, down slightly from 191 the previous year but still more than three times the national average. Blackburn with Darwen achieved a reduction from 97 per 10,000 (2022) to 89 (2023) and 86 (2024), reflecting a targeted prevention approach - but still above the national average. Lancashire County Council is closer to the England average at 68 per 10,000 (2024), though variation persists between districts, with higher rates in urban areas such as Preston and Burnley compared to more rural districts.

Care leaver education, employment and training outcomes in Blackburn are consistently above national averages, while Blackpool's remain amongst the lowest nationally. Child protection plan numbers have stabilised in Blackburn but continue to rise in parts of Lancashire and Blackpool, pointing to pressures on social work capacity.

Underlying demand is also reflected in high numbers of Children in Need (CIN) and Child Protection Plans (CPP). In Blackpool, there were 338 CIN per 10,000 children in 2022/23, nearly double the national average of 165, and 94.5 children per 10,000 started on a CPP in 2023/24. Blackburn with Darwen also exceeds national thresholds, with around 82 children per 10,000 starting on a CPP in 2023/24. The Lancashire-12 area experiences rates closer to, but still above, national averages. These figures point to sustained, pervasive safeguarding, caseload and capacity pressures - particularly in urban and coastal areas – not just isolated spikes at the edge of care.

3. Background to LGR in Lancashire

3.4 Current delivery and future opportunities for public services in Lancashire

The LGR opportunity: The scale of the challenge across children's services in Lancashire is marked by sharp contrasts across the county. These variations result in markedly different experiences and outcomes for children and families based on where they live. There is an opportunity to build on good practice and demonstrable progress (such as in Blackburn) and harness the knowledge, relationships and systems that are in place at a local level:

- **Consolidate strengths in early help and prevention:** Blackburn's family safeguarding model has successfully reduced children looked-after rates by embedding multi-agency early help and family-strengthening practice. A three-unitary footprint would make it feasible to scale this approach across other areas, such as Preston and Burnley, where needs are similar and where schools and community networks are already closely connected.

- **Strengthen fostering and placement sufficiency:** The Foster With Us Regional Fostering Recruitment and Retention Hub show how joint recruitment and commissioning can improve stability. Embedding this collaboration further across new unitary structures would give scale to match need and reduce reliance on costly out-of-area placements.

- **Tackle uneven workforce resilience:** Social work capacity remains volatile, particularly in Blackpool. New authorities of greater scale could invest in structured career pathways, shared training, and retention incentives to reduce turnover and reliance and spending on agency staff. They would also have the scale and stability to grow and retain a skilled workforce by creating clearer progression routes, improving professional support, and building Lancashire's reputation as a place where social workers can build long-term careers.

- **Address entrenched inequalities in outcomes:** Care leaver EET outcomes are strong in Blackburn but amongst the lowest nationally in Blackpool. With three unitary authorities, there would be a stronger balance within each footprint, providing broader access to housing, skills and health provision, while allowing good practice from neighbouring areas to be embedded more consistently. Blackburn's strengths could be harnessed across a wider footprint facing similar challenges, ensuring that effective approaches to post-care support are spread more widely.

- **Alignment with partner footprint:** Blackburn with Darwen's youth justice service already works effectively with the Pennine Lancashire police footprint and could expand naturally across the wider East Lancashire area. The three-unitary proposal would strengthen this alignment and improve joint work on youth justice, community safety and early intervention.

3. Background to LGR in Lancashire

Our Lancashire

3.4 Current delivery and future opportunities for public services in Lancashire

Three unitaries provide the scale and stability to tackle Lancashire's most entrenched challenges in children's services, while retaining footprints that are close enough to communities to sustain prevention and early help. This approach would reduce current variability by embedding consistent practice and standards across broader footprints, while enabling targeted investment in areas of highest need such as Blackpool and urban centres in Lancashire. It would also give greater weight to regional fostering, commissioning and workforce planning initiatives, ensuring Lancashire speaks with a stronger, more coherent voice when addressing sufficiency, safeguarding and outcomes.

As with adult social care, the presence of three established Directors of Children's Services (DCS) across the proposed unitary footprints offers a solid platform for continuity and stability during transition. This will help maintain focus on improvement programmes already under way, particularly in areas working to strengthen practice and performance following Ofsted inspection. A three-unitary structure avoids the heightened risk of leadership disruption and competition for scarce senior expertise that would accompany the creation of additional authorities. Instead, it provides a coherent framework to co-ordinate improvement support, safeguard progress and sustain workforce stability while reform takes place.

3. Background to LGR in Lancashire

3.4 Current delivery and future opportunities for public services in Lancashire

Case Study B - Gloucestershire County Council - Social Work Academy

The challenge

Gloucestershire faced significant turnover in its children's social care workforce, with many staff in their first two years of practice and a heavy reliance on agency staff. Recruitment and retention were pressure points, and inconsistent training and professional development weakened continuity of care.

What the council did

To tackle this, Gloucestershire established a dedicated Social Work Academy, bringing all training, induction, and professional development under one roof. The Academy provides a clear pathway from student placements through to experienced practitioner roles, ensuring that every social worker entering the council receives high-quality, structured support and opportunities for growth.

How it works in practice

- Newly qualified social workers join a single annual intake, creating a peer network that supports learning and retention.
- A 12-month development programme combines classroom teaching, reflective supervision and practice mentoring.
- Experienced practitioners receive advanced training in systemic practice and leadership.
- Strong partnerships with universities underpin student placements and routes into permanent roles.
- The Academy also provides continuing professional development for existing staff to promote consistency and improvement.

Why it matters

The Academy has helped Gloucestershire build a more confident and stable workforce, reducing turnover and reliance on agency staff. For Lancashire, the three-unitary option provides the right scale to replicate this success - large enough to sustain shared training and career pathways, but local enough to stay connected to practice. A joint Lancashire Social Work Academy could embed consistency, improve recruitment and retention, and provide stability through transition and beyond.

3. Background to LGR in Lancashire

3.4 Current delivery and future opportunities for public services in Lancashire

3.4.3 Education and Special Educational Needs and Disabilities (SEND)

Education

Educational performance varies significantly across the county. At Key Stage 4, Attainment 8 scores in Lancashire-12 average 44.9, comparable with the North West (44.3) but below England (46.1). Blackburn with Darwen records 44.2, while Blackpool scores just 34.8, placing it among the lowest in the country. Progress 8 scores reinforce this pattern: Lancashire-12 and Blackburn hover near national averages (around –0.11), whereas Blackpool's is –0.96, indicating substantial underperformance. This gap is stark - a nearly 1-point difference in Progress 8 typically represents a whole grade across each of the eight GCSE subjects.

Disadvantage also plays a decisive role. In Lancashire-12, the Attainment 8 gap between Free School Meals (FSM) eligible and non-FSM pupils is 15.9 points (32.5 vs 48.4), with the disparity even wider in Blackpool. Beneath these averages, district-level variation is significant: Preston (49.7), Chorley (49.4), Ribble Valley (53.4) perform above county and national norms, while Burnley (40.3), Pendle (39.6), Hyndburn (41.2) lag markedly behind.

The school landscape varies in structure and quality. Lancashire has one of the lowest levels of academisation nationally. As of 2024-25, just 21% of primary and secondary schools are academies compared to 46% across England. This reflects a more mixed school system than most of England, creating both opportunities and challenges for consistent system-wide improvement. In parts of Blackpool, average Progress and Attainment scores fall well below national levels, reflecting entrenched structural challenges. Low attainment levels in Blackpool can lead residents to apply to schools outside of the council area, leading to pressure on school places in neighbouring local authorities and a need to provide additional capacity.

SEND

High needs and SEND services present some of the most pronounced financial and system-wide pressures in Lancashire. In 2024/25, Lancashire County Council reported a £40.4m overspend on its High Needs Block, resulting in a £22.4m cumulative DSG deficit, which is projected to climb to £137.5m by 2026. Blackpool, facing similar pressures, entered into a Safety Valve agreement with the Department for Education in 2022 to tackle its high-needs deficit by expanding in-county special school capacity and reducing reliance on out-of-area placements. Despite this, the council is forecasting a £4.6m DSG deficit in 2026, underlining the scale of the ongoing challenge. Blackburn with Darwen has not recorded a DSG deficit to date but is forecasting that it will do so from 2026 and beyond, highlighting the significant and ongoing challenges in securing and managing SEND provision across Lancashire.

Placement sufficiency remains fragile across the board: over the past five years, Blackpool and Blackburn together have spent approximately £48m on independent and non-maintained special school placements, much of it out-of-area, highlighting the fragility of local provision. Lancashire faces similar challenges, with high reliance on expensive placements driving financial risk.

3. Background to LGR in Lancashire

3.4 Current delivery and future opportunities for public services in Lancashire

Data from the Department for Education (DfE) shows a relatively even spread of Education, Health, and Care Plans (EHCPs) by population size across Lancashire, with patterns tracking expected population clusters and levels of affluence. Performance in issuing EHCPs in 20 weeks is varied across the three upper tier areas with Lancashire an outlier in this regard, as outlined in the chart below.

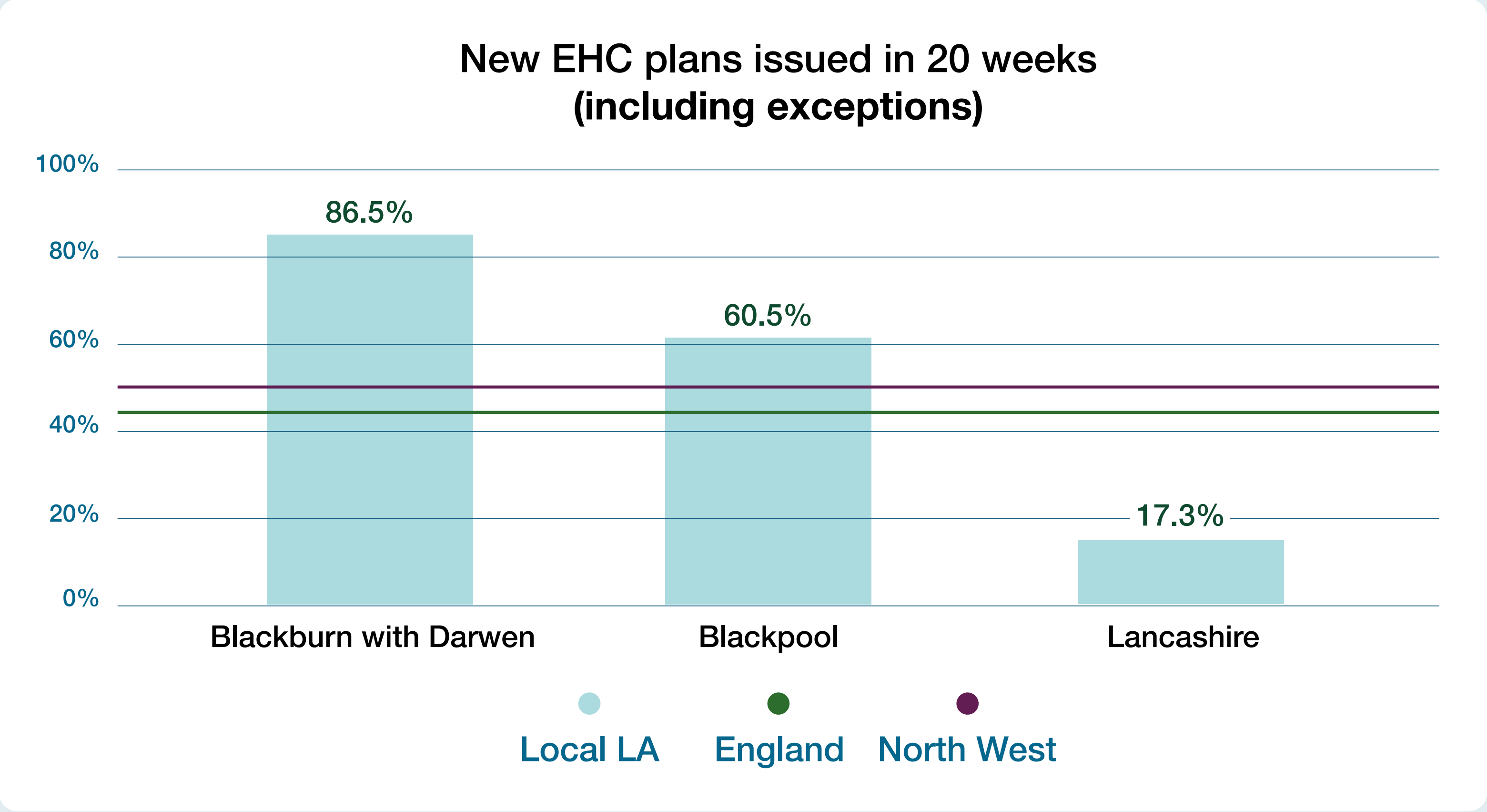


Figure 1 New EHC plans issued in 20 weeks (including exceptions) - 2024 data from LAIT and service baseline data pack

3. Background to LGR in Lancashire

3.4 Current delivery and future opportunities for public services in Lancashire

The LGR opportunity: Education and SEND challenges in Lancashire are shaped by fragmentation, financial pressures, and entrenched inequalities. The way forward relies on consolidating strengths and addressing weaknesses, while retaining footprints that are close enough to schools, families and communities to ensure improvement feels tangible and responsive:

- Raising standards across schools: A three-unitary approach enables stronger school improvement functions aligned to coherent geographies, with the capacity to broker support from stronger schools to weaker ones and work strategically with academy trusts.

- **Tackling structural disadvantage:** Pockets of entrenched underperformance and the FSM attainment gap across the county highlight the need for system-wide strategies on attendance, inclusion, and transition into post-16. Larger unitary footprints would enable joint working between children's services, housing, skills, and public health, creating wraparound approaches to address disadvantage.

- **Stabilising SEND:** SEND deficits are escalating across all three authorities, compounded by high-cost out-of-area placements - ultimately, this means poorer support for Lancashire children and young people with SEND needs. There is inconsistency across Lancashire around assessment and the issuance of EHCPs. At present, Lancashire's SEND system operates at too large a scale to deliver consistently timely and personalised support. A three-unitary approach creates the right balance of scale to manage assessment capacity - for example, by deploying Educational Psychologists more flexibly across manageable footprints - and the local connection needed to coordinate with schools and families.

- **Building a coherent school system:** Lancashire's relatively low academisation presents an opportunity to retain strong relationships with maintained schools while working more strategically with MATs. A three-unitary structure would give sufficient scale for system leadership and consistent standards, while avoiding the dilution of focus that risks arising from either a single county-wide authority or fragmented smaller units. It also provides the practical scale required for local school improvement partnerships to work with MATs and maintained schools across defined education communities, such as the M65 corridor and South Lancashire, supporting collaborative improvement rather than fragmented initiatives.

Three viable unitaries can embed consistent improvement approaches across schools, address entrenched underperformance in places like Blackpool and East Lancashire, and bring a county-wide inclusion-first strategic approach to SEND services, seeking to deliver more equitable outcomes for children and young people.

3. Background to LGR in Lancashire

3.4 Current delivery and future opportunities for public services in Lancashire

3.4.4 Public Health

Responsibility for public health transferred to local government in 2013, giving councils a statutory duty to improve the health of their populations, reduce health inequalities and protect communities from threats to health. In Lancashire, Blackburn with Darwen and Blackpool, public health teams – led by three Directors of Public Health - commission and deliver a broad range of services including health visiting and school nursing, sexual health, substance misuse treatment, smoking cessation, physical activity and weight management, oral health improvement and community wellbeing programmes. They also play a key leadership role in health protection, working with the UK Health Security Agency (UKHSA), the NHS and partners on issues such as communicable disease control, screening, vaccination uptake and emergency planning, resilience and response. Directors of Public Health play a key leading role in population health assessment through the publication of annual Joint Strategic Needs Assessments (JSNAs) and co-ordinate Health and Wellbeing Boards.

Despite significant progress, health and wellbeing outcomes across Lancashire demonstrate persistent inequalities. Rates of smoking, obesity, cardiovascular disease and drug-related deaths are above the national average in many districts, while healthy life expectancy varies by more than a decade between the most and least deprived areas. The fragmentation of public health leadership across multiple councils can make it harder to scale successful interventions, align prevention with NHS priorities or tackle the wider determinants of health such as housing, employment, and transport in a co-ordinated way.

The LGR opportunity: Creating three new unitary authorities with coterminous footprints provides the scale and structure needed to transform how public health is planned and delivered across Lancashire. Crucially, it also preserves stability by maintaining three statutory Directors of Public Health but with clearer accountability and stronger system leadership aligned to key partners in health and other key services.

With larger, more balanced populations and stronger links to partners, the three authorities can deliver more consistent, evidence-led programmes across prevention, health protection and health improvement, while tailoring interventions to local needs. It would also enable councils to integrate public health expertise directly into housing, social care, planning and economic development decisions, addressing the wider determinants of health that drive inequalities.

The new structures would allow public health teams to scale population health management approaches through enhanced and efficient joint commissioning, embed social prescribing and neighbourhood-based prevention models, and co-ordinate system-wide responses to emerging health risks. The opportunity would provide a population level at scale public health statutory function, both able to deliver effective services and programmes maximising use of resources and spend whilst focusing on localised interventions to communities to improve health outcomes, reduce inequalities and deliver stronger prevention and population health outcomes for Lancashire residents.

3. Background to LGR in Lancashire

3.4 Current delivery and future opportunities for public services in Lancashire

3.4.5 Housing and Homelessness

Housing and homelessness services in Lancashire are delivered by the 12 district councils, together with Blackpool and Blackburn with Darwen as unitary authorities. Each housing authority runs its own housing options and homelessness services and maintains a statutory housing register. Several existing Choice Based Letting (CBL) partnerships already in place reflect the geographies of the proposed three-unitary authority option, including:

- MyHomeChoice Fylde Coast covers Blackpool, Fylde and Wyre with a centralised system for residents to apply for affordable rental products
- Ideal Choice Homes is used by Lancaster
- Select Move covers Chorley, Preston and South Ribble
- Homefinder serves West Lancashire
- B with Us is used by Blackburn, Burnley, Hyndburn, Pendle and Rossendale

3. Background to LGR in Lancashire

Our Lancashire

3.4 Current delivery and future opportunities for public services in Lancashire

Housing stock management varies - Lancaster, West Lancashire and Blackpool directly own or manage council homes, while others, including Blackburn with Darwen, transferred stock to a wide range of housing associations. 2024 data indicate a total dwelling stock of 575,790 for the Lancashire-12 area, of which, 87.6% was owner occupied or privately rented. This was above the England average of 83.3%. Local authority-owned housing is rare across Lancashire. West Lancashire has the highest proportion, with around 11% of homes in council ownership, followed by Lancaster at 5.5%. Elsewhere, ownership levels are minimal - districts such as Chorley, Burnley, South Ribble, Hyndburn, Rossendale, Ribble Valley and Pendle each hold only small numbers of council homes, while Fylde, Preston and Wyre no longer own any. Registered social landlords accounted for over 10% of dwellings in seven Lancashire-12 local authorities and in the county itself. These included Preston where 18.6% of dwellings were of this tenure, which is the highest in both the Lancashire-12 and the Lancashire-14 areas.

27,509 households were on housing register waiting lists in Lancashire in 2023/24, equating to about 51.6 per 1,000 households, which is above the CIPFA nearest neighbour average of 38.5 per 1,000 households.

Temporary accommodation (TA) demand across the county is relatively low. Across the 12 Lancashire districts, around 340 households were in temporary accommodation during 2023/24. This represents under a third of a percent of England's total.

Preston (64 households) and South Ribble (50) stand out as districts with notably higher TA numbers, compared with most districts averaging around 20-30 households each. Within the two existing unitary housing authorities, Blackburn with Darwen has around 34 households, while Blackpool faces significantly higher TA pressure, with about 126 households in temporary accommodation.

3. Background to LGR in Lancashire

3.4 Current delivery and future opportunities for public services in Lancashire

The LGR opportunity: There are several opportunities to improve how housing and homelessness services are planned, resourced and delivered that the three-unitary authority option can address:

- **Integrated housing strategy:** Under the three-unitary authority option, planning and housing could be joined up within a single strategic function at the unitary level. Instead of 14 separate housing allocation and homelessness systems, the new unitaries could deliver housing growth aligned with transport, infrastructure and economic strategy across functional travel-to-work geographies. The legacy of Housing Market Renewal in East Lancashire shows how large-scale, cross-authority approaches can shift entrenched market challenges.

- **Stock-holding and market-shaping:** Joining stock-holding councils (e.g. Lancaster, West Lancashire, Blackpool) with non-stockholders allows direct delivery across the whole area. This gives each new unitary the ability to shape local housing markets, particularly in affordable housing and quality improvements in deprived areas, while also providing residents with better housing options.

- **Integration across housing and social care:** There is also an opportunity to integrate approaches to adult social care and housing, providing a platform to respond to issues like housing-based support, adaptations and use of the Disabled Facilities Grant, and proactive planning around the suitability of housing for those in receipt of care.

- **Stronger partnerships and investment:** With larger, coherent footprints, three unitaries of the right size become more credible partners for registered providers, Homes England and developers. This scale makes it easier to secure major investment, pooled land deals and regeneration schemes in areas where delivery would otherwise be unviable for housebuilders, helping to create cohesive and thriving communities.

- **Rationalised allocations and homelessness services:** The existing Choice Based Letting partnerships already hint at the logic of scale. These existing sub-regional alignments already reflect the opportunity to reduce duplication and improve consistency in housing allocations and homelessness support across larger footprints.

- **Simplified access and improved customer experience:** At present, residents must navigate multiple housing registers and homelessness services. Three unitary authorities could rationalise allocations and provide access to a wider pool of housing, especially for people with connections to multiple districts who may otherwise fall between the cracks. A common housing and commissioning strategy also reduces duplication, for example in supported accommodation, where county and district teams often operate in parallel without full visibility of each other's provision.

- **Scope for alignment with health, care and place-based prevention:** Housing could sit more closely alongside adult social care and children's services, creating a shared platform to align demand forecasting, commissioning and adaptations. Disabled Facilities Grants (DFGs) could be better co-ordinated with housing departments in stock-holding unitaries, ensuring adaptations are retained in the housing stock and deliver longer-term value for money. Aligning housing with ASC and CSC also improves oversight of residents' journeys and the ability to track outcomes across housing, health and care.

3. Background to LGR in Lancashire

3.4 Current delivery and future opportunities for public services in Lancashire

Case Study C- Elevate East Lancashire – Housing Market Renewal

The challenge

In the early 2000s, parts of East Lancashire faced a housing crisis. Rows of Victorian terraces had become hard to sell, prices were among the lowest in the country, and many homes stood empty. Neighbourhoods in Blackburn, Burnley, Hyndburn, Pendle, Rossendale and Ribble Valley were in a cycle of decline - as families moved out, investment dried up, leaving properties in poor condition and streets increasingly unpopular.

What the council did

From 2003, the six councils came together under the Elevate East Lancashire Housing Market Renewal Pathfinder. With government funding, they set out to tackle whole neighbourhoods rather than individual properties. The programme combined clearance of the worst stock, large-scale refurbishment of others, and new building on cleared sites. Homeowners affected by clearance were offered support and loans to move into better housing locally, so they could stay part of the community.

How it works in practice

- Targeted specific neighbourhoods such as Bank Top in Blackburn, Burnley Wood, and West/East Accrington.
- Demolished the most obsolete homes and built modern family housing in their place.
- Refurbished and modernised retained terraces, improving energy efficiency and living standards.
- Improved the public realm with new streetscapes, squares and community facilities.
- Gave relocation support and equity loans so residents could afford to move without financial loss.

Why it matters

The programme succeeded in stabilising some of the most fragile housing markets in the country by reducing vacancy, improving neighbourhood quality, and boosting demand in areas that had been in decline. It proved that joint working across multiple councils in a coherent geography can move the needle in places where individual authorities struggle alone. Even though the formal HMR programme ended, the principle remains. Regeneration at scale works best when local authorities pool effort and work across recognised geographic areas. In the proposed three-unitary authority option, the alignment with the original Elevate pathfinder geography provides continuity which means the argument for delivering housing, growth and infrastructure can build on a recognised precedent of collaborative scale and expand out across the whole of Lancashire.

3. Background to LGR in Lancashire

Our Lancashire

3.4 Current delivery and future opportunities for public services in Lancashire

3.4.6 Highways and Transport

Lancashire County Council is the highways authority for the 12 districts, responsible for over 4370 mi of carriageways and 4,860 mi of footways and cycleways, as well as bridges, lighting and drainage assets. The latest transparency report identifies a £339m maintenance backlog, with the largest pressures in bridges and walls (£265m) and footways (£40m). LCC handles county-wide transport services such as subsidised local bus routes and the NoWcard concessionary travel pass scheme. Separate arrangements exist in Blackpool and Blackburn with Darwen, which act as their own highway's authorities. Blackpool owns an integrated bus and tram company (Blackpool Transport Services) to operate its local public transport. Blackpool Transport Services also operates bus and tram services in Fylde and Wyre. Blackpool also wholly owns Blackpool Airport, which currently operates non-commercial flights only.

Co-ordination on transport strategy and policy happens through the Lancashire Combined County Authority to align infrastructure projects across the county, but day-to-day highways and local transport services are delivered by the county council or the unitary councils in their own jurisdictions.

The LGR opportunity: Three different highways authorities with huge variations in the scope, size and scale of highways managing manage separate budgets, programmes, and maintenance priorities creates duplication in planning and weakens county-wide resilience to manage shared assets and strategic corridors. Local government reorganisation presents an opportunity to introduce more balanced arrangements across Lancashire and work decisively with the Combined Authority to revitalise the transport network.

3. Background to LGR in Lancashire

Our Lancashire

3.4 Current delivery and future opportunities for public services in Lancashire

3.4.7 Waste Management (Disposal and Collection)

Responsibility for waste management in Lancashire is currently split between the county council (waste disposal) and the 12 district councils (waste collection), alongside Blackpool and Blackburn with Darwen as unitary authorities that deliver both functions.

As waste disposal authorities, Lancashire County Council, Blackpool and Blackburn with Darwen each operate their own infrastructure and contracts. LCC manages treatment facilities through its majority-owned company, Lancashire Renewables Ltd, and runs 16 household waste recycling centres (HWRCs). Blackpool delivers services via Enveco NW Environmental Services, its wholly owned company, while Blackburn with Darwen manages two HWRCs directly. Performance varies - in 2023/24, household recycling rates ranged from 27.1% in Blackburn with Darwen to 44.0% in Blackpool.

Approaches to waste collection also differ. Several districts manage services in-house, while others operate contracted arrangements, such as Wyre with Veolia. Some councils have introduced pilot changes ahead of forthcoming national reforms, such as separate food waste collections in Blackburn and three-week residual waste collections in Lancaster, reflecting locally tailored but inconsistent approaches. A joint Lancashire Waste Management Strategy is currently under review to align ambitions and priorities across authorities.

3. Background to LGR in Lancashire

3.4 Current delivery and future opportunities for public services in Lancashire

The LGR opportunity: Separate disposal and collection arrangements across 15 authorities create complexity, duplication and variation in both cost and performance. Strategic approaches to waste management under a three-unitary approach could:

- Enable end-to-end system planning, aligning collection and disposal logistics to optimise treatment capacity, transport routes and investment decisions.
- Support greater standardisation of collection models, reducing resident confusion, improving recycling performance and creating a more consistent customer experience.
- Strengthen strategic infrastructure investment, allowing joint planning for treatment, energy recovery and recycling facilities at the right scale to meet future demand.
- Enhance efficiency and resilience, by consolidating procurement, data systems and public communications across larger footprints.
- Explore opportunities like the potential for a single Lancashire-wide Waste Disposal Authority; three similarly sized unitary councils would provide the right scale and alignment to consider such an approach, which could unlock efficiencies, attract investment and support Lancashire-wide co-ordination of infrastructure planning.
- Better prepare Lancashire for future national waste reforms by aligning resources, infrastructure and delivery plans. While the statutory requirement for separate food waste collections will come into force in April 2026 before reorganisation is complete, the new councils will be well placed to build on initial arrangements by scaling them up consistently, addressing residual system challenges and co-ordinating future reforms as they emerge.

3. Background to LGR in Lancashire

3.4 Current delivery and future opportunities for public services in Lancashire

3.4.8 Planning, Growth and Building Control

Each of Lancashire's 12 districts and two unitary councils currently acts as its own Local Planning Authority (LPA), responsible for local plan preparation, development management and enforcement. In addition, Lancashire County Council acts as the minerals and waste planning authority for the Lancashire-12 as well as Blackpool and Blackburn with Darwen, who have delegated these functions to the County. While this structure ensures local representation, it also creates a highly fragmented planning landscape across the county, with 14 separate local plans at different stages of development. This results in inconsistencies in policy, design standards and approaches to housing and infrastructure delivery.

But there are positive examples of collaboration that demonstrate the benefits of joint working. The Central Lancashire Local Plan, jointly prepared by Preston, Chorley and South Ribble, is currently at Regulation 19 stage and provides a coordinated framework for growth, housing and transport along key corridors. Similarly, the Pennine Lancashire authorities – Blackburn with Darwen, Burnley, Hyndburn, Pendle, Ribble Valley and Rossendale – have a strong track record of joint working on planning, regeneration and economic development. Through initiatives such as the Pennine Lancashire Growth and Prosperity Strategy and shared housing market renewal programmes, they have demonstrated the ability to plan and deliver at scale across a coherent economic and social geography. On the Fylde Coast, Blackpool, Fylde and Wyre councils have a well-established history of collaboration, initially through the Blackpool, Fylde and Wyre Economic Development Company (2003-2018) and more recently via the Economic Prosperity Board. This partnership continues to support joint approaches to investment, regeneration and strategic planning across the coastal economy. This provides an established foundation that a new unitary structure could build upon.

The LGR opportunity: Lancashire's current planning arrangements make it difficult to plan housing, transport and economic growth coherently across functional geographies and truly drive spatial development in a strategic way. A three-unitary approach would enable strategic land-use planning at the right scale - large enough to integrate housing, employment, minerals and infrastructure priorities, yet close enough to local communities to reflect distinct place identities. It would also strengthen Lancashire's ability to deliver on the Government's national ambitions for housebuilding and planning reform. Lancashire could better align housing growth with transport, infrastructure and environmental priorities. This would allow faster progress on local plan adoption, a clearer pipeline of development sites, and greater capacity to respond to the government's plans for increased housing delivery in a sustainable and co-ordinated way. It also provides a chance to address current workforce challenges in building control, where many districts are struggling to recruit following recent regulatory changes. Larger, more resilient services would create stronger career pathways, aid retention, and ensure the skills and capacity needed to support safe, consistent development across Lancashire

Reorganisation provides the opportunity to:

- **Strengthen spatial and strategic planning capacity:** bringing together fragmented local plans and strategies into three coherent frameworks that align housing, transport, employment and environmental priorities, and provide a stronger platform for future collaboration with the Combined County Authority on spatial development and infrastructure planning.

3. Background to LGR in Lancashire

Our Lancashire

3.4 Current delivery and future opportunities for public services in Lancashire

3.4.8 Planning, Growth and Building Control

- **Accelerate progress against the government's housebuilding plans:** respond coherently and at scale to increase housing supply across Lancashire in line with the government's plans
- **Improve efficiency and consistency:** reducing duplication in plan-making, development management and enforcement, and creating shared expertise in areas such as design, heritage, climate adaptation and environmental planning.
- **Integrate planning functions more effectively:** bringing together Local Plans with transport planning and minerals and waste planning (currently delivered by Lancashire County Council) within a single strategic framework. Three unitary authorities create the ability to align land use, infrastructure, economic development, social priorities and climate objectives coherently, ensuring that growth is planned in a sustainable, joined-up and future-focused way.
- **Enhance building control resilience:** consolidating small teams into stronger service delivery units, ensuring regulatory compliance, improving risk management, and providing faster, more consistent support for residents and developers. This will also serve to boost housing supply and accelerate progress towards the Government's ambitions for housing delivery.
- **Strengthen workforce resilience in building control:** Address current recruitment and retention challenges created by recent regulatory changes by consolidating services across larger footprints. A three-unitary approach would provide more sustainable teams, clearer career progression, and more resilient capacity.

A three-unitary structure would therefore create a more coherent, capable and strategically aligned planning and growth system for Lancashire - one that connects land-use, transport and housing decisions, strengthens collaboration with the Combined County Authority on spatial development, and combines scale and co-ordination with the local accountability needed for effective place-making.

3. Background to LGR in Lancashire

3.4 Current delivery and future opportunities for public services in Lancashire

3.4.9 Wider public services

Health

Integrated care

The NHS Lancashire & South Cumbria Integrated Care Board (ICB) covers the area covered by all 12 districts, the county, the two unitaries, and parts of Cumbria (largely part of Westmorland & Furness). It operates place-based partnerships broadly aligned to these footprints, but boundaries still diverge from current local government geographies, requiring ongoing co-ordination.

Trusts and hospitals

Lancashire Teaching Hospitals NHS Foundation Trust (LTHFT)

- Royal Preston Hospital: major acute site and major trauma centre; hosts the Lancashire Neurosciences Centre (neurosurgery, neurology, neuro-rehab).
- Chorley and South Ribble Hospital: urgent care / A&E for adults only (children's and maternity emergencies go to Preston); significant elective, day case and outpatient work.

East Lancashire Hospitals NHS Trust (ELHT)

- Royal Blackburn Teaching Hospital: main emergency site (Type 1 ED, 24/7).
- Burnley General Teaching Hospital: principal planned-care site and home to the Lancashire Women and Newborn Centre (consultant-led obstetrics) plus an alongside midwife-led unit (AMU) and an Urgent Treatment Centre. Community hospitals at Clitheroe and Pendle (Accrington Victoria closed in 2024).

3. Background to LGR in Lancashire

Our Lancashire

3.4 Current delivery and future opportunities for public services in Lancashire

Blackpool Teaching Hospitals NHS Foundation Trust (BTHFT)

- Blackpool Victoria Hospital: acute site with A&E and the Lancashire Cardiac Centre (regional tertiary cardiology and cardiothoracic surgery).
- Clifton Hospital, St Annes: inpatient rehabilitation/older people's care.
- Fleetwood Hospital: community/outpatient unit.

University Hospitals of Morecambe Bay NHS Foundation Trust (UHMBT)

- Royal Lancaster Infirmary: A&E department. UHMBT spans North Lancashire and South Cumbria, with additional sites in Barrow and Kendal.

Lancashire & South Cumbria NHS Foundation Trust (LSCft)

- Specialist mental health, learning disability and range of community services; inpatient facilities across the county:
    - Guild Lodge (Whittingham): secure mental health inpatient service.
    - The Harbour (Blackpool): adult inpatient mental health.
    - The Cove (Heysham): 14-bed CAMHS inpatient unit

In West Lancashire, acute hospital services are provided at Ormskirk District General Hospital, alongside women's & children's services and elective surgery. The hospital is run by Mersey & West Lancashire Teaching Hospitals NHS Trust.

3. Background to LGR in Lancashire

3.4 Current delivery and future opportunities for public services in Lancashire

Policing

Lancashire Constabulary is structured into three territorial divisions that are coterminous with the three-unitary proposal's new authorities:

- **East** – covering Blackburn with Darwen, Burnley, Hyndburn, Pendle, Ribble Valley and Rossendale (mapping to Pennine Lancashire unitary authority)
- **South** – covering Chorley, South Ribble, West Lancashire, and Preston (mapping to Central Lancashire unitary authority)
- **West** – covering Blackpool, Fylde, Wyre, and Lancaster (mapping to Coastal Lancashire unitary authority)

Neighbourhood policing is delivered through local teams supported by community beat managers, PCSOs, special constables, and volunteers.

Fire and rescue

Lancashire Fire and Rescue Service is organised into six area commands – Northern, Southern, Eastern, Western, Central, and Pennine – operating c.40 stations (including wholetime, retained, and day-crewed) to ensure full 24/7 coverage based on risk and geography.

Coastal collaboration and resilience

Lancashire's coastal authorities - Lancaster, Wyre, Fylde and Blackpool - already collaborate extensively on flood and coastal erosion risk management, climate adaptation and environmental resilience. Through the North West & North Wales Coastal Group, councils work with the Environment Agency, Natural England and partners to deliver the Shoreline Management Plan (SMP) and associated monitoring and action planning. This partnership model has built strong professional and community networks across administrative boundaries, enabling consistent, long-term approaches to risk management, habitat restoration and public engagement. It also provides practical tools and governance (e.g., SMP Explorer, regional monitoring, task-and-finish groups) that the new authorities can adopt and scale from day one.

3. Background to LGR in Lancashire

3.5 Limitations of the current model of public services

Lancashire's current two-tier system of local government brings together a wide range of strengths, but there are structural challenges that make it harder to deliver consistently joined-up, efficient and responsive services. The split of responsibilities between the county council, twelve districts and two unitaries can complicate co-ordination, blur accountability and limit the ability to plan and invest at the right scale.

Limitations of the current model

- **Complex accountability** - residents sometimes face uncertainty over which council is responsible for which service. This complexity can slow decision-making and make it harder to take a whole-system view across interconnected services like housing, social care and public health.
- **Variability in outcomes and service quality** - service performance differs across Lancashire. Outcomes in children's services, SEND, housing and waste management vary significantly between areas, which reflects both differing local needs and capacity but also the wide range of approaches and service models in place.
- **Sizing and strategic capacity** - smaller councils can struggle to resource and deliver major infrastructure, growth or climate programmes, while significantly larger footprints like the county can make tailoring to needs at a locality level more difficult.
- **Duplication of effort** - the two-tier model can lead to overlapping corporate, commissioning and support functions, alongside fragmented digital and data systems, adding cost and complexity.
- **Misaligned boundaries** - council footprints do not always align with those of health, police, fire or employment partners, making joint planning and delivery less straightforward.
- **Barriers to integration and prevention** - separate responsibilities for housing, health and social care can make it more difficult to co-ordinate preventative approaches and reduce future service demand.

3. Background to LGR in Lancashire

Our Lancashire

3.6 Addressing the current limitations

These limitations are not a reflection of a lack of capability or effort across Lancashire councils, but stem from the way responsibilities are divided between tiers. Addressing them requires change that combines the right scale for planning and commissioning with strong local accountability and more joined-up delivery.

- **Clearer accountability and transparency** – ensuring residents, communities, businesses and partners and stakeholders have a single, visible route into services and a clearer understanding of which organisations are responsible for delivery.
- **Better alignment between services** – stronger integration of functions such as housing, health, care and public health so that decisions are planned and made holistically, reducing duplication and closing gaps between prevention, support and acute services.
- **Greater strategic capacity and coherence** – enabling councils to plan for infrastructure, housing and economic growth across meaningful geographies, with sufficient scale to influence regional and national partners.
- **Simplified and more efficient delivery structures** – reducing overlap between tiers, consolidating back-office and commissioning functions, and enabling shared approaches to digital systems, procurement and workforce planning. This will free up resources to reinvest in frontline services, prevention and early intervention.
- **A stronger and more resilient workforce** – empowered by clear career pathways, development opportunities, positive organisational cultures and the capacity to innovate and collaborate across boundaries.
- **Greater flexibility in service design** - enabling councils to adopt more responsive, place-based and locality-based approaches that reflect the needs of different communities
- **Closer alignment with partner geographies** – creating clearer interfaces with the NHS, police, fire, criminal justice and employment support services, allowing more integrated planning and funding decisions.
- **Enhanced financial resilience** – creating councils with the scale and diversity of tax base to manage volatility in demand and funding, reduce duplication of overheads, and direct more investment to frontline priorities.
- **A stronger focus on prevention and early intervention** – connecting housing, health, care and community services around people and places rather than organisational boundaries, helping to manage long-term demand pressures.

Collectively, these shifts will enable Lancashire's system of local government to operate more cohesively, plan more strategically and respond more effectively to residents' needs. They will deliver improved and more consistent outcomes for people and communities with better services, stronger places and a more sustainable system of local government for Lancashire's future.

4. Options appraisal

4.1 The options for local government reform in Lancashire

This section summarises the options for the future of local government in Lancashire. Each option sets out the geographical boundaries and the estimated population of each unitary authority.

4.1.1 Proposed two-unitary option

- **Unitary 1 (North):**
  Population 722,045
  Blackpool; Fylde; Lancaster; Preston; Ribble Valley and Wyre
- **Unitary 2 (South):**
  Population 879,600
  Blackburn with Darwen; Burnley; Chorley; Hyndburn; Pendle; Rossendale; South Ribble; and West Lancashire

4.1.2 Proposed three-unitary option

- **Unitary 1 (Coastal Lancashire):**
  Population 493,387
  Blackpool; Fylde; Lancaster; and Wyre
- **Unitary 2 (Central Lancashire):**
  Population 521,811
  Chorley; Preston; South Ribble; and West Lancashire
- **Unitary 3 (Pennine Lancashire):**
  Population 586,357
  Blackburn with Darwen; Burnley; Hyndburn; Pendle; Ribble Valley; and Rossendale

Estimated populations (2024)

4. Options appraisal

4.1 The options for local government reform in Lancashire

4.1.3 Proposed four-unitary option

- **Unitary 1 (West):**
  Population 348,381
  Blackpool; Fylde; and Wyre
- **Unitary 2 (South):**
  Population 358,947
  Chorley; South Ribble; and West Lancashire
- **Unitary 3 (East):**
  Population 520,653
  Blackburn with Darwen; Burnley; Hyndburn; Pendle; and Rossendale
- **Unitary 4 (North):**
  Population 373,664
  Lancaster; Preston; and Ribble Valley

4.1.4 Proposed five-unitary option

- **Unitary 1 (West):**
  Population 392,502
  Blackpool; Fylde; and Preston
- **Unitary 2 (South):**
  Population 358,947
  Chorley; South Ribble; and West Lancashire
- **Unitary 3 (Middle):**
  Population 314,392
  Blackburn with Darwen; Hyndburn; and Ribble Valley
- **Unitary 4 (North):**
  Population 263,749
  Lancaster; and Wyre
- **Unitary 5 (East):**
  Population 272,055
  Burnley; Pendle; and Rossendale

Estimated populations (2024)

4. Options appraisal

4.1 The options for local government reform in Lancashire

4.1.5 Blackpool – alternative proposed four-unitary option

- **Unitary 1 (West):**
  Population 456,001
  Blackpool; Fylde; Preston; and Urban Wyre
- **Unitary 2 (South):**
  Population 350,157
  Chorley; South Ribble; and West Lancashire
- **Unitary 3 (East):**
  Population 545,057
  Blackburn with Darwen; Burnley; Hyndburn; Pendle; Rossendale; and southern part of the Ribble Valley
- **Unitary 4 (North):**
  Population 199,275
  Lancaster; northern part of the Ribble Valley; Rural Wyre

Latest ward level data on population are for 2022, which has been required to construct the UA boundaries for this option. Other options use district boundaries to construct the UAs, where latest available data are for 2024.

4. Options appraisal

4.2 Options appraisal approach

A structured longlisting and shortlisting process, undertaken in line with HM Treasury Green Book principles to ensure a transparent and evidence-based assessment, has been used to appraise the proposed options. A fifth option, an alternative four-unitary configuration being proposed by Blackpool, was not taken forward for detailed analysis at this stage. While the proposal brought forward some alternative perspectives on governance arrangements, it did not maintain the existing district boundaries of Ribble Valley and Wyre, which was a key prerequisite for most stakeholders during this stage of the process.

In addition, the population and economic base of the proposed northern authority under this approach would likely have fallen below the thresholds regarded by government as sustainable. Concerns were also raised about potential imbalances in population, financial resilience and economic opportunity between the proposed authorities, which could create challenges for parity of scale and long-term sustainability from day one.

For these reasons, and on the basis of the appraisal undertaken to date, the alternative four-unitary configuration was not progressed for further consideration at this point.

Longlist

Compare the options against the MHCLG criteria and shortlist the two highest scoring proposals

Two-unitary option

Three-unitary option

Four-unitary option

Five-unitary option

Each LGR option will be appraised to determine **how well it aligns** to the criteria and sub-criteria using a Red, Amber, Green RAG rating method. The appraisal is supported by **narrative** and where possible **evidence** and **data.**

4. Options appraisal

4.2 Options appraisal approach

Shortlist

Comparison of the three-unitary and four-unitary proposals based on analysis of the MHCLG criteria and financial, economic, service delivery and public engagement aspects of the options

Three-unitary option

Four-unitary option

The options were scored using a red, amber, green status to determine how well each option aligned to the criteria.

- Green — **Fully meets all success conditions for the criterion**
- Amber — **Partially meets – some gaps or areas of uncertainty**
- Red — **Does not meet key conditions or lacks credible evidence**

4. Options appraisal

Our Lancashire

4.2 Options appraisal approach

Longlist appraisal

The longlisting process was structured around an assessment of each option against the Government's six criteria for local government reorganisation as defined by MHCLG (refer to appendix for the full list of criteria). The appraisal was undertaken using a structured, evidence-led approach consistent with HM Treasury's Green Book principles, ensuring that options were compared transparently and, on a like-for-like basis.

Each option was reviewed initially against its alignment with government's recommended population size and provision of a single tier of local government. To assess options against the remaining criteria, data analysis was conducted across 6 thematic areas (as outlined in the table below). This informed the identification of critical success and risk factors which were taken into consideration in the appraisal of each option.

Policy area overview	Ideal state	Risk factor	Potential implications for unitary authorities
Socio-economic fundamentals *The broad building blocks of economic prosperity and social need that will determine the growth potential of any new unitary authority*	A balanced mix of the factors of economic production and social need within each proposed local authority	Demonstration of high levels socio-economic disparities between unitary authorities.	Risk of uneven pressure on council services and council tax base with to geographically diverse patterns of social need.
Economic geography *The alignment of new boundaries with infrastructure, connectivity and the lived experience of Lancashire residents*	Boundaries that encompass travel to work areas in full and bring together places with similar infrastructure needs with housing growth opportunities	Misalignment of boundaries with lived experience of Lancashire residents and firms.	Risk of policy disconnect on infrastructure policy, i.e. housing and planning policy.
Sectors and clusters *The key economic sectors that represent Lancashire's comparative advantage, and underpin wider prosperity*	A boundary that works with the grain of economic clusters, and demonstrates a broad range of sector specialisms to support future economic resilience	Demonstration of uneven sectoral composition or sharp differentiation in economic complexity.	Risk of uneven economic resilience between unitary authorities, with potential implications for future tax base.

4. Options appraisal

Our Lancashire

4.2 Options appraisal approach

Policy area overview	Ideal state	Risk factor	Potential implications for unitary authorities
Investment and regeneration *The levers that a new unitary authority will have to attract investment, spur economic development and improve lives for residents*	Alignment between skills providers, residents, and travel to learn areas, and with a balance of provision across areas	Demonstration of uneven ability to support growth or attract investment within their defined boundaries.	Risk of limited levers for investment and regeneration for a new unitary authority.
Skills and workforce development *The skills demand, assets and opportunities for a new UA to support residents to make the most of local economic opportunities*	A good mix of future investment opportunities within boundaries linked to key commercial and residential investment opportunities	Demonstration of uneven skills challenges and limited levers to address those challenges by misalignment with educational assets.	Risk of limited ability to address entrenched skills challenges, and to co-ordinate policy (including service provision) with skills providers through under-bounding.
Governance and economic decision-making *The aspects of economic decision-making, collaboration that tend to support long-term prosperity, based on best practice.*	A unitary authority that supports good economic decision-making and integration with MCA governance, underpinning private sector investment and economic growth	Governance challenges within collaborative institutions including Lancashire Combined County Authority.	Risk of unitary authorities that are not best placed to take advantages of devolved powers and funding opportunities through good economic decision-making.

A summary of the analysis is provided in section 4.4, with additional detail provided in Appendix 4.

4. Options appraisal

4.3 Longlist outcome

Criteria	What the criteria means	What good looks like	2UA	3UA	4UA	5UA
Single tier of local government	One layer of local government doing everything in each area • Sensible economic areas, with an appropriate tax base which does not create an undue advantage or disadvantage for one part of the area • Sensible geography which will help to increase housing supply and meet local needs • Robust evidence and analysis and include an explanation of the outcomes it is expected to achieve, including evidence of estimated costs/benefits and local engagement • Describe clearly the single local tier structures it is putting forward for the whole of the area, and explain how, if implemented, these are expected to achieve the outcomes described	A clear and simple structure where each area has just one council responsible for all local services. No overlaps or confusion for residents. Boundaries are logical and cover the whole geography with no gaps.				
Right size for efficiency and resilience	Big enough to run efficiently, but manageable and financially robust • As a guiding principle, new councils should aim for a population of 500,000 or more. There may be certain scenarios in which this 500,000 figure does not make sense for an area, including on devolution, and this rationale should be set out in a proposal • Efficiencies should be identified to help improve councils' finances and make sure that council taxpayers are getting the best possible value for their money • How an area will seek to manage transition costs, including planning for future service transformation opportunities from existing budgets, including from the flexible use of capital receipts that can support authorities in taking forward transformation and invest-to-save projects • For areas covering councils that are in Best Value intervention and/or in receipt of Exceptional Financial Support, proposals must additionally demonstrate how reorganisation may contribute to putting local government in the areas as a whole on a firmer footing and what area-specific arrangements may be necessary to make new structures viable	Each unitary covers a population that is large enough to benefit from economies of scale and manage key services, but not so large that it loses local identity or becomes inefficient to operate.				

4. Options appraisal

Our Lancashire

4.3 Longlist outcome

Criteria	What the criteria means	What good looks like	2UA	3UA	4UA	5UA
High-quality, sustainable services	Services must be protected or improved, not diluted • New structures will improve local government and service delivery, and should avoid unnecessary fragmentation of services • Opportunities to deliver public service reform should be identified, including where they will lead to better value for money • Considerations should be given to the impacts for crucial services such as social care, children's services, SEND and homelessness, and for wider public services including for public safety	The option improves service standards and access. There's a credible plan to integrate services without overstretching resources.				
Joint working and local support	Councils working together, and residents/stakeholders have a voice • It is for councils to decide how best to engage locally in a meaningful and constructive way and this engagement activity should be evidenced in your proposal • Consider issues of local identity and cultural and historic importance • Evidence of local engagement, an explanation of the views that have been put forward and how concerns will be addressed	The option clearly considers a joined-up approach. Councils have worked together and there's clear evidence of engagement with residents, partners and stakeholders. It feels locally led.				
Supports devolution	Big and capable enough for devolved powers from government • Need to consider and set out for areas where there is already a CA or CCA established or a decision has been taken by Government to work with the area to establish one, how that institution and its governance arrangements will need to change to continue to function effectively; and set out clearly (where applicable) whether this proposal is supported by the CA/CCA/Mayor • Ensure there are sensible population size ratios between local authorities and any strategy authority, with timelines that work for both priorities	Each unitary is large enough to meet government expectations for devolved powers. There is potential alignment for a combined authority or mayoral deal.				

4. Options appraisal

Our Lancashire

4.3 Longlist outcome

Criteria	What the criteria means	What good looks like	2UA	3UA	4UA	5UA
Stronger community engagement	Keeps decision-making local and connected to communities • Explain plans to make sure that communities are engaged • Where there are already arrangements in place it should be explained how these will enable strong community engagement	Clear plan to keep decision-making close to communities. The structure makes it easy for people to engage and feel represented. Local identity is recognised and valued.				

4. Options appraisal

Our Lancashire

4.4 Shortlisting

Criteria	What the criteria means	What good looks like	3UA	4UA	Key risks and considerations	Opportunities and benefits
Single tier of local government	One layer of local government doing everything in each area	A clear and simple structure where each area has just one council responsible for all local services. No overlaps or confusion for residents. Boundaries are logical and cover the whole geography with no gaps.	●	●	Boundary negotiation is more complex in 4UA; potential for duplication between adjacent councils.	3UA provides a clean, comprehensible structure with stronger visibility and accountability for residents and partners.
Right size for efficiency and resilience	Big enough to run efficiently, but manageable and financially robust	Each unitary covers a population that is large enough to benefit from economies of scale and manage key services, but not so large that it loses local identity or becomes inefficient to operate.	●	●	4UA risks creating small, financially fragile councils with limited strategic capacity.	3UA delivers parity of scale, robust financial resilience and the capability to manage demand-led services sustainably.
High-quality, sustainable services	Services must be protected or improved, not diluted	The model improves service standards and access. There's a credible plan to integrate services without overstretching resources.	●	●	4UA introduces fragmentation risk, with services split across more boundaries and greater variation in capacity.	3UA supports end-to-end integration across health, care, housing and transport, strengthening outcomes and reducing duplication.
Joint working and local support	Councils working together, and residents/stakeholders have a voice	The model clearly considers a joined-up approach – councils have worked together and there's clear evidence of engagement with residents, partners and stakeholders. It feels locally led.	●	●	Tensions between county and districts could undermine either model if not resolved.	3UA resets relationships across the system and creates a platform for joint planning with the NHS, police and Combined Authority.

4. Options appraisal

4.4 Shortlisting

Criteria	What the criteria means	What good looks like	3UA	4UA	Key risks and considerations	Opportunities and benefits
Supports devolution	Big and capable enough for devolved powers from government	Each unitary is large enough to meet government expectations for devolved powers. There's potential alignment for a combined authority or mayoral deal			4UA creates more negotiation complexity, more partners to align and weaker coterminosity with NHS and economic geographies.	3UA delivers strategic scale and coterminosity with major partners, strengthening Lancashire's case for deeper devolution.
Stronger community engagement	Keeps decision-making local and connected to communities	Clear plan to keep decision-making close to communities. The structure makes it easy for people to engage and feel represented. Local identity is recognised and valued.			Both options retain local identities	3UA can embed neighbourhood governance and place-based delivery models at scale, strengthening trust and participation.

To arrive at a preferred option, the two highest-scoring options have been compared against each other by analysing each in more depth against the MHCLG criteria, paying particular attention to financial, economic, service delivery and public engagement aspects of the options. The findings are presented in the sections overleaf.

4. Options appraisal

4.4 Shortlisting

4.4.1 Financial analysis

Financial analysis has been carried out to appraise the financial sustainability of the shortlisted three-unitary authority and four-unitary authority options. To appraise the financial sustainability of the options we have projected the baseline budgets for the new unitary authorities (using the Medium-Term Financial Plans of existing authorities) and modelled the potential financial impacts (savings and costs) associated with implementing the options.

This section is split into the following two sub-sections:

1. **Baseline Budget projections: The projected budget positions for the options and their new unitary authorities.**
2. **Financial Impacts analysis: The projected savings and costs associated with reorganisation, transition and transformation for each of the proposed options.**

4.4.1.1 Baseline budget projections

The baseline budget positions for each of the options and associated new unitary authorities have been modelled from 2025/26 to 2028/29 by LG Futures, who led financial modelling for all fifteen Lancashire authorities. The model provides the budget positions as at Vesting Day (1st April 2028) as the starting point budget position for the three- and four-unitary options and the resulting unitary authorities.

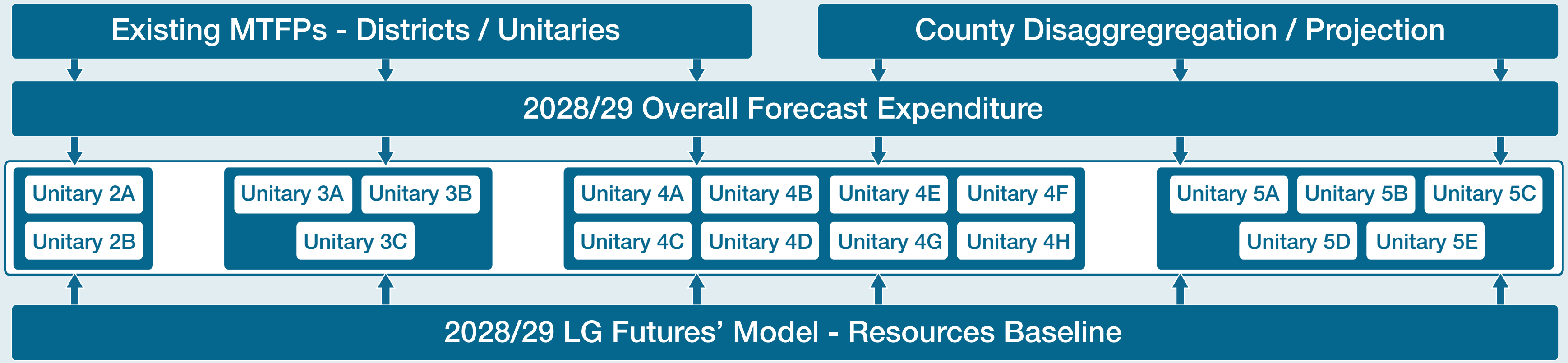
The methodology applied and the resulting budget position projections are set out in detail below.

Methodology

The forecast baseline budget positions are based on projections for the expenditure and resources position of the options and proposed unitary authorities. This is the budget position for each option and new unitary authority before taking into account the impacts of reorganisation – the costs and savings from aggregation and disaggregation of existing authorities to the new models have been estimated as part of the financial impacts analysis.

The approach to modelling the projected 2025/26-2028/29 expenditure, resources and resulting budget positions is set out in the diagram and supporting table below.

Further detail on the approach and assumptions applied is set out in Appendix 2.



4. Options appraisal

4.4 Shortlisting

Inputs	Description	Approach
Expenditure	Expenditure net of service-specific grants received directly by services.	Projections modelled for existing authorities from 25/26 revenue budgets and using forecast change in expenditure from 2026/27 to 2028/29 from authorities' Medium-Term Financial Plans (MTFPs). Lancashire County Council expenditure has been broken down and apportioned to the unitary and district authorities using proxy measures to determine distributions of different areas of spend (e.g., client counts, population). The resulting expenditure projections for the unitary and district authorities have then been aggregated to determine the projected expenditure for each of the proposed unitary authorities, under each option.
Resources	Core spending power based on Fair Funding 2.0, SR2024 control totals and business rates, and Council Tax projections.	Based upon the June Fair Funding 2.0 consultation document and LG Futures' understanding of the SR2024 control totals. Projection assumes a 5% average increase in Council Tax in each area. This has been reviewed by MHCLG, with no suggested changes. Produce a forecast resources position for each of the potential new unitaries for 2028/29.

4. Options appraisal

4.4 Shortlisting

Gross funding gap of existing councils

The financial analysis undertaken for the purposes of developing the various business cases submitted by councils in Lancashire shows that existing councils (comprising the 12 district councils, 2 unitary councils and the county council) are forecast to have a cumulative funding deficit by 2028/29 of £133.5m. This comprises a forecast funding gap of £56.2m in 2026/27 rising to £96.5m in 2027/28 and to £133.5m by 2028/29 (all assuming that no action is taken to ameliorate this position).

This forecast is based on a range of assumptions in relation to both expenditure (including inflation, demand pressures, legislative changes, etc.) and income (assumed Council Tax increases, impact of the funding reforms (including Fair Funding 2.0) by Government, increases in fees and charges etc.). These assumptions are based on the best information available at the time these forecasts were produced and are, inevitably, subject to change which may reduce or increase the forecast deficit.

Therefore, in developing the financial models for the three prospective unitary councils which form part of the financial case put forward in this proposal and acknowledging that new councils will be created from 1 April 2028, it has been assumed that existing councils will address their gross funding gaps for 2026/27 and 2027/28 regardless of local government reorganisation. This recognises the statutory obligation on each council to set a balanced budget annually. It is not possible to be definitive at this stage about how this will be done given that this will be subject to each council's own budget setting and democratic decision-making processes. It has been assumed that the budget gaps will be met mainly by recurrent budget reductions (either reduced costs or increased income) with any residual budget pressures considered immaterial in the context of the financial case.

Council tax harmonisation

Standardising council tax for each of the new unitary authorities under the proposed models will be decided at a political level in the transition period up to Vesting Day. For the purposes of the baseline budget projections, the approach taken is based on maximising income for the new unitary authorities (within the referendum limit of 4.99% per annum) and achieving harmonisation of council tax rates within the first year (2028/29).

The impacts of this council tax harmonisation in the three-unitary authority option for residents range from a 0.3% to 10.3% change in rates paid by households in the existing district and unitary areas. This is a preliminary estimate based on forecast future rates and will require further analysis and modelling as vesting day approaches to account for actual council tax rates at the time.

4. Options appraisal

Our Lancashire

4.4 Shortlisting

Borrowing

Across Lancashire councils, there are significant levels of debt that will be carried forward and need to be serviced by the new unitary authorities, with a total Capital Finance Requirement (CFR) of c£2.8bn across all authorities currently. Whilst there are some specific cases of authorities with higher proportional amounts of debt compared to other councils nationally, these are isolated cases and in terms of CFR proportionally (relative to population), the majority of Lancashire authorities are in line with others nationally.

As such, whilst the current levels of debt in Lancashire do not present a risk to financial sustainability, there is further work to be undertaken to determine how assets and liabilities will be distributed and serviced by new unitary authorities under the resulting model of local government for Lancashire. This work will be carried out in the transition period once the selected model and new unitary authorities are determined.

SEND Deficits

All upper-tier authorities locally and nationally are facing significant demand and rising cost pressures in SEND services. The three Lancashire upper-tier authorities are all experiencing SEND budget challenges with forecast deficits on the High Needs budgets from 2025/26 as part of their MTFPs. The deficits are unfunded at this stage, with the councils relying on the statutory override from Government that permits such deficits to be kept off general budgets. With this, it should be noted that the baseline budget projections to 2028/29 set out do not include the SEND deficits.

The current SEND deficit projections for the upper tier authorities are set out in the table below.

SEND Cumulative Deficit (£m)	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m
Lancashire County	137.52	333.45	554.81	804.09
Blackburn with Darwen	2.02	7.16	13.18	19.08
Blackpool	4.61	4.14	3.20	2.21
Total	£144.15m	£344.75m	£571.19m	£825.38m

Although Blackpool is forecasting a decreasing deficit up to 2028/29, the total deficit for the three authorities collectively is projected to increase at a significant rate. Whilst Government has extended the statutory override to March 2028 and is committed to systemic reform with its anticipated white paper, addressing the SEND pressures is an essential priority for the current upper-tier councils and new unitary authorities to Vesting Day and beyond, towards ensuring financial sustainability and delivering outcomes for children and families.

Budget projection outputs

The tables below set out the projected budget positions for each of the options, with the net position for each unitary authority and the options overall. These projections have been modelled for 2025/25 to 2028/29 based on the approach set out above to show the baseline budget position for the unitary authorities and the options overall at Vesting Day.

Overall net position

The three-unitary and four-unitary options have the same total net position across all areas, with a cumulative deficit increasing from £0.0m in 2025/26 to £37m in 2028/29, representing around 1.6% of total revenue. The distribution of net surpluses and deficits across individual authorities varies significantly between the two options, which has implications for the financial sustainability and risk position for the proposed authorities.

4. Options appraisal

Our Lancashire

4.4 Shortlisting

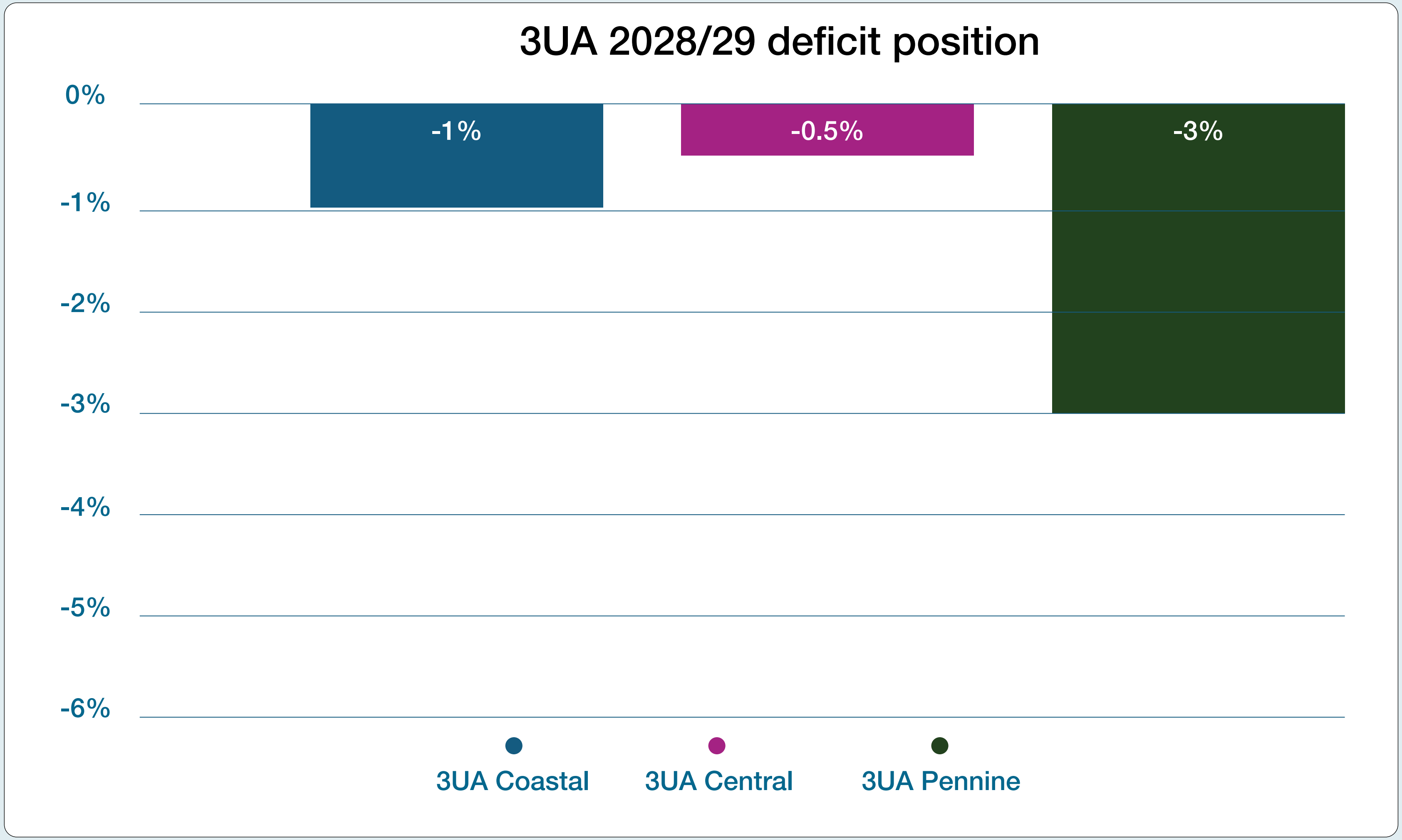
Three-unitary authority option

Council		2025/26	2026/27	2027/28	2028/29	% Change
Coastal Lancashire	Funding	683.7	704.8	726.0	750.1	
	Expenditure	659.8	688.2	717.9	757.9	
	Total	**23.9**	**16.6**	**8.1**	**-7.8**	**-1.0%**
Central Lancashire	Funding	618.2	645.9	673.5	703.8	
	Expenditure	610.7	637.9	664.3	707.5	
	Total	**7.5**	**8.0**	**9.2**	**-3.7**	**-0.5%**
Pennine Lancashire	Funding	725.0	756.2	788.7	825.3	
	Expenditure	756.4	780.6	805.9	850.8	
	Total	**-31.4**	**-24.4**	**-17.3**	**-25.4**	**-3.0%**
Total	**Funding**	**2,026.9**	**2,106.9**	**2,188.1**	**2,279.2**	
	Expenditure	**2,026.9**	**2,106.8**	**2,188.1**	**2,316.2**	
	Total	**0.0**	**0.1**	**0.0**	**-37.0**	**-1.6%**

The **Coastal Lancashire** and **Central Lancashire** authorities start with small surpluses in 2025/26 but move into deficits over the period, reflecting growth in expenditure exceeding revenue. The **Pennine Lancashire** authority is the most challenging financially, with a deficit of 3% by 2028/29.

4. Options appraisal

4.4 Shortlisting



4. Options appraisal

Our Lancashire

4.4 Shortlisting

Four-unitary authority option

		2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	% Change
4UA North	Res	449.1	470.9	492.8	516.8	
	Exp	444.0	463.6	483.0	514.2	
	Net	**5.1**	**7.2**	**9.8**	**2.7**	**0.5%**
4UA South	Res	432.4	447.2	461.5	477.2	
	Exp	408.4	426.1	443.2	472.8	
	Net	**24.0**	**21.0**	**18.3**	**4.3**	**0.9%**
4UA East	Res	637.7	667.5	698.8	734.3	
	Exp	693.2	714.8	737.7	777.6	
	Net	-55.5	-47.3	-38.9	-43.3	-5.6%
4UA West	Res	507.6	521.3	535.1	550.9	
	Exp	481.2	502.2	524.2	551.6	
	Net	26.5	19.2	10.9	-0.7	-0.1%
4UA Aggregate	Res	2,026.9	2,106.9	2,188.1	2,279.2	
	Exp	2,026.9	2,106.8	2,188.1	2,316.2	
	Net	**0.0**	**0.1**	**0.0**	**-37.0**	**-1.6%**

The additional West authority in the four-unitary option spreads the same total revenue and expenditure across four units. The East authority remains the most financially difficult, with an even higher deficit than in the three-unitary option, reaching -£43.3m in 2028/29.

The four-unitary option experiences more volatility across individual authorities and has fewer opportunities to realise scale efficiencies, meaning deficits are concentrated in the East.

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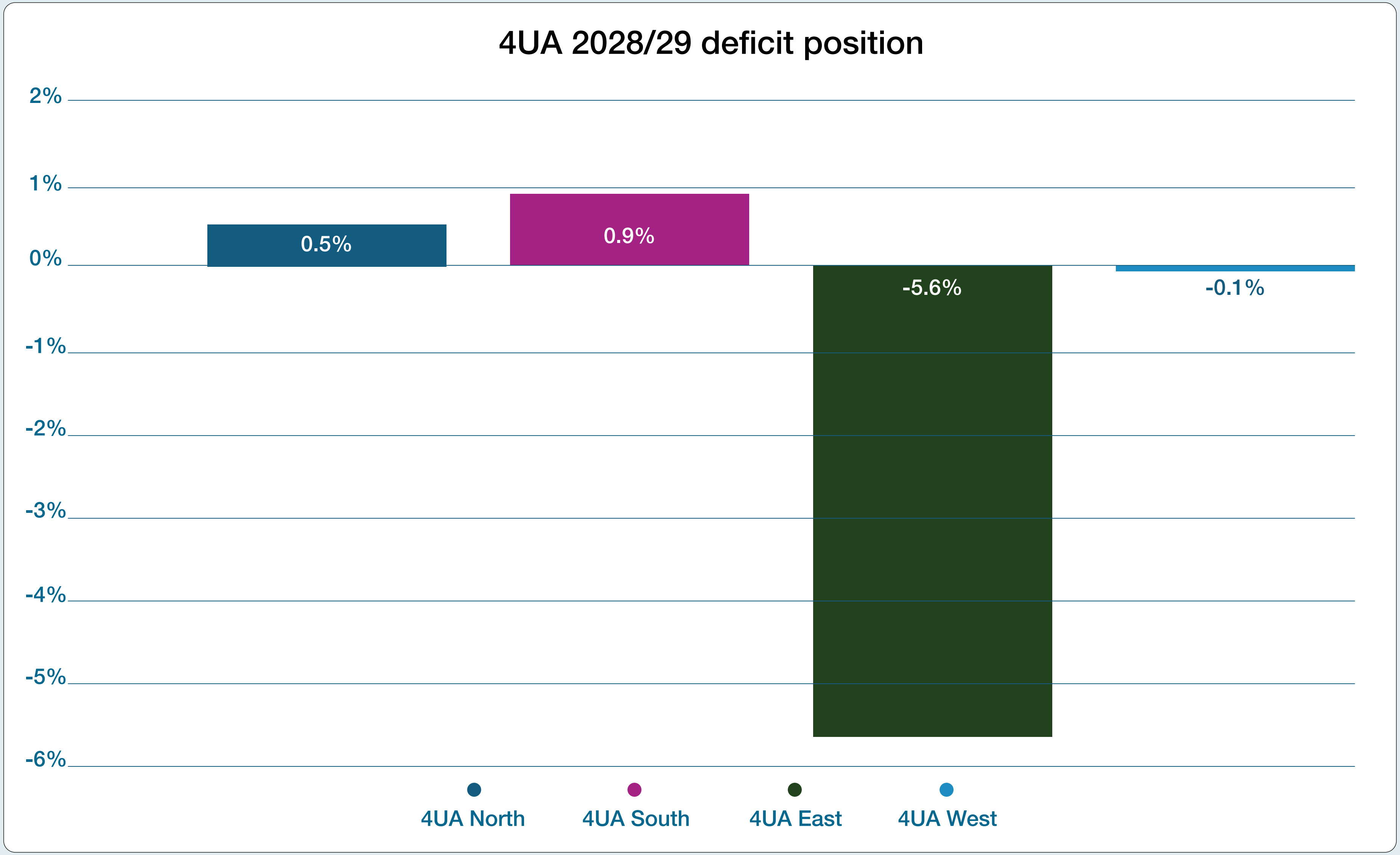

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Analysis

While total net deficits are the same across both models, the three-unitary authority option presents a more balanced financial profile. Its larger authorities can leverage existing service footprints to smooth pressures, particularly outside Pennine Lancashire, while the four-unitary option exposes smaller units to higher volatility and less capacity to absorb financial shocks.

The Pennine Lancashire / East authority is the most financially challenging in both options, but the three-unitary option allows mitigation of the risk through the combined scale and footprint of the three authorities, making it the more financially resilient option.

4.4.1.2 Financial impact analysis

The financial impacts analysis has been carried out to identify the costs and savings that could be delivered from reorganisation, including costs of transitioning from the current system of local government.

Methodology

The financial impacts of implementing and delivering the proposed options for three and four unitaries respectively have been modelled across four categories as shown in the table below. This approach ensures that both the costs of change and the opportunities for future efficiency are accounted for.

Category	What does this mean	What falls into this category
Aggregation impacts (savings)	The medium-term impacts of aggregation, i.e. starting from after the Transition is complete and new authorities are up and running	• Staffing efficiencies (Management, back office, service delivery) • Third party spend • Premises • Democracy
Disaggregation impacts (costs)	Additional costs incurred primarily due to IT implementation costs and the cost of additional Social Care leadership roles, starting from after the Transition Phase is complete	• Staffing inefficiencies (additional leadership and management roles required)
Transition impacts	The one-off costs of establishing the new authorities	• Redundancy costs • Organisation set up/closedown costs • Shadow authority costs • Comms & Marketing costs • IT costs • Programme management costs
Transformation impacts	Longer term additional impacts from service transformation (additional costs and benefits beyond savings from transforming services in the new Unitary authorities)	• Service delivery, back office and non-staffing impacts

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The modelling approach is comparative across all potential options, with a consistent methodology applied to ensure results were robust and comparable. Where more granular local data was available (for example, leadership costs), this was used to shape the model. It should be noted that, in line with the approach other areas across the country have taken, assumptions used to drive the impacts modelling are necessarily high-level estimates of expected impact.

Financial impacts modelling used gross expenditure figures as a baseline to model percentage change against. Benefits are shown as negatives, costs as positives throughout the financial analysis.

More detail on the data and assumptions underpinning the financial impacts modelling can be found in appendix 2 of this submission.

Overall Financial Impact

Category	3UA impact (£m)	4UA impact (£m)
Total aggregation impact	-99.8 M	-65.4 M
Transition Cost	32.7 M	37.6 M
Total transformation impact	-121.3 M	-79.6 M
Total	-188.4 M	-107.4 M

Between 2026/27 and 2032/33, it is expected that the three-unitary option would have a significantly greater financial impact than the four-unitary option. Savings from shorter term aggregation impacts and the longer-term transformation agenda that the three-unitary proposal unlocks allows financial benefit to be achieved more quickly and at a greater scale.

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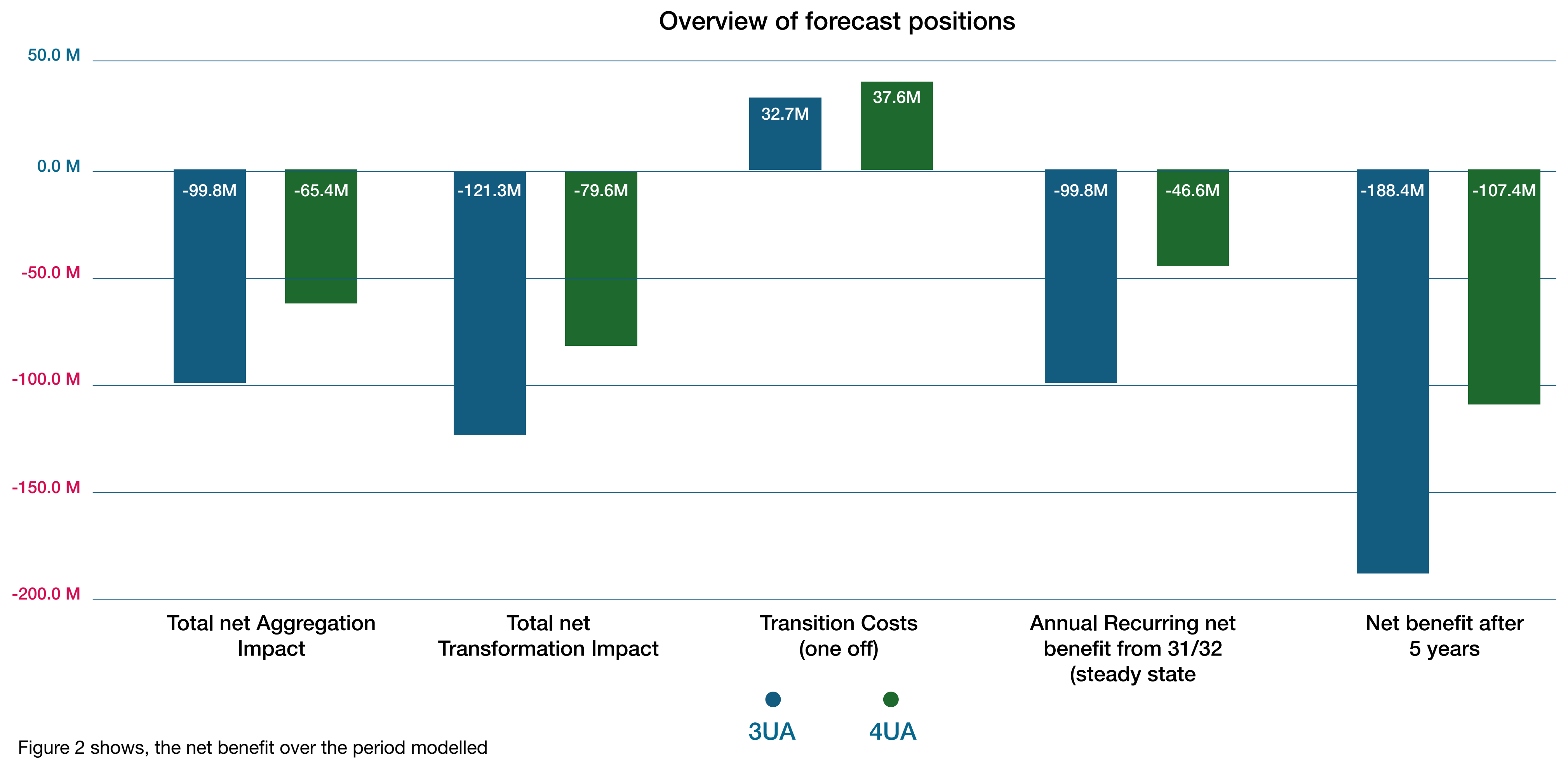

Figure 2 shows, the net benefit over the period modelled is significantly higher in the three-unitary option when compared to the four-unitary option.

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Aggregation Impact:

Captures efficiencies from consolidating leadership, back office, service delivery, third-party spend, property, councillors, and elections. The three-unitary proposal realises greater savings due to larger scale and the ability to build on existing service footprints.

Transition costs:

One-off implementation costs including redundancy, programme management, IT implementation, organisational set-up, and communications. These are higher for the four-unitary proposal model because it requires establishing an additional new authority and additional programme oversight.

Transformation Impact:

Longer-term efficiencies realised through service and back-office integration, property rationalisation, and system aggregation. The three-unitary proposal can achieve larger and faster savings because it mirrors existing public service geographies and can draw on the three upper tier social care arrangements already in place, whereas the four-unitary proposal model faces slower, more complex implementation.

Net financial impact:

Overall net position including all costs and savings. The three-unitary proposal delivers higher net savings due to scale, faster integration, and the ability to leverage existing services, while the four-unitary proposal model delivers smaller net benefits and greater risk concentration in individual authorities, notably in Pennine Lancashire.

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Three-Unitary Proposal: Financial Impact

Financial Impacts	2026/27 £	2027/28 £	2028/29 £	2029/30 £	2030/31 £	2031/32 £	2032/33 £
Aggregation Benefit	0.0 M	0.0 M	-14.4M	-21.6M	-28.8M	-28.8M	-28.8M
Aggregation Cost	0.0 M	0.0 M	11.4 M	11.4 M	0.0 M	0.0 M	0.0 M
Transition Costs	16.4 M	16.4 M	0.0 M	0.0 M	0.0 M	0.0 M	0.0 M
Annual benefit before Transformation	16.4 M	16.4 M	-3.0M	-10.2M	-28.8M	-28.8M	-28.8M
Cumulative benefit before Transformation	16.4 M	32.7 M	29.7 M	19.5 M	-9.4M	-38.2M	-67.1M
Transformation Impacts (net)	0.0 M	0.0 M	0.0 M	-7.0M	-14.0M	-38.1M	-62.1M
Total annual benefits after Transformation	16.4 M	16.4 M	-3.0M	-17.3M	-42.9M	-66.9M	-91.0M
Total Cumulative Benefit after transition and transformation	16.4 M	32.7 M	29.7 M	12.5 M	-30.4M	-97.4M	-188.4M

This table indicates that during the early years of implementation (2026/27–2028/29), the model incurs costs owing to the high expense of implementation and aggregation. During this period, the costs of establishing new structures and consolidating services outweigh any early benefits, resulting in a temporary net deficit. The programme reaches break-even between 2029/30 and 2030/31, once the initial investment is absorbed and efficiencies from aggregation begin to offset the upfront costs.

From 2030/31 onwards, transformation benefits kick in, driving increasing annual savings as service redesign, back-office integration, and system rationalisation take effect. By 2032/33, cumulative benefits grow substantially, demonstrating the long-term payoff of the programme after the initial implementation period.

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Four-Unitary Proposal: Financial Impact

Financial Impacts	2026/27 £	2027/28 £	2028/29 £	2029/30 £	2030/31 £	2031/32 £	2032/33 £
Aggregation Benefit	0.0M	0.0M	-11.4M	-17.1M	-22.8M	-22.8M	-22.8M
Aggregation Cost	0.0M	0.0M	12.4M	12.9M	2.0M	2.0M	2.0M
Transition Costs	18.8M	18.8M	0.0M	0.0M	0.0M	0.0M	0.0M
Annual benefit before Transformation	18.8M	18.8M	1.0M	-4.2M	-20.8M	-20.8M	-20.8M
Cumulative benefit before Transformation	18.8 M	37.6 M	38.7 M	34.5 M	13.8 M	-7.0M	-27.8M
Transformation Impacts (net)	0.0M	0.0M	0.0M	-2.2M	-4.4M	-25.8M	-47.3M
Total annual benefits after Transformation	18.8 M	18.8 M	1.0 M	-6.3M	-25.1M	-46.6M	-68.0M
Total Cumulative Benefit after transition and transformation	18.8 M	37.6 M	38.7 M	32.3 M	7.2 M	-39.4M	-107.4M

For the four-unitary option, the story is similar, but the scale and timing differ. In the early years, the model incurs costs reflecting the high expense of implementation and aggregation, with initial consolidation investments outweighing early efficiencies. Because the footprint is smaller and less existing infrastructure can be leveraged, the break-even point occurs at least a year later than in the three-unitary proposal. Long-term transformation benefits eventually materialise, but they are smaller in magnitude, reflecting fewer opportunities to achieve scale efficiencies and slower realisation of service

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Financial resilience

integration compared with the three-unitary proposal.

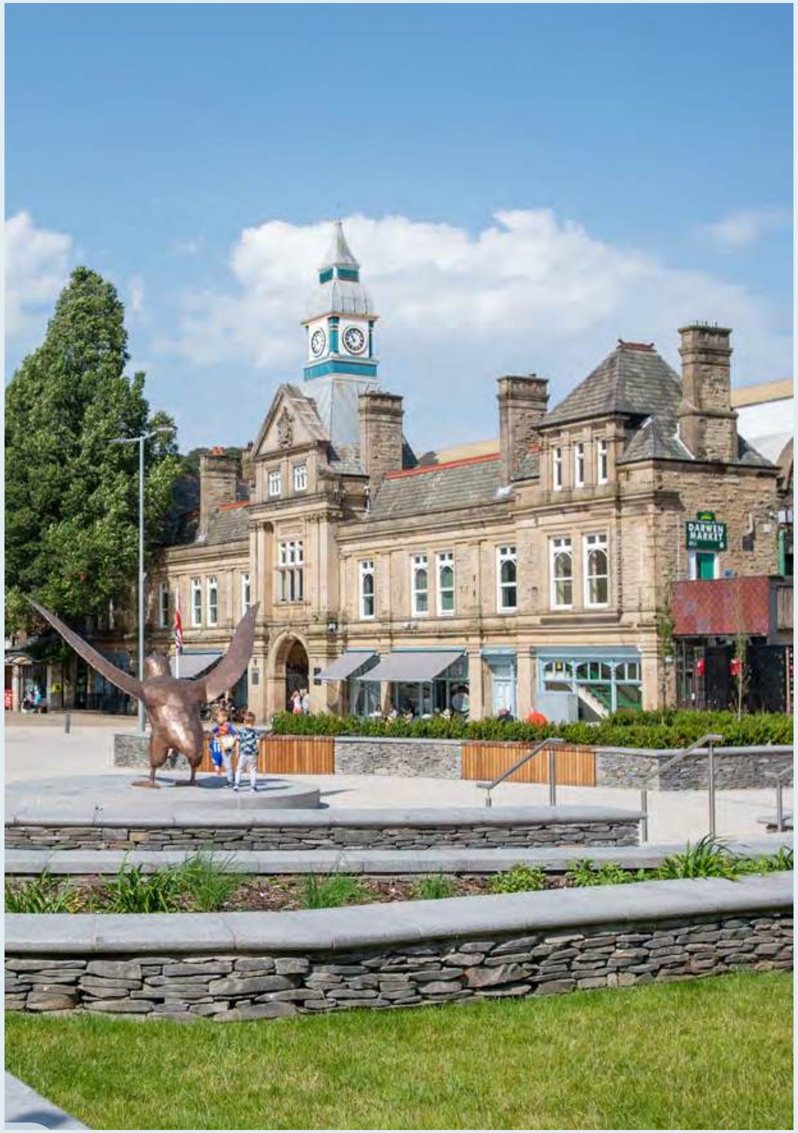
The creation of three new unitary councils offers the strongest platform for long-term financial resilience in Lancashire. The model achieves the right balance of scale and local accountability, creating organisations large enough to plan strategically and manage financial risk, but not so large that local control and visibility of budgets are diminished.

Modelling undertaken by LG Futures shows that each new authority in the three-unitary proposal would benefit from a broader and more balanced tax base, spreading financial risk more evenly across areas with differing levels of need and economic strength. This creates the stability required to more strongly respond to fluctuations in demand for social care, housing and other frontline services, as well as external pressures such as inflation, workforce costs and interest rates.

The three-unitary option provides the opportunity to consolidate financial management and delivery arrangements across the current landscape of 15 authorities, allowing resources to be used more efficiently. Building on a strong basis of joint working across Lancashire, streamlined approaches to support services, procurement, technology and assets could deliver cost reductions, greater transparency over expenditure and stronger oversight of risk. These efficiencies could in turn create financial headroom for investment in service transformation and local priorities.

The size and scale of the councils within the three-unitary proposal – large enough to enable strategic place-based intervention whilst also compact enough and shaped around recognised local geographies - would be better placed to plan over a longer horizon. They would have greater capacity to manage capital programmes, align investment with wider economic and regeneration goals, and develop more sustainable reserves and treasury strategies. This would support long-term financial stewardship and a more coherent approach to resource allocation across Lancashire.

The three-unitary option therefore represents the most sustainable financial structure for Lancashire's future. It provides a credible route to greater efficiency and resilience, enabling councils to withstand financial pressures and shocks, reduce duplication and reinvest savings to deliver better outcomes for residents and communities.



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4.4.2 Accelerated economic growth

Local government reorganisation presents an opportunity to unlock Lancashire's growth potential, with the three-unitary authority option offering a balanced and resilient foundation for long-term growth.

The three-unitary authority option is better aligned with the functional economic areas identified in the Independent Economic Review (IER) than the four-unitary authority option. It offers a more even distribution of economic assets (e.g., businesses, skills and higher education, urban centres) and creates unitaries of a more optimal scale to unlock growth (e.g., the scale and capability to improve the strategic integration of planning, infrastructure, housing and economic growth interventions; and the scale, capability and balance of economic assets within each unitary to secure and deliver major investment programmes). The three-unitary authority option is also favoured by prominent members of Lancashire's business community as the most effective way to streamline governance and improve regional co-ordination, as outlined by both the Preston Partnership and the North & Western Lancashire Chamber of Commerce. From an economic growth perspective, the three-unitary authority option offers the following distinct advantages over four unitaries:

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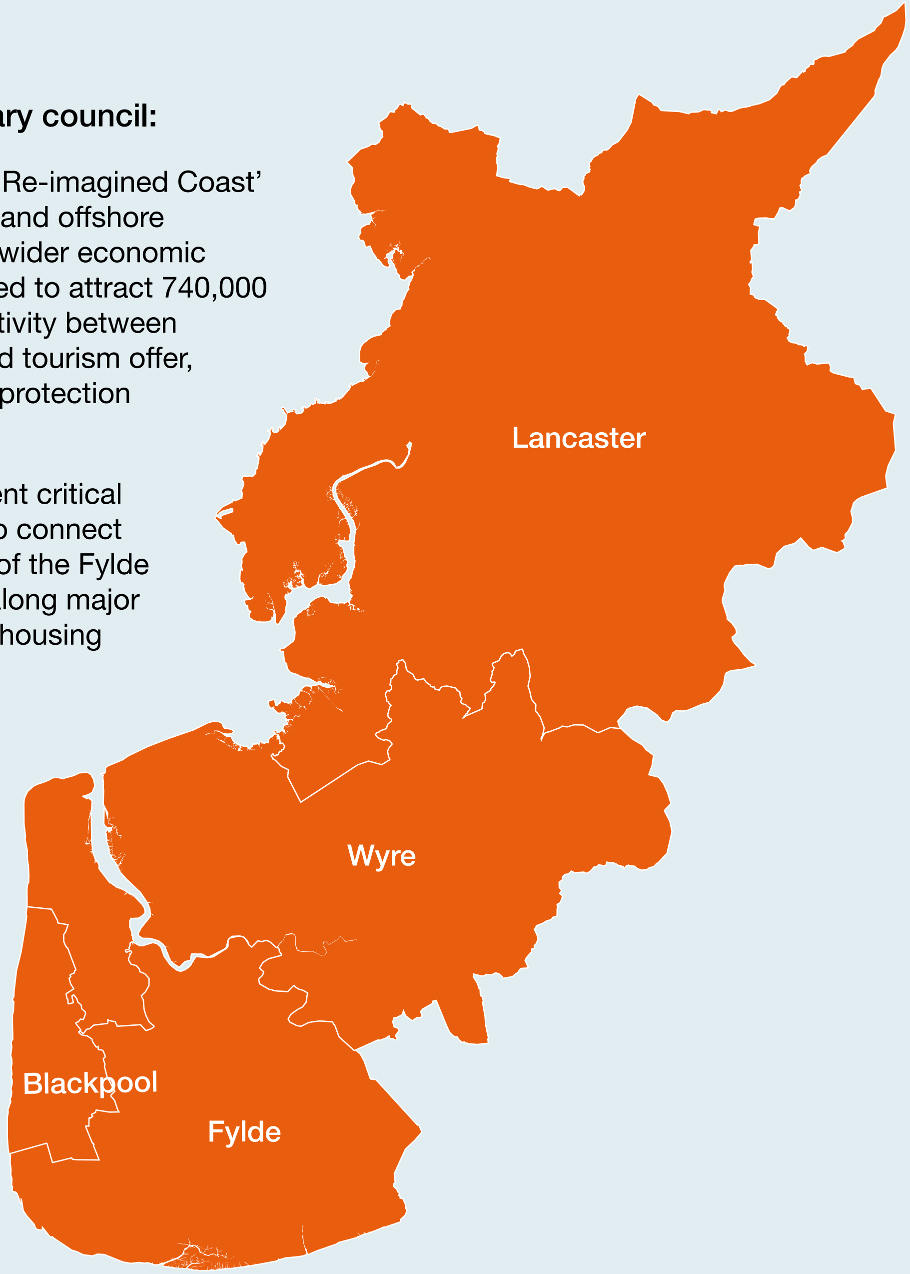
A: Integration of coastal towns and districts within Coastal Lancashire unitary council:

This aligns with the ambitions of the Lancashire Growth Plan which has prioritised a 'Re-imagined Coast' and will enable the acceleration of existing growth initiatives such as Coastal Energy and offshore opportunities. Integration of these communities will help to realise and distribute the wider economic benefits of major tourism assets such as the Eden North investment which is predicted to attract 740,000 visitors a year and inject £150m of GVA into the North West economy. Better connectivity between Lancaster and the Fylde Coast will boost the visitor economy by enabling a combined tourism offer, promoting overnight stays and higher visitor spend as well as joint action on coastal protection interventions.

Coastal Lancashire Unitary council proposal enables alignment, and provides sufficient critical mass, to collectively tackle common coastal issues, as well as work collaboratively to connect the region's tourism, energy and defence offer into Cumbria to the north. Integration of the Fylde Coast and North Lancashire provides the opportunity to improve strategic planning along major transport routes such as the M6 and M55 which will unlock growth sites and current housing constraints.



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B: Retention of the who Pennine Lancashire geography within the Pennine Lancashire unitary council:

Maintains the commuter connections between Clitheroe, Blackburn and Burnley urban centres, and preserves two major growth corridors identified within the IER. This will be instrumental in accelerating growth of the area's strong manufacturing base and connections into Greater Manchester's advanced manufacturing sector. The retention of Ribble Valley within the Pennine Lancashire unitary authority, which none of the other options propose to do, also supports financial resilience through council tax receipts, ensuring a good balance of rural and urban areas across each new authority and avoiding the creation of an unduly deprived unitary authority.

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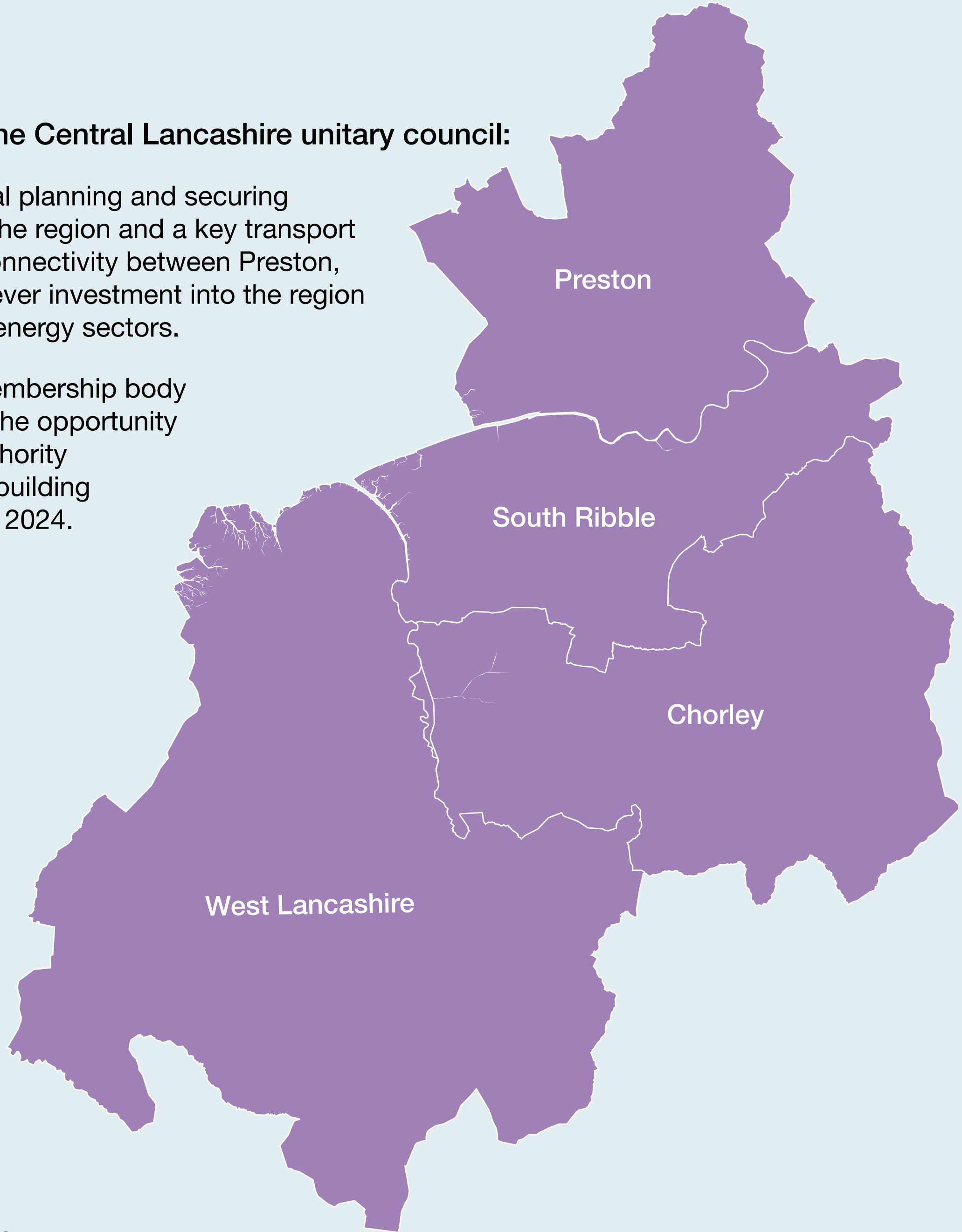
C: Maintains connectivity of Preston, Chorley and South Ribble within the Central Lancashire unitary council:

There is a long and established history of partnership working including joint local planning and securing major investment through City Deal. As the established administrative centre of the region and a key transport gateway within close proximity to major nuclear and defence assets, retaining connectivity between Preston, Chorley and West Lancashire provides sufficient scale and density of assets to lever investment into the region and build strong links into Liverpool City Region and Cheshire and Warrington's energy sectors.

The proposal has been supported by the Preston Partnership, a business-led membership body representing more than 100 businesses, with the Partnership's chair noting that the opportunity to bring Chorley, South Ribble, West Lancashire and Preston into one unitary authority "makes complete sense …the evidence also suggests they can work together", building on the £434m City Deal and Central Lancashire Local Plan which is in place until 2024.



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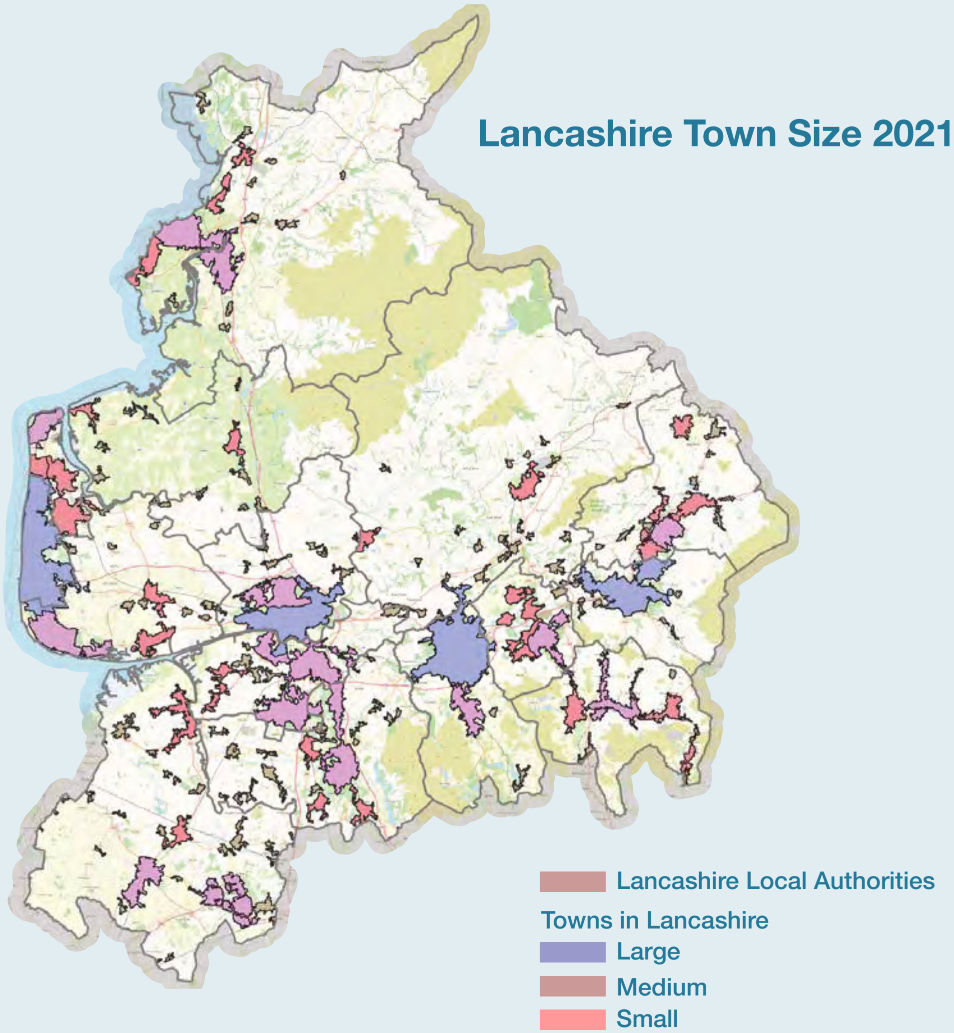
Socio-economic analysis of the three-unitary authority option indicates that the approach provides a solid basis from which growth can be accelerated and better outcomes for local people delivered.

The three-unitary authority option has the best balance of urban centres and economic assets and demonstrates strong alignment with existing functional economic areas. Future growth across Lancashire will be concentrated within its urban centres and growth corridors which provide the critical mass and density of people and economic assets to drive growth. As a polycentric region, three unitary authorities offer an optimal distribution of large and medium urban centres across each authority and the most even split in terms of population across options, with the smallest variation in population sizes across options along with the lowest gap in population density.

Jobs, including across priority growth sectors identified in the Local Growth Plan, are more evenly distributed than in the four-unitary option. There are at least 227,000 jobs in each of the three unitary authorities, each making up approximately a third of total jobs. The variation in jobs density (number of jobs per working age resident) is also the lowest across the different LGR options, therefore ensuring all unitary authorities have the potential to continue to grow, avoiding a scenario whereby opportunities appear to be concentrated in one or two authorities.



Gap in jobs density (2023)

Two Unitary	Three Unitary	Four Unitary	Five Unitary
0.13	0.12	0.19	0.34

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Businesses are also evenly distributed with no one authority dominating the business landscape with each making up approximately a third of total businesses. The gap in business concentration (number of businesses per 10,000 population) is one of the lowest across the LGR options (at least a gap of 50 businesses per 10,000 population in the four- and five-unitary authority options).

All unitary authorities have clear sector strengths and an economic coherence (based on analysis of businesses by sector and Location Quotient data), which can provide a focus for future growth:

- **Coastal Lancashire has a strong visitor economy but an increasingly diverse economy with strengths in the public sector, agriculture and defence and nuclear. Strengths in the visitor economy and nuclear can be further grown via links north to Cumbria.**

- **Central Lancashire has specialisms in energy, construction and agricultural sectors - West Lancashire is home to England's second largest concentration of Grade 1 agricultural land. Preston is the most significant commuter destination, with commuters from all directions and role of Salmesbury Enterprise Zone & National Cyber Force shows growing strengths in public admin & defence.**

- **Pennine Lancashire the industrial heartland of Lancashire, building on historic links to the textiles industry. Manufacturing is over two and a half times as specialised in Pennine Lancashire as compared to nationally, along with growing strengths in the construction sector and an established retail and wholesale sector.**

- **Health displays a degree of specialisation across all three unitaries, reflecting its importance to employment and the total economy.**

The three-unitary authority option provides a balanced distribution of economic, education and innovation assets which will provide a foundation for inclusive growth and provide the means to attract investment and talent.

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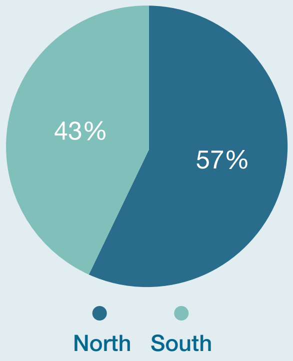
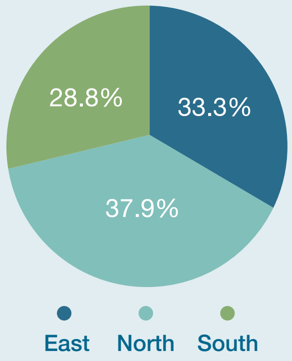
There is also good alignment with existing functional economic areas and key transport and growth corridors. This is evident in analysis of work trips, with the three-unitary authority option promoting the most balanced share of work trips between prospective unitary authorities.

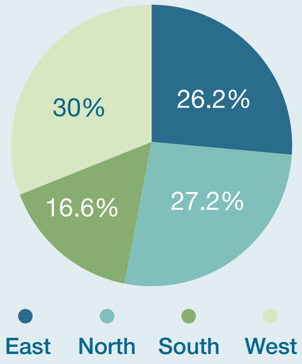
Two Unitary share of trips undertaken



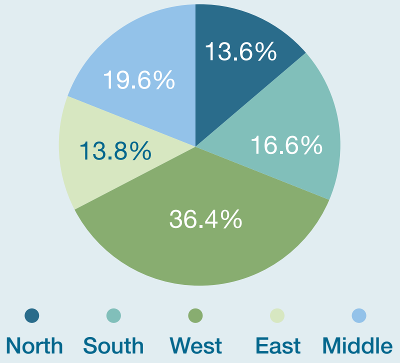
Three Unitary share of trips undertaken



Four Unitary share of trips undertaken



Five Unitary share of trips undertaken



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There is also a clear opportunity to better align skills provision and business support services across larger and more coherent unitary authorities which align with Lancashire's functional economic areas to help address skills deprivation and ensure we have the right skills to underpin growth. The three-unitary authority option provides the appropriate scale to achieve efficiencies in service delivery, develop a clearer and more strategic offer to employers, and avoid the duplication of provision which currently creates confusion for businesses and employees. All three unitary areas have experienced sustained growth in gross value added (GVA) over the past 20 years and, following the post-pandemic recovery, are forecast to continue expanding, demonstrating the strength and capacity of these geographies to support future growth.

4.4.3 Opportunity for service improvements and integration

The three-unitary proposal provides a balance of scale and local focus that is critical for service improvement. By design, each unitary would be large enough to plan strategically, shape markets and sustain specialist services, but not so large that services become remote from communities. Equally, each unitary would remain small enough to sustain prevention and early help, but not so small that they lack resilience or economies of scale. The key opportunities to improve and integrate across key services are set out below:

Lancashire assets map with three unitary authority boundaries

4. Options appraisal

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Children's services

- A three-unitary structure avoids creating an authority dominated by high deprivation and care demand, as could be the case under other configurations.
- Instead, the three-unitary approach presents the most balanced profile of challenges and strengths, reducing risk and providing a stable platform.
- In Pennine Lancashire, Blackburn's strong outcomes and practice can be the basis for change across neighbouring areas with similar needs, embedding consistent practice where it is most needed.
- At this scale, unitaries can plan fostering, commissioning and workforce capacity more effectively, while still being close enough to understand needs and monitor outcomes at a local level.

Adult social care and health

- Larger footprints allow fragile care markets to be shaped more sustainably. Lessons from elsewhere in the country show how contracting at the right scale can stabilise e.g., rural and coastal or urban and rural provision.
- The three-unitary authority option creates units large enough to commission effectively and align with NHS footprints, but not so large that visibility of the different needs of localities is lost.
- This avoids the risk in some alternative models of leaving smaller authorities struggling to sustain viable markets, or overly large authorities where commissioning becomes extremely difficult to manage.

Housing and homelessness

- Current fragmentation across 12 districts and two unitaries leads to inconsistency and duplication. Existing Choice Based Letting partnerships already reflect the logic of three coherent footprints.
- Bringing stock-holding and non-stock holding areas together within each unitary allows direct delivery across a whole footprint and more effective partnerships with registered providers and Homes England.
- A three-unitary council option avoids the pitfalls of spreading housing strategy too thinly across four smaller units, where scale for investment and market-shaping would be diluted.

4. Options appraisal

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The three-unitary authority option strikes the right balance between scale and locality. It avoids concentrating deprivation and demand into a single authority, a risk that other models do not address, and instead provides a more even spread of pressures across the county. This balance creates the capacity to plan specialist services, foster resilience, and intervene directly in markets - for example, by developing in-house provision at a viable scale to reduce reliance on costly external placements.

At the same time, the three-unitary proposal is rooted in recognisable geographies that reflect how people in Lancashire live, work and travel. This ensures that while the new authorities are large enough to secure investment, transform services and align with NHS and other strategic partners, they are also close enough to communities to sustain prevention and early help. By retaining the existing structure of there being three unitaries across Lancashire, the model also minimises disruption and provides continuity. Taken together, this combination of balance, scale and local resonance offers a foundation for service integration and improvement that no alternative proposal can match.

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4.4.4 Outcome of the appraisal

The three-unitary authority option strikes the right balance between scale and locality. It avoids concentrating deprivation and demand into a single authority, a risk that other models do not address, and instead provides a more even spread of pressures across the county. This balance creates the capacity to plan specialist services, foster resilience, and intervene directly in markets - for example, by developing in-house provision at a viable scale to reduce reliance on costly external placements.

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By retaining the existing structure of there being three unitaries across Lancashire, the model also minimises disruption and provides continuity. Taken together, this combination of balance, scale and local resonance offers a foundation for service integration and improvement that no alternative proposal can match.

Several independent reviews of local government structures in Lancashire over the past 5 years concluded that a three-unitary authority option is most favourable due to strengths around coterminous service delivery efficiency, economic growth and financial sustainability. The results of this shortlisting assessment were clear that the three-unitary authority approach remains the strongest option for Lancashire across each of the government's criteria.

In summary, the assessment concluded that:

- **Three unitary authorities provide a clear governance structure which will support better decision-making and transparency.**
- **It will accelerate economic growth by retaining functional economic areas and an even distribution of economic assets but enabling greater strategic coordination of growth, infrastructure, transport and housing to unlock development and attract investment. It has the support of the business community who see greater scope for strategic investment and streamlined services.**
- **The three-unitary option provides a balance of scale and local focus that is critical for service improvement and community engagement. It avoids concentrating deprivation and demand into a single authority and provides an even spread of pressures across the county.**
- **Coterminosity with health and blue light services will support service improvements and wider Public Service Reform to deliver better outcomes for residents and build the case for greater devolved powers.**

The outcomes and results of the shortlisting appraisal show that three unitary authorities represents the strongest option for Lancashire across each of the MHCLG criteria.

4.5 Early engagement: how we listened and what we heard

Lancashire's councils collaborated to run a single, pan-Lancashire conversation on local government reorganisation, co-designing survey content and promotion so residents, businesses, councillors, VCS organisations and staff could all take part on equal terms. An interactive, image-led Lancashire LGR survey (with paper copies and assisted-digital support available) ran from September 3rd to September 28th, 2025, and every council pushed the same call to action through their channels. A shared comms toolkit underpinned consistent messaging county-wide.

Early engagement has generated strong participation and clear messages about the priorities and expectations of residents, businesses and partners. More than 13,000 people took part in the survey, answering over 340,000 questions and providing nearly 70,000 pieces of qualitative feedback. The breadth of participation, from residents, councillors, businesses, voluntary organisations and local staff, demonstrates a deep interest in how reform can improve the quality and coherence of local services.

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4.5 Early engagement: how we listened and what we heard

What people told us

Across the engagement, participants expressed consistent priorities and values:

Services that matter most to local people are those that touch daily life and wellbeing: good health and care services (rated "very important" by 91%), reliable and accessible transport (rated "very important or important" by 84%), affordable housing (rated "very important or important" by 63%), and good schools and opportunities for children (rated "very important or important" by 88%). The engagement also highlighted a focus on the quality of the local environment, stressing the need for clean, safe, and attractive public spaces and the protection of green and natural assets.

Community identity and connection remain strong. Three quarters of respondents identified primarily with their town or village rather than a wider borough or county. This underlines the need for councils that retain local voice and accountability while being large enough to plan strategically and built around recognised geographies.

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. 93% of respondents felt it was important for local government to work closely with other public services such as the NHS and the police.

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.

Our place.
Our future.
Our Lancashire.
Putting people at the heart of change.

4. Options appraisal

Our Lancashire

4.5 Early engagement: how we listened and what we heard

What people were concerned about

***Alongside these priorities, residents raised clear concerns that any new system must address**:*

"Too big to care"
fears that larger councils could become remote or impersonal.

Loss of accountability
anxieties that transparency or local voice could be weakened.

Loss of local services
worries that smaller towns or rural areas might be deprioritised.

Locality
a recurring theme in over 4,500 comments, reflecting the importance of place-based delivery and visible local leadership.

Our place.
Our future.
Our Lancashire.
Putting people at the heart of change.

5. Our proposition

5.1 Overview of our proposal

This proposal sets out a bold and deliverable proposal to create three new unitary councils in Lancashire which are designed to transform the way public services work, accelerate growth and create a stronger, fairer future for every resident, business and community.

The three-unitary proposal represents a once-in-a-generation opportunity to simplify and strengthen local government in Lancashire. It offers a chance to bring clarity, coherence and capability to a system that has delivered well but faces barriers driven by complexity and fragmentation. By aligning boundaries with Lancashire's real economic, health and social geographies, it enables public services to work cohesively to deliver better outcomes, stronger accountability and greater value for money.

The proposal has been developed in direct alignment with our shared vision for Lancashire, set out in Section 1. It creates councils that are strategic in scale but locally grounded in real places and the distinct character of Lancashire's towns, cities and rural communities. It is designed to meet the challenges of the next decade from social care reform to housing delivery, digital transformation and financial sustainability.

5. Our proposition

5.1 Overview of our proposal

Under this proposal, Lancashire will benefit from a system of government that:

Transforms services and outcomes

Integrating health, care, housing and prevention through councils that each have the scale to sustain complex delivery, but the locality structures to stay close to communities. This configuration directly supports the Government's criterion to improve service delivery and avoid unnecessary fragmentation of local services, ensuring consistent standards across Lancashire while retaining and building on distinct local strengths such as Blackburn's well-regarded social care system.

Fuels sustainable economic growth

Linking the coast, central corridor and Pennine belt to their natural transport and labour markets. The three-unitary option ensures investment and housing growth are planned coherently along real economic corridors - Blackpool–Lancaster in the north, Preston–South Ribble–West Lancashire in the centre, and Blackburn–Burnley–Pendle in the east - maximising productivity and inclusion and leveraging the county's world-class assets in manufacturing, energy and digital technology to drive higher-value growth.

Unlocks faster and deeper devolution

Establishing three strategically capable councils that are coterminous with key partners, providing the government with the coherent local partners needed for meaningful devolution. The three-unitary authority option creates the right balance of scale and local legitimacy to work effectively with the Lancashire Combined County Authority and national departments.

Reinvigorates local democracy and community leadership

Under the three-unitary authority option, each new council will be anchored by a network of strong towns, maintaining real democratic connection through empowered and co-designed neighbourhood governance arrangements alongside parish and town structures. Decisions will be made close to residents while still supported by the strategic capability that only unitaries of this size can sustain.

Secures long-term financial strength and resilience

Creating three authorities with balanced tax bases, demand profiles and economic potential. This avoids the structural imbalance inherent in smaller or larger configurations, giving each council the capacity to invest in frontline services and prevention.

These benefits are achievable only through the three-unitary approach as the configuration that balances strategic capability with local accountability, and creates a Lancashire system that is simpler, stronger and more ambitious – capable of delivering outstanding public services, driving inclusive growth, and strengthening the county's influence within the region and nationally.

5. Our proposition

5.2 The outcomes our proposal will deliver

Local government reorganisation provides a once-in-a-generation opportunity to create a clearer, more coherent system of government for Lancashire that reflects how the county works today and is equipped to meet future challenges.

The proposed three-unitary approach offers a practical and deliverable structure that directly addresses the issues identified in this business case. It aligns closely with the footprints of the NHS, police and other key partners, mirrors Lancashire's functional economic areas, and creates councils with the scale and capability to plan strategically, deliver efficiently and lead sustained improvement across public services.

Equally important, the proposal retains and strengthens local identity. Each new authority brings together places with shared economic and social links while maintaining strong community connection and local voice. There is a clear plan to co-design neighbourhood governance arrangements with communities which will embed decision-making at a genuinely local level. This balance of strategic capacity and local accountability ensures that services can be designed around the distinct needs and character of Lancashire's diverse towns, cities and rural communities.

The proposal is built around a set of core outcomes for residents, businesses and partners, illustrated in the visual below. These outcomes describe the tangible benefits that the three-unitary approach will deliver - stronger and more consistent public services, faster and more inclusive economic growth, an embedded approach to resident and community engagement, an accelerated pathway to meaningful devolution, and increased financial resilience.

Improve services and social outcomes	Accelerate economic growth	Increase resident & community engagement	Accelerate devolution	Increase financial resilience
Reconfigure and integrate services around people's lives, joining up health, care, housing and prevention to improve outcomes, reduce inequalities and tackle complex social challenges at their root.	Harness Lancashire's real economic geographies to unlock investment, support innovation and skills, and deliver new jobs, homes and infrastructure across key growth corridors.	Put neighbourhoods and communities at the heart of decision-making through stronger local governance, co-design with residents, and deeper partnerships with the VESFE.	Create the scale, capability and strategic clarity needed for meaningful devolution with three strong councils able to shape shared priorities and secure greater powers and funding.	Build a sustainable future through fairer tax bases, stronger demand management and sustained investment in prevention, enabling long-term financial stability and value for money.

Residents | Businesses | Partners | Visitors

Each outcome is explored in detail in the following sections, setting out the supporting evidence and key arguments for why the three-unitary option provides the most balanced, sustainable and forward-looking solution for Lancashire's future.

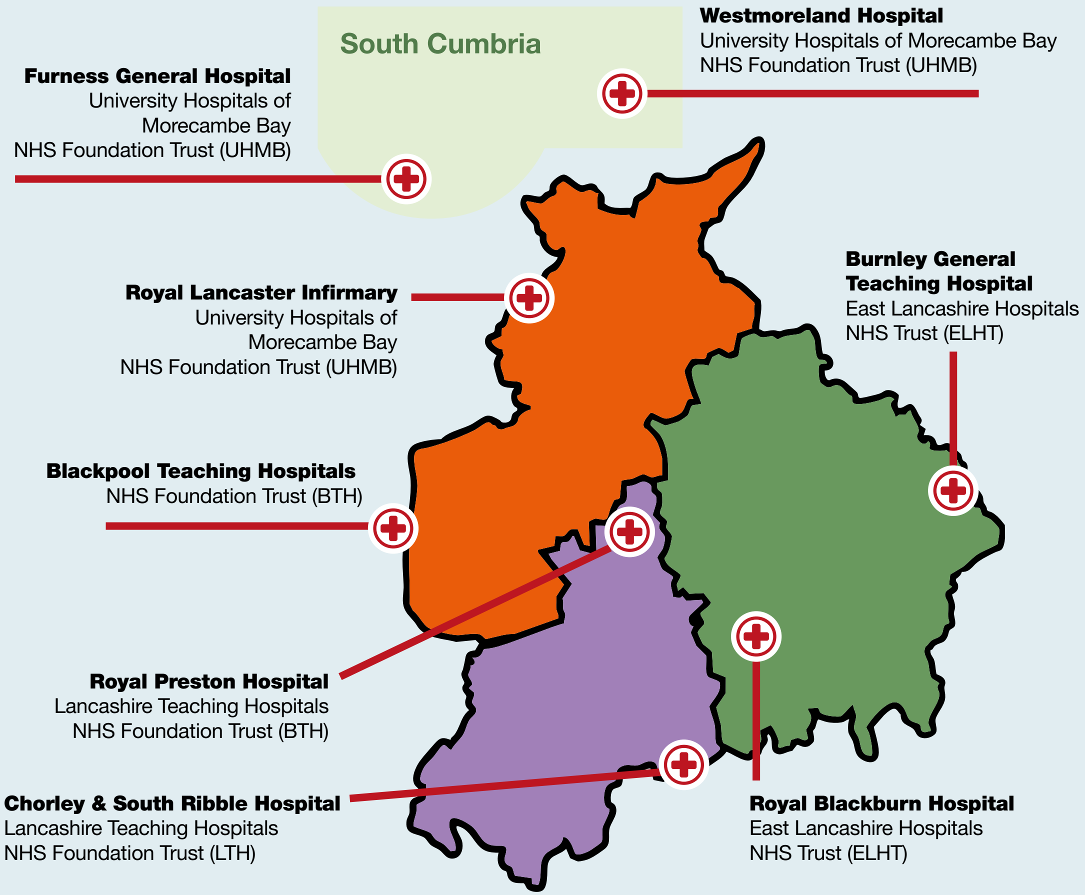
5. Our proposition

5.2 The outcomes our proposal will deliver

5.2.1 Outcome 1: Improve services and social outcomes

Reconfigure and integrate services around people's lives, joining up health, care, housing and prevention to improve outcomes, reduce inequalities and tackle complex social challenges at their root.

Three unitary authorities designed around real places create a strong platform to improve frontline services and deliver better outcomes for Lancashire's residents, businesses and partners. They provide the scale and structure to address key service pressures in adult social care, children's services, housing and homelessness, while strengthening alignment with health and care partners across the county.



Integrated Care System for Lancashire

- The Lancashire and South Cumbria Integrated Care Board (ICB)
- The Lancashire and South Cumbria Integrated Care Partnership (ICP)
- Mental health & community services are provided by Lancashire & South Cumbria NHS FT

The five NHS places in Lancashire & South Cumbria ICS

Morecambe Bay
- North Lancashire (Lancaster, Morecambe) + South Cumbria
- Acute hub: Royal Lancaster. Furness, Westmorland (UHMB)

Fylde Coast
- Blackpool, Fylde, Wyre
- Acute hub: Blackpool

Central Lancashire
- Preston, Chorley, South Ribble
- Acute hub: Royal Preston, Chorley (LTH)

Pennine Lancashire
- Blackburn with Darwen + East Lancashire (Burnley, Hyndburn, Pendle, Rossendale, Ribble Valley)
- Acute hubs: Royal Blackburn, Burnley General (ELHT)

West Lancashire
- District of West Lancashire (often looks south to Liverpool trusts as well as Preston/Blackburn)
- Smaller place but still part of NHS planning footprint

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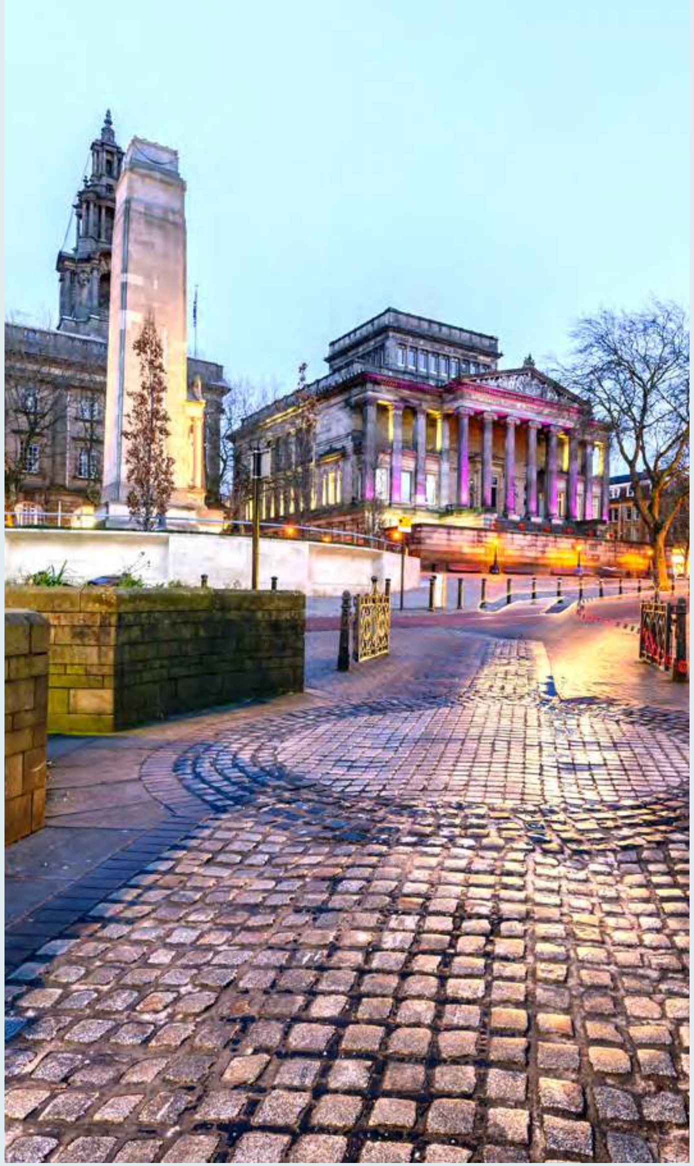
Our Lancashire

5.2 The outcomes our proposal will deliver

Lancashire's three proposed unitaries align closely with the existing health economy footprints that underpin NHS planning and delivery. These include the East Lancashire Hospitals NHS Trust (Pennine Lancashire footprint), Lancashire Teaching Hospitals NHS Foundation Trust (Central Lancashire footprint) and University Hospitals of Morecambe Bay NHS Foundation Trust (Coastal Lancashire footprint). Unique to this proposal, this coterminosity creates a generational opportunity to integrate local government and health planning more effectively enabling shared vision, joint investment and seamless care pathways that support residents to live well at home for longer.

The alignment between local government and health boundaries will allow:

- **Better co-ordinated planning and commissioning, with joint priorities for population health and integrated neighbourhood care.**
- **More efficient use of resources, through shared data, pooled budgets and coordinated workforce development.**
- **Reduced duplication and fragmentation, enabling services to be designed around people rather than institutions.**
- **Improved prevention and early intervention, connecting housing, public health, social care and community support.**
- **Enhanced community engagement, with services delivered through local neighbourhood models that residents recognise and trust.**



5. Our proposition

Our Lancashire

5.2 The outcomes our proposal will deliver

The alignment of the three unitary authorities and the health footprint create opportunities to integrate service planning and delivery across the established footprint and directly support the NHS 10 Year Plan, particularly around the 'big shift' associated with hospital to community care. This will support and deliver:

- Shared vision and goals, enabled by coterminosity across planning and delivery for health and local government, and laying the groundwork for better co-ordinated services, reduced fragmentation, and improved patient outcomes.
- More simplified planning, commissioning, and delivery of services, leading to a more patient-centred and personalised care experience.
- Building trust and deepening relationships across health and local government, developing more seamless care pathways, reducing duplication and gaps, improving outcomes and delivering care closer to home.
- Joint commissioning, pooling and targeting budgets and resources to meet the specific needs of local communities, enabling more efficient and effective use of resources.
- Strengthened development of integrated care provider and neighbourhood multi-provider models set out in the NHS 10 Year plan.
- Creation of joint cross-agency recruitment and retention approaches, focusing on skills development and flexible arrangements to meet the needs of population.
- Potential development of joint teams to deliver integrated neighbourhood delivery and enhanced care support, improving quality and experience.
- Enhanced approach to population health management and the design of interventions to reduce inequalities gaps which are based on integrated intelligence and insight.
- Joint programmes to engage and co-produce consistently with local residents and communities on issues that span across several public service touchpoints.

5. Our proposition

5.2 The outcomes our proposal will deliver

The three-unitary approach enables councils that are large enough to deliver at scale but remain local enough to be responsive, approachable, and trusted. To achieve this, we envisage three councils working on a locality basis, focusing on real places that people identify with, and underpinned by a strong place-based, community engagement approach. This dovetails with the government's Neighbourhood Health Service programme announced in September 2025.

The three-unitary option provides a real opportunity to build on existing strong unitary foundations to reduce variation in service quality across Lancashire, particularly across care markets for adults, children and families.

5. Our proposition

5.2 The outcomes our proposal will deliver

5.2.2 Outcome 2: Accelerate economic growth

Harness Lancashire's real economic geographies to unlock investment, support innovation and skills, and deliver new jobs, homes and infrastructure across key growth corridors.

The three unitary option is aligned with the functional economic areas identified in the Independent Economic Review (IER) and offers an even distribution of economic assets, whilst creating councils of an appropriate scale to unlock growth – for example, through improved strategic planning and integration of infrastructure, housing and economic growth. Three unitary authorities of the right size and scale, as proposed in this business case, will facilitate delivery of the Local Growth Plan by:

- Integrating coastal towns and districts within the Coastal Lancashire unitary authority to deliver against the Lancashire Growth Plan's ambitions for a 'Reimagined Coast'. Connecting the region's coastal communities within one unitary will enable the acceleration of existing growth initiatives such as Coastal Energy and offshore opportunities, as well as help to realise and distribute the wider economic benefits of major tourism assets such as the Eden North investment. Integration of the Fylde Coast and North Lancashire provides the opportunity to improve strategic planning along major transport routes such as the M6, which will unlock growth sites and current housing constraints.
- Preserving two major growth corridors identified in the IER within the proposed Pennine Lancashire unitary authority, which will be instrumental in accelerating growth of the area's strong manufacturing base and connections into Greater Manchester's advanced manufacturing sector. As a priority sector within the Local Growth Plan, maintaining the region's major growth corridors and bringing together key manufacturing assets will be vital to delivering regional growth aspirations.
- Maintaining the connectivity of Preston, Chorley and South Ribble within the Central Lancashire unitary authority, which provides an opportunity to connect the region's nuclear, defence and energy assets into Liverpool City Region and Cheshire and Warrington's energy sectors and deliver Local Growth Plan ambitions of driving a clean growth and nuclear renaissance.

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Our Lancashire

5.2 The outcomes our proposal will deliver

The three unitary proposal offers the most balanced distribution of jobs and businesses, and by balancing out areas of deprivation, offers a stable platform from which to deliver against Local Growth Plan aspirations for inclusive growth. The preservation of strong local place-based identities will also facilitate delivery of the region's Cultural Strategy and opportunities for culture-led growth.

North West Centre of Coastal Excellence – Adapting for a Sustainable Future

Lancaster, Wyre, Fylde and Blackpool are collaborating through Our Future Coast and the emerging North West Centre of Coastal Excellence (CoCE) to plan long-term responses to sea-level rise, flooding and erosion, and to test nature-based solutions like salt-marsh restoration and adaptive shoreline management around Morecambe Bay. A proposed Morecambe Bay Coastal Strategy, led jointly by Lancaster, Wyre, Westmorland & Furness and the Environment Agency, is assembling shared data, options and a pipeline of interventions aligned to biodiversity net gain and SMP delivery. The creation of three unitary authorities strengthens this platform by aligning coastal planning, flood risk management and environmental delivery at the right scale, speaking with a single, credible voice to government and funders, and accelerating a resilient coastal economy across tourism, energy and infrastructure.

Our place.
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5. Our proposition

5.2 The outcomes our proposal will deliver

5.2.3 Outcome 3: Increase resident and community engagement

Put neighbourhoods and communities at the heart of decision-making through stronger local governance, co-design with residents, and deeper partnerships with the VCSFE.

The creation of three new unitary authorities will embed stronger, clearer and more visible leadership at every level. Each new council will have a single, directly accountable democratic body responsible for the full range of local services and strategic decisions, removing duplication and confusion inherent in the current two-tier system. Each new council will be shaped around coherent and recognisable geographies, anchored by major towns and cities with strong local identities. This will ensure that decisions remain close to communities and that local voices continue to shape how services are delivered.

Crucially, this shift consolidates leadership capacity around geographies that people recognise and identify with, giving leaders a clearer mandate to speak for their places locally, regionally and nationally. Each authority will have the scale and legitimacy to negotiate confidently with Government, partners and investors, while remaining closely connected to the people and communities they serve.

The three unitary proposal also deepens accountability beyond town halls. Local leadership will be strengthened through new, co-designed neighbourhood-level governance arrangements, which could include locality boards or community partnerships, ensuring decision-making is informed by lived experience and local priorities. This approach will help embed the principles of co-design and co-production in service planning and delivery, giving residents and voluntary and community organisations a prominent voice in shaping outcomes.

By embedding leadership at the right scale and strengthening accountability to communities, the three unitary option will build public trust and confidence in local government. Decisions will be clearer, scrutiny more transparent, and outcomes more directly linked to the democratic choices of local people.

The three unitary option strikes the right balance between strategic scale and local accessibility. Each authority will have the critical mass needed to lead transformation and attract investment, while still being compact enough to maintain visible leadership and meaningful local accountability. Within this structure, locality and neighbourhood models can be developed to give residents, parish and town councils, and community organisations a stronger and more direct role in shaping priorities.

5. Our proposition

5.2 The outcomes our proposal will deliver

The model supports:

- Closer democratic connection, with clear and accountable governance rooted in places people recognise and identify with.
- Enhanced neighbourhood engagement, through devolved decision-making and community partnerships that reflect local needs and aspirations.
- Better co-production and collaboration, by embedding resident and voluntary sector involvement in service design and delivery.
- Joined-up engagement across systems, aligning local government, health, police and employment support to create single conversations with communities rather than fragmented ones.

By simplifying the local government landscape and aligning footprints with established community and service boundaries, the three unitary authority approach makes Lancashire easier to navigate for residents and partners alike. It creates the conditions for stronger trust, shared ownership of outcomes and a more active civic culture where local people are genuine partners in shaping Lancashire's future.

5. Our proposition

Our Lancashire

5.2 The outcomes our proposal will deliver

5.2.4 Outcome 4: Accelerate devolution

Create the scale, capability and strategic clarity needed for meaningful devolution with three strong councils able to shape shared priorities and secure greater powers and funding.

Why structure matters for devolution

The Government has been clear it wants to shift decision making and resources closer to where people live, encouraging governance, which is simple, strategic and locally legitimate. For Lancashire, three unitary councils do exactly that by creating capable, accountable counterparts that operate alongside our economic corridors and public service systems. Successful devolution elsewhere, like in Greater Manchester and the West Midlands, shows that progress is dependent not solely on governance reform but on the ability to organise decision-making and investment around natural economic geographies – functional labour markets, travel-to-work areas, and shared footprints. These are the real places that people recognise because these are the places they call home. Aligning local government boundaries with these geographies ensures that devolved powers can be deployed where they will have the greatest economic and social impact.

Equal and direct representation

Currently, Lancashire County Council holds two seats on the Lancashire Combined County Authority, with Blackpool and Blackburn with Darwen holding one each; districts are represented only indirectly via the county tier. Under any new strategic authority, the three new unitary authorities would have equal voting rights, placing every part of Lancashire on the same footing to shape devolved powers, investment and delivery.

This would enable a progressive move away from the existing Combined County Authority arrangements, under which only the two existing unitary authorities and the county council have seats. This creates a huge discrepancy, with Lancashire County Council having two seats representing circa 1.2 million residents, whilst Blackburn with Darwen and Blackpool each have a seat, despite their much smaller populations of around 140-150,000 residents.

5. Our proposition

5.2 The outcomes our proposal will deliver

From indirect to direct local voices reflecting real, functional areas

Unitarisation will remove the two-tier filter that currently exists. Places which are currently represented indirectly will have direct voices at the Combined Authority table, improving legitimacy, accountability and the quality of decisions. Each new council reflects a real economy and service footprint - Coastal, Central and Pennine - aligning with NHS, policing, transport and skills systems. This coherence makes it easier to agree priorities, assemble funding packages and deliver programmes at pace.

It also means that strategic planning and delivery at the Combined Authority level can be undertaken around three coherent places that represent functional areas on an economic and societal level. Andy Burnham, the Mayor of Greater Manchester, has argued that “growth can’t be ordered from the top down – it has to be nurtured from the bottom up, linking education, transport, employment and housing.” The three unitary structure creates exactly this foundation, with councils whose geographies mirror how people live, travel, work and access services, and that can therefore take a more integrated approach to health, skills and economic planning.

Complementary strengths, one Lancashire offer

The three councils bring different but complementary assets - clean energy and visitor economy on the coast; innovation, logistics and advanced manufacturing in the centre; a nationally significant manufacturing base in the Pennine area. Together they create a balanced, county-wide investment story that is clearer and more compelling to Government and national agencies.

This diversity underpins a stronger shared growth proposition. Andy Street, the former West Midlands Mayor, commented that devolution works best when “economic potential, transport, skills and social care are planned together across a coherent place.” A three-unitary approach allows Lancashire to do this, connecting economic development with housing, health, care and wellbeing strategies in ways that two-tier or fragmented models cannot.

Learning from elsewhere

Areas with mature devolution arrangements like Greater Manchester and the West Midlands show that strong local partners at the right scale enable faster decisions and better outcomes in transport, housing, skills and growth, and provide a platform for sustained long-term improvement. They also show that devolved institutions aligned to functional geographies are better able to tackle wider societal challenges. Greater Manchester’s devolution deal, for example, has enabled joint commissioning of health and social care and targeted interventions to reduce health inequalities, something that Lancashire could replicate through clearer governance and integrated planning at corridor level and would be stronger with three unitary authorities aligned to recognised, linked places.

A clearer, stronger partnership and the capacity to deliver

Three capable authorities mean fewer, stronger counterparties for Government, a single pipeline per corridor, and the organisational capacity to land change safely. The three-unitary option will mean:

- A coherent Lancashire devolution prospectus, agreed by three equal partners and aligned to functional geographies.
- Faster, joined-up decisions in transport, housing and skills, with delivery across an economic corridor-level footprint.
- Direct local voice in combined authority decisions, improving accountability and public confidence.
- A credible path to EMSA status, with the governance, scale and legitimacy Government expects.

5.2 The outcomes our proposal will deliver

5.2.5 Outcome 5: Increase financial resilience

Build a sustainable future through fairer tax bases, stronger demand management and sustained investment in prevention, enabling long-term financial stability and value for money.

Our proposal for three unitary authorities is designed to create a more financially resilient system of local government that can manage risk, sustain balanced budgets and reinvest savings into better services and outcomes.

Our proposal is that financial resilience will be achieved by:

- Creating councils with balanced and sustainable tax bases – the even distribution of businesses and population across the three-unitary option provides the most balanced split between unitaries in terms of retained business rates and Council Tax bases. This distribution spreads financial risk, avoids concentrating deprivation within a single authority and provides the capacity to plan for the long-term. Crucially, the inclusion of Ribble Valley within Pennine Lancashire means that all three of the authorities put forward have as balanced a profile as possible – none of the alternative options being considered can distribute resources and demand in as balanced a way.
- Streamlining financial management and oversight – reducing duplication in the current system of fifteen councils and allowing each new authority to take a strategic view of revenue, capital and reserves. This will enable clearer accountability for financial performance and more coherent investment planning.
- Aligning financial capacity with scale and delivery need – giving each new authority the scale to manage complex capital programmes and commissioning activity, while remaining close enough to communities to maintain local accountability and control.
- Using efficiency to create headroom for transformation – consolidation of corporate and enabling functions will release resources over time. These can be reinvested into prevention, service redesign and growth initiatives that reduce future demand and generate longer-term savings.
- Strengthening Lancashire's collective financial voice – three coherent, credible partners within the Lancashire Combined County Authority – aligned with recognised geographies and the footprints of partners across the region – will enable a stronger platform for negotiation with government, Homes England and investors, and maximise the ability of devolved government in Lancashire to deliver tangible fiscal benefits.

The three-unitary option provides the conditions for long-term financial stewardship, ensuring that Lancashire's councils can withstand external shocks, sustain balanced budgets and reinvest in the services and communities that need it most. This will deliver a system that is simpler, more stable and more capable of managing future pressures.

5. Our proposition

5.3 Neighbourhood and community engagement

5.3.1 Ensuring local people remain at the heart of local places

No one cares about a place as much as the people who live there. This principle is hardwired into the development of this proposal and its approach to engaging neighbourhoods and communities. The opportunity that devolution offers is to harness this feeling of belonging into a potent agent of change, simplifying accountability for services whilst ensuring local areas can have a stake in the benefits that it can offer.

Research by the UK Government's Analysis Function has found that 'higher levels of social capital are beneficial and can be associated with better outcomes in health, education, employment and civic engagement'; this has been captured by a range of OECD reports specifically discussing that human and social capital are important to well-being and economic growth. There are numerous positive examples of neighbourhood and locality working across Lancashire:

Building on Lancashire's strong track record of neighbourhood-led innovation

A proud legacy of community-powered change

Lancashire has a long and successful history of neighbourhood-based partnership working. Across the county, councils, NHS partners, police, voluntary groups, faith organisations and communities themselves have collaborated to tackle complex social challenges, improve health and wellbeing, and strengthen local resilience. From neighbourhood safety and policing initiatives to pioneering health partnerships, we have consistently shown that when services are designed with communities and not simply delivered to them, outcomes improve, trust grows, and demand pressures ease.

Our place.
Our future.
Our Lancashire.
Putting people at the heart of change.

5. Our proposition

5.3 Neighbourhood and community engagement

Case Study 1: Coastal Lancashire: Fleetwood – Integrated neighbourhood health and wellbeing

Fleetwood's neighbourhood model has become a national reference point. Rooted in community leadership, services are co-located and co-designed through The Hub, while the multi-agency Healthier Fleetwood partnership brings together GPs, housing, employment support, schools, police and voluntary groups. Youth mental health provision is delivered jointly by CAMHS, schools and local services, cutting waiting times from nine months to two weeks and helping young people return to education and work. The Clear, Hold, Build safety programme has also tackled organised crime and reduced anti-social behaviour, winning national awards for partnership working.

Our place.
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Case Study 2: Pennine Lancashire: Neighbourhood safety and early intervention

In Pennine Lancashire, councils, police and partners have worked together through Multi-Agency Problem-Solving (MAPS) teams to tackle issues including anti-social behaviour, exploitation and tenancy breakdown. Led jointly by local authorities and Lancashire Constabulary, the teams bring together housing, social care, youth services, mental health practitioners and voluntary groups to share intelligence, coordinate responses and provide targeted support to individuals and families. The approach has improved co-ordination, enabled earlier intervention and strengthened neighbourhood safety. MAPS is now informing wider practice across Lancashire and demonstrates how local government leadership can work alongside communities and partners to increase safety and resilience.

Case Study 3: Central Lancashire: Neighbourhood safety and early intervention

Councils in Preston, Chorley and South Ribble have played a leading role in joining up local services around neighbourhoods to address health, housing and social challenges earlier. Through the Central Lancashire Integrated Care Communities, local authorities work alongside GPs, community nurses, housing providers and the voluntary sector to co-ordinate support closer to home. Initiatives such as Preston's Community Connectors link isolated residents to social groups, benefits advice and housing help, while social prescribing hubs in South Ribble connect people with activities and employment support before issues escalate. Partners report that these approaches have improved wellbeing, built stronger social networks and eased pressure on services.

These examples show what Lancashire can achieve when neighbourhoods are empowered, and services align around them. But they also illustrate the limitations of current structures - success often relies on discretionary funding, short-term pilots or goodwill across tiers. Three unitary authorities will provide the strategic architecture to make these approaches the norm by embedding neighbourhood delivery within a consistent county-wide framework, scaling proven models like those described above across Coastal, Central and Pennine Lancashire so that they become the fabric of delivery, not a temporary adornment. This will support every community to benefit from prevention-first, partnership-driven public services.

5. Our proposition

5.3 Neighbourhood and community engagement

5.3.2 Safeguarding Lancashire's historic offices and traditions

The three-unitary proposal will preserve and support the historic civic and ceremonial roles that are an important part of Lancashire's identity. The offices of the Lord-Lieutenant of Lancashire and the High Sheriff, both of which have centuries-old roots and continue to play significant roles in civic life, will continue as Lancashire-wide institutions following reorganisation.

The new Coastal Lancashire unitary authority, which will include Lancaster, will act as host and provide administrative support to these offices with the support of all three authorities, ensuring that key ceremonial functions such as swearing-in ceremonies and related county-wide events continue seamlessly. This approach will safeguard Lancashire's cultural and historic traditions while modernising its system of local government for the future.

5. Our proposition

Our Lancashire

5.3 Neighbourhood and community engagement

5.3.3 Why three unitaries is the right option for harnessing local voices

Our thorough options appraisal has established that three unitary authorities is the optimum way forward for Lancashire based on the Government's criteria for reform. However, it is understandable that creating a new tier of unitary councils with larger populations risks further disconnecting local communities from the decisions that affect them, not least in rural areas which risk being represented by councillors who cover a much larger geographical footprint. We recognise that our proposal – along with all the proposed models – represents a significant reduction from the existing 15 local councils across the county.

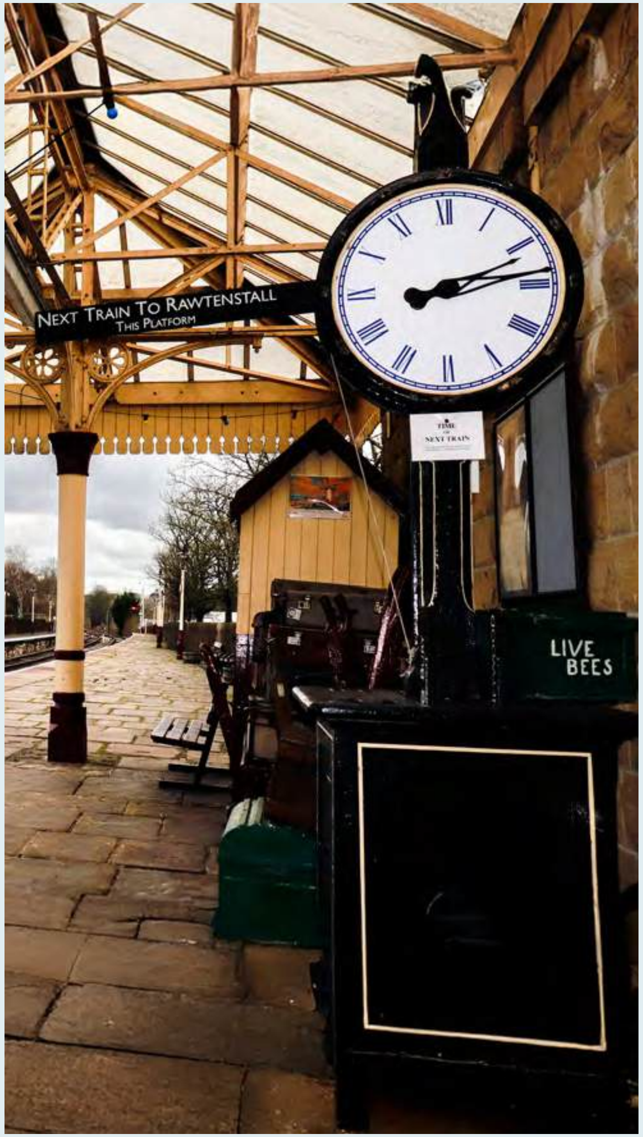
However, we also recognise that simply creating more unitary councils is not a realistic answer to strengthen community empowerment. As highlighted in our options appraisal, creating more than three new unitaries is likely to lead to poorer value for money and risks lower-quality public services, further eroding public trust and engagement with local government.

Our proposal will form a simpler system and enable better aligned public services. If more than three new unitary councils were to be created, there would be undue complexity added into the system. Currently, there are three statutory Health and Wellbeing Boards within Lancashire. If four or five new unitaries were created, there would be a need for four or five Health and Wellbeing Boards, as well as similar numbers of safeguarding arrangements, creating more strategies and plans than are currently in place.

All the councils proposed in the various options for Lancashire are going to be much larger than the districts and unitaries they are replacing. No unitary of the scale proposed in any option can empower communities and build neighbourhood resilience without adopting an approach that enables them to remain close to the diverse range of communities they serve.

Our vision is for councils which are large enough to deliver at scale, but which remain local enough to be responsive, approachable, and trusted. We intend to develop three councils which work through a place-based localities approach, designed around real places and built on a bedrock of community engagement and co-design.

We believe that this model can reduce demand and make services more effective through investing in preventative and asset-based ways of working. Our proposal is consistent with the English Devolution and Community Empowerment Bill and enables communities to shape services and influence the decisions that affect them and their neighbourhoods.



5. Our proposition

5.3 Neighbourhood and community engagement

5.3.4 A model of locally focused delivery

Local government reorganisation offers the once-in-a-generation chance to move away from traditional structures of local government towards a new approach where unitary councils are the true leaders of place. This opportunity must be built on footprints large enough to foster a sustainable system of support, whilst delivering services with partners, close to communities, and focused on keeping residents healthy, empowered and included. The three-unitary option for Lancashire reduces the unnecessary fragmentation of key services and allows public sector partners to work together at both a strategic and hyperlocal level.

Prevention is a major theme that runs throughout our proposal. Demand pressures continue to increase on public services and without a different approach, the financial impacts will become unsustainable. Spending on both adults and children's services has continued to rise across Lancashire, with acute pressures in special educational needs and residential placements. But this is not purely financially driven - there is an abundance of research which shows that preventative measures have significant positive impacts on people at all stages of their lives. This thinking aligns with the Government's stated commitments to preventative approaches in the NHS 10 Year Plan and recent social care reforms.

There are numerous examples of effective, preventative delivery across Lancashire; however, the current structures and models of delivery are reaching the limits of what is possible. The three-unitary proposal presents the opportunity to further make this shift towards preventative delivery, building on existing best practice, providing the best foundation – through coterminous operational footprints - for effective integration of health and social care, and moving resources upstream to focus on the root cause of issues.

5. Our proposition

5.3 Neighbourhood and community engagement

5.3.5 Principles of our approach

We will scale up what works well, building on successful multi-agency collaboration, and designing services with our residents. In doing so, we believe our approach will improve outcomes for our residents while ensuring public services remain financially sustainable, and the culture of each new unitary authority will share core values of prevention-first, community engagement and local empowerment.

Our principles of preventative, locality-based delivery are:

- Work with partners to break down organisational silos
- Move away from reactive to preventative service models
- Embed locality-based and community-led approaches
- Utilise technology, data and analytics to enable early intervention and support

5. Our proposition

5.3 Neighbourhood and community engagement

5.3.6 How our approach will work in practice

Our approach to locality working within the new councils includes the following:

- Reorganisation presents a valuable opportunity to strengthen partnerships across the system. Health partners, including Integrated Care Boards (ICBs) and NHS Trusts, are embedded within neighbourhood and unitary governance structures, enabling more integrated approaches to care and prevention. This is delivered through initiatives such as Integrated Neighbourhood Teams, Neighbourhood Health Services, and Family Hubs. As captured through the Lancashire LGR survey, 93% of respondents felt it was important for local government to work more closely with other public services such as the NHS and the police.

- Lancashire currently provides a network of Family Hub sites which operate right across the region. Each of these hubs accommodates a range of professionals from different public services working together to support families at the earliest possible point within their local neighbourhoods. We see these facilities as key locations in our local delivery model to ensure children have the best start in life.

- The movement to three unitary authorities is an opportunity to review the range of public properties and assets and allow for rethinking and reshaping of services, making better use of collective local government assets, better aligning service delivery bases and adopting new ways of working. Working with the Lancashire Combined County Authority, we will support a strategic approach across Lancashire, aligning opportunities within the public estate with pan-Lancashire priorities, such as housing and growth targets.

- There will be a range of options to manage and utilise properties to tailor service delivery to better meet community needs and reduce confusion for service users, ensuring that the location and design of assets fully support local delivery model aspirations. During the transitional phase, we will establish a Locality Delivery Group which will explore the various physical assets within each locality. This group will work with local stakeholders and communities to establish the optimum locations for service delivery within each area. This will include learning centres, community centres and libraries which will be the home of health and digital support.

5. Our proposition

5.3 Neighbourhood and community engagement

5.3.7 Insight-led prevention to support our communities

We know that data and analytics are critical to improving preventative delivery. Bringing services together via reorganisation will enable us to more easily connect intelligence that can support interventions to help our communities. Our three-unitary option will see the pooling of intelligence and customer interactions from existing unitaries and two-tier authorities, alongside the opportunity to share information with public sector partners across their well-established geographical footprints.

Alongside the ability to better share intelligence, the three unitaries will actively support the emerging Lancashire Data Observatory, part of the Lancashire Combined County Authority. Our proposal provides a commitment for the three unitaries to contribute to the data observatory through a pooling of officers, joining academics from universities in Lancashire to collaborate on research activity, and providing a platform to test insight-led delivery models for different services that are backed by data science.

5. Our proposition

5.3 Neighbourhood and community engagement

5.3.8 Delivery at the neighbourhood level

We believe that the three-unitary approach provides the strongest platform for the shift towards prevention and early intervention that is essential to sustainable public services. Crucially, that approach must be designed and delivered at the neighbourhood level, where relationships are closest, trust is deepest, and services can be most effectively shaped around people's lives. What matters more than the number of new councils is their ability to work within their geographies in a way that empowers communities and enables delivery where it has the greatest impact.

Our proposed approach to locality-based delivery will ensure that services are shaped and co-ordinated at this neighbourhood scale. To strengthen that approach, we envisage establishing a clear, consistent and co-designed framework for neighbourhood governance, building on what already works well and aligning with the provisions of the English Devolution and Community Empowerment Bill, which places a duty on new unitary councils to put in place appropriate arrangements for effective neighbourhood-level decision-making.

Rather than setting a fixed structure at this stage, our ambition is to create formal mechanisms that connect the new unitary councils to the places residents most strongly identify with. These mechanisms will give local people, partners and elected representatives a meaningful voice in shaping priorities, overseeing delivery, and building shared responsibility for outcomes.

5. Our proposition

5.3 Neighbourhood and community engagement

5.3.9 Designing the future with our local communities

While this proposal sets out our current thinking, we are clear that the design of neighbourhood governance will only succeed if it is developed with communities, not done to them. The creation and evolution of these arrangements will therefore be a central part of the implementation process, co-designed with residents, community organisations, town and parish councils, the VCFSE sector and other local partners.

As mentioned previously, councils across Lancashire have historically taken a positive approach to neighbourhood engagement and co-production of services. Our intention is that co-designed future neighbourhood governance structures would:

- be formally embedded within the governance frameworks of the new unitary councils;
- act as convening spaces where local voices are heard, priorities agreed and solutions co-designed;
- bring together public services, voluntary organisations and community groups to deliver preventative action and tackle local challenges collaboratively;
- be led by elected councillors, ensuring clear democratic accountability;
- support evidence-informed decision-making through shared data and intelligence; and
- have defined responsibilities — and potentially delegated budgets — to ensure they can make a tangible difference.

Our current thinking envisages neighbourhood governance arrangements which mirror the geographic footprints aligned to Primary Care Networks and Integrated Neighbourhood Teams. These currently span areas of 30,000-45,000 people and follow electoral boundaries.

However, we are mindful of other key neighbourhood arrangements, such as Town and Parish Councils and Pride in Place Boards which operate on more hyper-local footprints. Therefore, during the implementation phase, we will co-design the committee arrangements with these stakeholders to ensure they form an active part of the new arrangements, and that we avoid duplication and join-up governance where necessary.

We are committed to learning from best practice on this, including the consultation on the government's Plans for Neighbourhood programme, and being as ambitious as we can be to truly embed neighbourhood governance into the fabric of Lancashire's future unitary authorities.

5. Our proposition

5.4 Responding to the views of local people

5.4.1 How the three-unitary proposal addresses these issues

As set out in section 4.6, the engagement exercise undertaken across Lancashire highlighted a range of views and concerns. We have set out how these will be responded to below:

The three-unitary proposal directly tackles the priorities and concerns raised through engagement.

- It creates councils that are large enough to deliver complex services sustainably but rooted in recognisable places, each built around established urban centres and their surrounding towns and rural communities, reflecting existing economic, social and service linkages.
- Local identity and accountability would be safeguarded through locality-based governance, with decisions shaped and scrutinised by new neighbourhood governance arrangements, co-designed by and rooted in real communities. These bodies will bring together councillors, partners and residents to co-design priorities, influence services, and ensure decisions remain shaped by and responsive to local needs.
- Financial resilience improves by bringing together fairer, more balanced tax bases and creating efficiency savings that can be reinvested into frontline services, prevention and early help.
- Joined-up services will integrate health, care, housing and transport at the same scale as NHS and partner geographies, making it easier for residents to navigate and for agencies to plan together.
- Fairness and equal access are strengthened by aligning investment and service planning to functional economic areas and shared priorities rather than administrative boundaries.

5. Our proposition

5.4 Responding to the views of local people

5.4.2 How we will respond to what residents told us

The feedback from our engagement shows that people support change, but they are also worried about what it might mean for the services and identities that matter most to them. The three-unitary proposal is designed to address those concerns and deliver the benefits people want to see.

"Too big to care":
By anchoring decision-making in neighbourhood-level governance, with locally constituted committees and service teams rooted in real places, the three-unitary proposal ensures services stay connected, personal and responsive.

Loss of accountability:
Formal neighbourhood structures with delegated powers, regular public forums, and direct links into council decision-making will guarantee transparency and maintain a clear democratic connection.

Loss of local services and ignored smaller towns:
Planning and delivery footprints will reflect existing communities, with local service hubs such as Family Hubs, community centres and libraries acting as accessible points of contact and support.

Desire for efficiencies and better use of resources:
By consolidating commissioning, workforce planning and back-office functions, the three-unitary proposal will deliver economies of scale and financial resilience. freeing up resources to invest directly into frontline services and prevention.

Need for joined-up services:
Aligning council boundaries with NHS, policing and economic geographies will make it far easier to plan, commission and deliver services collaboratively, reducing duplication and improving outcomes.

This is the only option being proposed that can credibly deliver all these outcomes by combining strategic capacity with local identity, system leadership with community voice, and financial strength with democratic accountability.

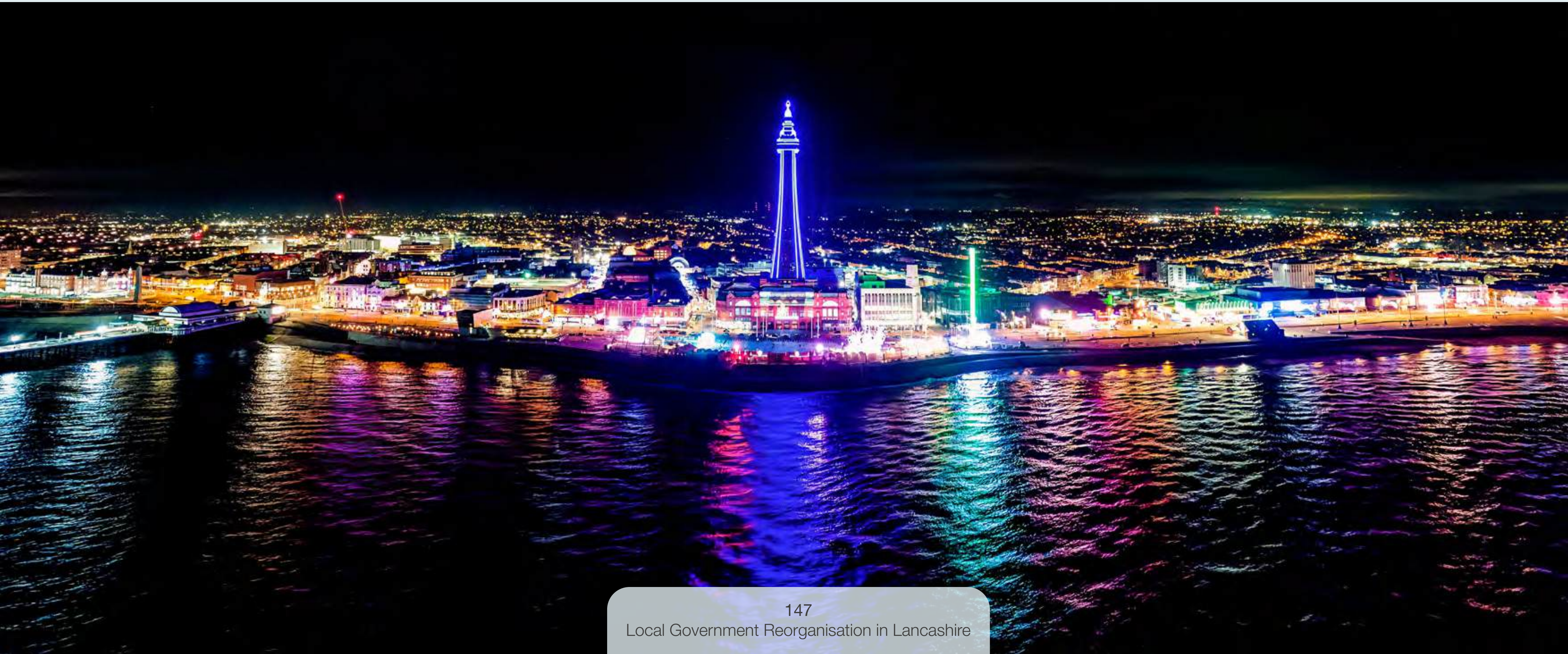
5. Our proposition

5.4 Responding to the views of local people

5.4.3 A foundation for further engagement

This collaborative first phase has demonstrated that Lancashire's residents, businesses and partners are ready for change but clear that it must be shaped around real places, maintain accountability, and deliver visible improvements in people's lives. The feedback gathered through this engagement now forms a solid foundation for the next stage of dialogue and design.

The three-unitary proposal offers a credible, balanced and locally grounded solution to the issues people raised. It is the only option that fits around natural communities and places to enhance local connection rather than diluting it, drives efficiency without losing identity, and builds a simpler, fairer and more effective system of local government for every community across Lancashire.



5.5 A leadership approach built for change

5.5.1 Principles guiding our leadership approach

Delivering the biggest transformation of Lancashire's local government for decades requires leadership that is strategic, collaborative and firmly focused on improvement. Our approach will be built on leadership that is lean and affordable combined with the depth of experience and capability needed to deliver safe transition, tackle service pressures and embed a prevention-first, locality-driven way of working from day one.

Designing the right leadership for new unitary councils, following a period of significant change and aggregation and disaggregation of budgets, is unlike designing leadership approaches for organisations already in existence. As such, our leadership approach will be underpinned by five key principles specifically linked to this context:

Stability, statutory assurance and improvement:
Clear lines of accountability will be maintained for critical services, with particular emphasis on adults' and children's services. In the early years, the most senior leadership will retain direct oversight of these areas to provide grip, drive improvement and maintain confidence.

Transformation at the core:
A dedicated focus on transformation will ensure that the reorganisation delivers more than structural change. Leadership capacity will be embedded to oversee integration, service redesign, workforce reform and benefits realisation, supporting the delivery of sustained change over the first few years.

Locality and prevention leadership:
Senior leadership will champion place-based, preventative approaches, working across organisational boundaries to join up health, care, housing and community services. Leadership roles will actively support the development of neighbourhood governance and integrated locality partnerships.

Collaborative and outward facing:
The leadership approach will reflect the new councils' roles as anchor institutions and partners. It will be designed to work closely with NHS bodies, police, universities, the voluntary sector and government, ensuring Lancashire's voice is strong and credible regionally and nationally.

Agile and scalable:
The design will allow flexibility by enabling capacity to be frontloaded during the transition period and streamlined as the new organisations mature. This avoids locking in unnecessary permanent overheads while retaining the ability to respond to emerging challenges.

5. Our proposition

5.5 A leadership approach built for change

5.5.2 Leadership during transition

In the early years following reorganisation, we will take a pragmatic approach to leadership that reflects the scale of change. Senior oversight of key services will be strengthened to support performance and assurance during the transition period, with additional leadership capacity dedicated to driving transformation and embedding new ways of working, and to growing the collaborative relationship with the Combined Authority. Over time, as the new councils stabilise, the intention is that this approach will evolve into a steady state that is sustainable and efficient.

5.5.3 Enabling neighbourhood leadership and prevention

Our leadership approach will be designed to support our ambitions for neighbourhood and community-based working. Senior roles will have explicit responsibility for strengthening locality partnerships, building capacity within communities, and championing preventative approaches across the system. This leadership focus will ensure that the scale of the new councils does not come at the expense of local voice, visibility or accountability.

5.5.4 Leadership which can maintain stability and deliver transformative change

This approach ensures that leadership can manage the transition safely and minimise the risks of reorganisation as well shape a new system of local government that connects place-based strategy with delivery, integrates public services around people's lives, and builds the collaborative, neighbourhood-based capacity Lancashire needs to thrive. It will give government and partners, including the Combined Authority, confidence that the new councils have the capability to deliver reform safely, sustain statutory services, and drive meaningful change.

5. Our proposition

5.6 Clear, accountable and connected democracy

To support our ambitious neighbourhood governance proposals, we have looked carefully at the role of elected members and how best to enhance democratic structures across Lancashire.

Our ambition is to create a transparent democratic process which enables our residents to engage with their representatives, connects elected members to their communities, provides strategic direction and supports comprehensive oversight.

5.6.1 Intuitive and strategic democracy and governance

The move away from the two-tier system of local government will provide greater clarity and accountability to our residents. At present, Lancashire has 84 County Councillors, 567 District Councillors and 93 Unitary Councillors, with communities only a few miles from one another having entirely different arrangements and experiences.

We propose to streamline the democratic process, supporting elected members to champion all the needs of their communities and providing residents with a single point of contact to engage with local government. This approach will ensure a single electoral mandate in each area, providing electors with a clear sense of accountability.

Councillor Numbers

In line with the Boundary Commission's guidance, the number of councillors each new unitary authority will require has been carefully considered. Throughout the process, we have been careful to minimise the impact of reorganisation on democratic representation and accountability, and we have opted to recommend that new authorities be established with councillor numbers towards the higher end of the Boundary Commission advice.

This has taken into consideration the lessons learned from previous examples of Local Government Reorganisation, the committee structures of similarly sized operational authorities, the Government's ambitions for neighbourhood governance, and unique local factors such as board memberships of arms'-length organisations.

This will still see a significant reduction in the overall number of councillors, providing savings for authorities and establishing a clear route of engagement for residents and communities.

Each of the new authorities will have a sufficient number of councillors to provide clear strategic leadership, effective governance and scrutiny, as well as enhanced neighbourhood governance and community engagement. We envision a strong Leader-Cabinet model, with the statutory maximum of nine cabinet members in addition to the leader, which will provide focused and effective leadership for the new authorities.

	Number of councillors	Electors per member (average)	Population per member (average)
Current arrangements	744	1,510	1,656
Proposed arrangements	265	4,241	4,662
Coastal Lancashire	85 Councillors	4,259	5,805
Central Lancashire	85 Councillors	4,295	6,138
Pennine Lancashire	95 Councillors	4,180	6,173
Summary	Reduction of 479 Councillors		

5. Our proposition

5.6 Clear, accountable and connected democracy

Ward Boundaries

This proposal recommends that ward boundaries are considered by the shadow authorities as part of the implementation process. This will allow greater consideration to be given to the Government's recommendations on neighbourhood governance and for the role ward boundaries could play in supporting effective local delivery and representation. New authorities may seek to align wards with Lower Super Output Areas (LSOAs) to improve data gathering or consider alignment along other boundaries such as Primary Care Networks, catchment areas, and neighbourhood policing areas. The intention of this is to establish localities which make sense to residents but also align with statutory and public services locally. This will support councillors in championing their communities as well as enabling organisations to work together effectively and produce cross-cutting solutions.

Supporting Elected Members

It is acknowledged that the proposal for three unitary authorities in Lancashire will lead to substantial changes in the roles and responsibilities of councillors, and we want to make sure our elected representatives are given the right tools and support to be successful in taking on this challenge.

Given the emphasis on strengthening neighbourhood governance within this proposal, we recognise that this will place greater expectations on ward councillors to actively participate in new arrangements around neighbourhood-level engagement and governance.

Councillors will need to foster engagement and community governance, whilst also ensuring that effective scrutiny is undertaken and council decisions are properly held to account. The broad remit of these new authorities will put greater emphasis on continual development and training for elected members, including in specific areas of responsibility and in areas like digital engagement, community leadership and regulatory compliance.

A process of professionalisation will be undertaken, with job descriptions provided for community councillors, committee members and executive/ portfolio-holding members. Specific training and support will be provided in these areas, with councillors being provided with formal performance reviews in line with an agreed councillor development strategy.

Members will also be provided with greater access to independent advice on technical matters covered by unitary councils. Furthermore, virtual participation in council meetings and the use of proxy votes will be explored, allowing councillors to use their time effectively and flexibly.

Greater recognition will be given to the time commitments required as part of these roles and appropriate remuneration for elected members will be considered carefully by shadow authorities. These proposals align more broadly with the English Devolution and Community Empowerment Bill which seeks to professionalise the role of councillors and strengthen the mechanisms to hold elected members to account, both through scrutiny and codes of conduct.

5. Our proposition

Our Lancashire

5.6 Clear, accountable and connected democracy

5.6.2 Connecting councillors with their communities

In support of our neighbourhood governance approach and in the spirit of the government's English Devolution and Community Empowerment Bill, we envision elected members acting as community anchors. This will include convening communities through the agreed neighbourhood governance approach but also going much further to influence strategic needs assessments for an area, playing a role in deciding how funding is allocated, and working closely with strategic partners.

To support this, the three new authorities will invest in locality data reporting to support neighbourhood governance arrangements and provide residents with information on their area and a stake in its outcomes. Work will also be undertaken to explore how technology can be used to increase democratic participation from residents, learning from current trials being undertaken in the London Borough of Camden to co-develop an approach to adult social care, and South Staffordshire District Council as they develop an inclusive engagement process to prepare for their next local plan.

We propose that scrutiny within the new unitary authorities should include a place-based approach that reflects the unique needs and aspirations of local communities. This would include the establishment of a Scrutiny Management Board, composed of the chairs of neighbourhood governance boards alongside other councillors, to ensure that local voices directly inform strategic oversight.

This structure enables scrutiny to serve as both a mechanism for accountability and a vehicle for understanding challenges, opportunities, and lived experiences of local places. By aligning scrutiny with neighbourhood-level intelligence and leadership, we will develop councils that can foster more responsive, transparent, and inclusive decision-making. This approach strengthens the democratic process and ensures that scrutiny is not solely reactive but has a proactive role in shaping policy through an understanding of place.

6. Delivering our LGR proposition successfully

Our Lancashire

6.1 Timeline

Delivering local government reorganisation on this scale requires strong leadership, careful planning, and a shared commitment to maintaining service stability while building new capacity for transformation. Lancashire's councils recognise both the challenge and the opportunity to create a simpler, more effective local government system that delivers for residents from day one and continues to evolve over time.

A high-level timeline for implementation is outlined below, aligned with the national approach to local government reorganisation. This framework sets out how we will move from agreement of the preferred option to full operational delivery of three new councils. The timeline will be refined as government decisions and local planning progress, but it provides a clear, realistic pathway for transition.

The timeline is broken down into four phases:

Phase 1 Post-decision mobilisation (2026)

Pending Government approval, an implementation team and programme board will be established to lead transition planning and early engagement with members, partners and staff. Design principles for the new councils will be confirmed, and initial operating models drafted to guide the transition.

Phase 2 Transition (2026 – May 2027)

During this period, detailed transition plans will be developed for every service area, alongside financial, HR and ICT integration plans. Governance structures for the new councils will be finalised, and elections to the Shadow Authorities will take place in May 2027.

Phase 3 Shadow Authority establishment (May 2027 – March 2028)

The three Shadow Authorities will prepare the new councils for operation from Vesting Day. They will finalise constitutions, budgets and senior structures, agree key policies and appoint leadership teams. Communications and workforce engagement will be central throughout this phase to ensure staff, members and residents are informed and involved.

Phase 4 Implementation and delivery (from April 2028)

From Vesting Day, the three new councils will become fully operational. The initial focus will be on embedding new governance, maintaining service continuity, and establishing the culture and leadership required for long-term transformation. In this phase, attention will turn to service integration, digital transformation, and delivering the savings and benefits identified within this business case.

6. Delivering our LGR proposition successfully

Our Lancashire

6.1 Timeline

2026	2026 - May 2027	May 2027 - March 2028	April 2028
Outcome: Delivery structure and detailed plan established to oversee transition and implementation.	**Outcome:** Shadow Authority in place, ready to take on functions from Vesting Day.	**Outcome:** New council ready to operate effectively from Vesting Day.	**Outcome:** New council fully operational and progressing its longer-term reform and transformation goals.

Post Decision Mobilisation

- Mobilise implementation team and setup programme board
- Confirm programme governance and implementation planning framework
- Develop and agree design principles for the new councils
- Begin early engagement with members, districts, and partners
- Prepare draft operating model and implementation plan for approval

Transition

- Implementation team fully mobilised
- Finalise operating model
- Develop and deliver detailed transition plans for all services
- Establish and Shadow Authority arrangements
- Hold elections for Shadow Authority (May 2027)

Shadow authority establishment & transition

- Shadow Authority leads preparations for the new council
- Finalise constitution, policies, and budget
- Agree senior structure and appointments
- Prepare for service delivery under new arrangements
- Develop communications and staff engagement programme

Implemention & Delivery

- New council operational from Vesting Day
- Embed new governance, service and management arrangements
- Begin longer-term transformation and improvement in line with business case
- Focus on service integration, and customer experience

6. Delivering our LGR proposition successfully

6.2 Managing challenges and ensuring continuity

We recognise that a reform of this scale carries inherent challenges. One of the most significant of these is around high-risk people services focused on safeguarding and care. Critically, the three-unitary authority option provides the most practical route to maintain stability and continuity across critical people services, aligning with the Government's requirement to improve service delivery while avoiding unnecessary fragmentation of local services.

Both Adult Social Care and Children's Services within Lancashire County Council already operate through a hybrid model that combines county-wide specialist functions with locality-based delivery. Lancashire's Multi-Agency Safeguarding Hub, Children's Social Care, Health, Police, Education, Probation, Early Help and Adult Safeguarding teams work together on a locality footprint (North, Central and East). This approach is mirrored in Adult Social Care, where delivery units and hospital-linked teams are structured around broadly similar localities, supported by county-wide specialist functions such as commissioning, safeguarding and learning-disability services.

These footprints correspond closely to the proposed boundaries of the three-unitary authority option, allowing existing management structures, provider relationships and multi-disciplinary teams to transfer with minimal disruption. This alignment offers a strong platform to enhance integration with NHS and community partners, ensuring that reform strengthens – rather than fragments – established pathways of care and support.

Several challenges will remain, centred on financial, operational, and organisational issues. To address these, we will:

- **Establish a dedicated implementation programme, with clear governance and accountability**
- **Maintain transparent benefits realisation and performance monitoring to track delivery of savings and outcomes**
- **Ensure robust resource and workforce planning to protect frontline services during transition**
- **Engage continuously with staff, residents and partners to maintain trust and alignment throughout the process**

During the transition period, interim governance arrangements will be required to oversee preparation for the establishment of the new councils. These arrangements will be determined by Government through the Statutory Change Order, in line with precedents from recent reorganisations elsewhere in England. We recognise the importance of appropriate representation within any such joint committees or implementation bodies, reflecting best practice across the sector, and all predecessor councils in Lancashire must have equal representation on any committee or body that is established.

6. Delivering our LGR proposition successfully

6.2 Managing challenges and ensuring continuity

Key challenges and how they will be approached are captured below:

Challenge	Proposed approaches
1. Financial and service benefits are not fully realised, resulting in under-delivery of the business case.	► Develop and maintain a benefits realisation framework aligned to programme governance. ► Assign accountable senior leads for delivery of both financial and service outcomes. ► Undertake regular progress reviews and independent assurance.
2. Insufficient capacity or capability within existing councils to deliver reform alongside day-to-day operations.	► Undertake early resource and skills planning to identify gaps. ► Use shared resources or temporary external expertise where necessary. ► Phase implementation to balance transition activity with ongoing service delivery.
3. Staff or member uncertainty leading to disengagement or reduced morale.	► Implement a comprehensive engagement and wellbeing plan. ► Provide timely and transparent communication about roles, structures and opportunities. ► Encourage staff involvement in designing the new councils and shaping new ways of working.
4. Insufficient alignment or shared understanding of the vision among members, staff and partners.	► Maintain visible, collective political and managerial leadership. ► Deliver consistent messaging about the aims and benefits of reorganisation. ► Engage partners early to co-design transition and transformation priorities.
5. Service disruption during transition or handover.	► Develop detailed transition plans for all critical services with clear accountabilities. ► Establish joint oversight between existing councils and the Shadow Authority. ► Prioritise business continuity, safeguarding and public protection services.

With the right leadership, collaboration and planning, Lancashire can achieve a smooth transition and a strong foundation for its new councils. This is a once-in-a-generation opportunity to reshape local government so that it is simpler, more effective and better equipped to meet the needs of Lancashire's residents, communities and businesses for the decades ahead.

7. Appendix One

Our Lancashire

7.1 MHCLG Criteria

Criterion	Sub-criterion
Single tier of local government	Proposals should be for sensible economic areas, with an appropriate tax base which does not create an undue advantage or disadvantage for one part of the area.
	Proposals should be for a sensible geography which will help to increase housing supply and meet local needs.
	Proposals should be supported by robust evidence and analysis and include an explanation of the outcomes it is expected to achieve, including evidence of estimated costs/benefits and local engagement.
	Proposals should describe clearly the single tier local government structures it is putting forward for the whole of the area, and explain how, if implemented, these are expected to achieve the outcomes described.
Right size for efficiency and resilience	As a guiding principle, new councils should aim for a population of 500,000 or more.
	There may be certain scenarios in which the 500,000 figure does not make sense for an area, including on devolution, and this rationale should be set out in a proposal.
	Efficiencies should be identified to help improve councils' finances and make sure that council taxpayers are getting the best possible value for their money.
	Proposals should set out how an area will seek to manage transition costs, including planning for future service transformation opportunities from existing budgets, including from the flexible use of capital receipts that can support authorities in taking forward transformation and invest-to-save projects.
	For areas covering councils that are in Best Value intervention and/or in receipt of Exceptional Financial Support, proposals must additionally demonstrate how reorganisation may contribute to putting local government in the area as a whole on a firmer footing and what area-specific arrangements may be necessary to make new structures viable.
	In general, as with previous restructures, there is no proposal for council debt to be addressed centrally or written off as part of reorganisation. For areas where there are exceptional circumstances where there has been failure linked to capital practices, proposals should reflect the extent to which the implications of this can be managed locally, including as part of efficiencies possible through reorganisation.
High-quality, sustainable services	Proposals should show how new structures will improve local government and service delivery and should avoid unnecessary fragmentation of services.
	Opportunities to deliver public service reform should be identified, including where they will lead to better value for money.
	Consideration should be given to the impacts for crucial services such as social care, children's services, SEND and homelessness, and for wider public services including for public safety.

7. Appendix One

Our Lancashire

7.1 MHCLG Criteria

Criterion	Sub-criterion
Joint working and local support	It is for councils to decide how best to engage locally in a meaningful and constructive way and this engagement activity should be evidenced in your proposal.
	Proposals should consider issues of local identity and cultural and historic importance.
	Proposals should include evidence of local engagement, an explanation of the views that have been put forward and how concerns will be addressed.
Supports devolution	Proposals will need to consider and set out for areas where there is already a Combined Authority (CA) or a Combined County Authority (CCA) established or a decision has been taken by government to work with the area to establish one, how that institution and its governance arrangements will need to change to continue to function effectively; and set out clearly (where applicable) whether this proposal is supported by the CA/CCA /Mayor.
	Where no CA or CCA is already established or agreed then the proposal should set out how it will help unlock devolution.
	Proposals should ensure there are sensible population size ratios between local authorities and any strategic authority, with timelines that work for both priorities.
Stronger community engagement	Proposals will need to explain plans to make sure that communities are engaged.
	Where there are already arrangements in place it should be explained how these will enable strong community engagement.

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

7. Appendix Two

Our Lancashire

7.2 Financial Modelling

This section will outline the approach to financial modelling in more detail.

Financial Impacts Modelling

The methodology for the financial impacts modelling is outlined in the main body of the report. This section will provide the detail behind the assumptions used in the financial modelling. .

Aggregation benefits

Aggregation benefits reflect the efficiencies realised through consolidating senior leadership, back office functions, service delivery, third-party spend, property, councillors and elections. The three-unitary option is able to achieve greater savings because it builds on existing services and organisational footprints, allowing faster integration and reduced duplication. In contrast, the four-unitary option delivers fewer savings as it has a smaller scale of consolidation and must establish some functions anew, limiting early efficiencies. Benefits are assumed to be annual and ongoing.

<table>
<tr><th>Aggregation Benefits</th><th>3UA Impact £m</th><th>4UA Impact £m</th><th colspan="2">Notes and basis for assumptions</th></tr>
<tr><td>Senior Leadership</td><td>-£8.5</td><td>-£7.0</td><td colspan="2">Significant savings are expected through a reduction in the number of senior leadership posts across councils (chief executives, directors, senior managers). The three-unitary option delivers greater savings owing to fewer councils requiring leadership teams. Detailed modelling undertaken to calculate this saving includes higher salaries for senior leaders in the three-unitary option to attract the right calibre of staff, which is seen as essential to driving transformation.</td></tr>
<tr><td>Back Office</td><td>-£2.8</td><td>-£2.1</td><td>Efficiencies are expected from consolidating corporate and support services such as finance, HR, legal and IT. Forecast savings against the baseline budget are shown in the table below.

Savings reflect reduced duplication of systems and processes. Prudence has been applied to assumptions to recognise the upfront costs of delivering such extensive organisational change. Greater savings are assumed to come from district budgets, where a larger proportion of duplicative services currently sit.</td><td><table><tr><th></th><th>3UA</th><th>4UA</th></tr><tr><td>County</td><td>1%</td><td>0.75%</td></tr><tr><td>District</td><td>2%</td><td>1.5%</td></tr><tr><td>Unitary</td><td>1%</td><td>0.75%</td></tr></table></td></tr>
</table>

7. Appendix Two

Our Lancashire

7.2 Financial Modelling

<table>
<tr><th>Aggregation Benefits</th><th>3UA Impact £m</th><th>4UA Impact £m</th><th colspan="2">Notes and basis for assumptions</th></tr>
<tr><td>Service Delivery</td><td>-£4.8</td><td>-£3.6</td><td>Rationalisation of frontline service delivery (e.g. environmental services, regulatory services, housing, customer access) is expected to yield savings through standardisation and reduced duplication.

Assumptions again remain cautious to reflect the costs of transition and the need to maintain service quality during change. Greater savings are assumed from district-level services, which account for much of the duplication.</td><td><table><tr><th></th><th>3UA</th><th>4UA</th></tr><tr><td>County</td><td>1%</td><td>0.75%</td></tr><tr><td>District</td><td>2%</td><td>1.5%</td></tr><tr><td>Unitary</td><td>1%</td><td>0.75%</td></tr></table></td></tr>
<tr><td>Third Party</td><td>-£3.3</td><td>-£2.6</td><td>Savings are assumed from reducing external spend with contractors, suppliers and partners.

Greater rationalisation of contracts is achievable under the 3UA option, leading to higher overall savings compared with the 4UA model.</td><td><table><tr><th></th><th>3UA</th><th>4UA</th></tr><tr><td>County</td><td>0.5%</td><td>0.4%</td></tr><tr><td>District</td><td>0.5%</td><td>0.4%</td></tr><tr><td>Unitary</td><td>0.5%</td><td>0.4%</td></tr></table></td></tr>
<tr><td>Property</td><td>-£2.2</td><td>-£1.5</td><td>A smaller council estate will be required after aggregation. Savings are expected through the release or rationalisation of office buildings, depots and other assets.

The majority of initial benefits are expected early, with further opportunities unlocked during transformation. Higher savings are forecast in the 3UA model owing to greater consolidation.</td><td><table><tr><th></th><th>3UA</th><th>4UA</th></tr><tr><td>County</td><td>5%</td><td>3%</td></tr><tr><td>District</td><td>5%</td><td>3%</td></tr><tr><td>Unitary</td><td>5%</td><td>3%</td></tr></table></td></tr>
<tr><td>Councillors</td><td>-£2.1</td><td>-£1.8</td><td colspan="2">Savings are modelled on reducing the number of councillors required. Assumptions are based on benchmark ratios of representation. The 3UA option is judged to strike a better balance between cost savings and ensuring adequate local representation.</td></tr>
<tr><td>Elections</td><td>-£0.4</td><td>-£0.4</td><td colspan="2">Reductions in the number of elections deliver modest savings. These are calculated using a national benchmark cost per vote (£3.57). The impact is consistent across both models, as the change in scale has limited influence on electoral cost per capita.</td></tr>
<tr><td>On costs associated with staff savings</td><td>-£4.8</td><td>-£3.8</td><td colspan="2">Modelled at 30% of staffing salary savings.</td></tr>
<tr><td>Total</td><td>-£28.8</td><td>-£22.8</td><td colspan="2"></td></tr>
</table>

7. Appendix Two

Our Lancashire

7.2 Financial Modelling

Aggregation costs

Aggregation costs reflect the investment required to consolidate services, roles, and systems across councils. This includes recruiting high-quality staff, creating specialist roles and implementing IT systems to enable integration. The three-unitary option can leverage existing services and infrastructure, making aggregation more efficient and cost-effective, while the 4UA model faces higher costs because many functions must be built from scratch. These costs highlight the additional effort and investment required to realise efficiencies under the 4UA option.

Aggregation Costs	3UA Impact £m	4UA Impact £m	*Notes and basis for assumptions*
Social Care Leadership	£0.0	£1.0	Additional costs are expected in the 4UA model to attract and retain high-quality social care staff. Costs are modelled to reflect 10 additional leadership roles. Unlike the 3UA approach, which builds more directly on existing provision, the creation of a new authority requires investment in pay, recruitment, and professional development to secure the calibre of staff needed for statutory service delivery.
Additional Roles	£0.0	£1.0	The 4UA model requires additional specialist posts (e.g. safeguarding, commissioning, specialist support functions) that would otherwise be shared or consolidated in a larger unitary structure. Costs are modelled to reflect 10 additional specialist roles. As these are not built upon existing district or county provision, recruitment and establishment costs are higher.
IT Aggregation Programme	£22.8	£22.8	Significant investment will be required after transition to bring IT systems together and ensure interoperability. This includes implementing a new ERP system and wider system aggregation across finance, HR and service delivery platforms. Costs are modelled on a cost-per-head basis, with £500 per head assumed over the entire staff base.
Total	**£22.8**	**£24.8**	

7. Appendix Two

Our Lancashire

7.2 Financial Modelling

Aggregation costs

Aggregation costs reflect the investment required to consolidate services, roles, and systems across councils. This includes recruiting high-quality staff, creating specialist roles and implementing IT systems to enable integration. The three-unitary option can leverage existing services and infrastructure, making aggregation more efficient and cost-effective, while the 4UA model faces higher costs because many functions must be built from scratch. These costs highlight the additional effort and investment required to realise efficiencies under the 4UA option.

Aggregation Costs	3UA Impact £m	4UA Impact £m	*Notes and basis for assumptions*
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Additional Roles	£0.0	£1.0	The 4UA model requires additional specialist posts (e.g. safeguarding, commissioning, specialist support functions) that would otherwise be shared or consolidated in a larger unitary structure. Costs are modelled to reflect 10 additional specialist roles. As these are not built upon existing district or county provision, recruitment and establishment costs are higher.
IT Aggregation Programme	£22.8	£22.8	Significant investment will be required after transition to bring IT systems together and ensure interoperability. This includes implementing a new ERP system and wider system aggregation across finance, HR and service delivery platforms. Costs are modelled on a cost-per-head basis, with £500 per head assumed over the entire staff base.
Total	**£22.8**	**£24.8**	

7. Appendix Two

Our Lancashire

7.2 Financial Modelling

Transition costs

Transition costs capture the one-off expenditure required to implement the reorganisation, including redundancy payments, programme management, IT implementation, organisational set-up and communications. The 4UA model generally incurs higher costs because it involves creating a completely new authority, requiring additional staff, programme oversight and IT systems. Both models include a contingency to reflect uncertainty, but overall, transition costs are higher for the 4UA owing to the complexity of establishing new structures from scratch.

Transition Costs	3UA Impact £m	4UA Impact £m	*Notes and basis for assumptions*
Redundancy	£5.6	£4.4	Aggregation is expected to deliver significant staff savings across leadership, service delivery and back-office functions. Redundancy costs are modelled at 35% of these savings, reflecting severance payments, pension strain and associated exit costs. Lower redundancy costs are expected under the 4UA model owing to reduced overall consolidation.
Organisational set up	£1.8	£2.0	Covers the establishment of new unitary organisations, including senior leadership recruitment, governance structures, HR and payroll systems, legal set-up and the costs of putting in place core enabling services. Slightly higher in the 4UA model owing to the need to establish an additional authority.
Closedown cost	£2.0	£2.0	Reflects the administrative and legal process of winding down existing councils. Assumptions: £100k per district and £250k per upper-tier council to cover statutory closure requirements, final accounts, HR/legal processes and other one-off costs. Assumed consistent between models.
Comms & Marketing	£2.0	£2.5	Encompasses stakeholder communications, branding, public information campaigns and staff engagement activities. In the 4UA model, an additional £0.5m is included to reflect the need for separate branding and communication strategies for the additional authority.
Shadow Authority Election	£1.8	£1.9	Covers the operating costs of shadow authorities between election and formal vesting day. This calculation is based on expected staff costs for statutory officer roles during the shadow period. Higher costs are expected in the 4UA model owing to an extra shadow authority being required.
Shadow Authority costs	£2.0	£2.4	Covers the operating costs of shadow authorities between election and formal vesting day. This includes allowances for members, support staff, and governance activities. Higher costs are expected in the 4UA model due to an extra shadow authority being required.
Programme Management	£11.2	£14.5	A major change programme will be needed to deliver reorganisation. Costs include a central programme management office, project teams, external consultancy, specialist advice and backfill for seconded staff. In the 4UA model, additional programme costs are assumed owing to the need to deliver a complex change programme in an additional authority.

7. Appendix Two

Our Lancashire

7.2 Financial Modelling

Transition Costs	3UA Impact £m	4UA Impact £m	*Notes and basis for assumptions*
IT Implementation	£3.5	£4.5	Focused on ensuring "safe and legal" IT systems for day 1 operations, including interim solutions, licences and migration support. Further costs linked to integration and transformation are accounted for elsewhere. The 4UA model is more expensive owing to the requirement to establish and stabilise systems for an additional authority.
Total without contingency	**£29.9**	**£34.2**	
Total (With Contingency)	**£32.7**	**£37.6**	**A 10% contingency has been applied across all categories to reflect risk and uncertainty in delivery. Overall transition costs are expected to be higher under the 4UA model, given the additional complexity of implementation and governance.**

Transformation Impacts

Transformation costs and savings capture the longer-term impacts of restructuring and integrating services over multiple years. Ambitious assumptions have been applied to drive structural change, with the largest benefits expected in district budgets where back office and service delivery teams will become more efficient. The three-unitary option can realise savings more quickly by building on existing service structures and a larger geographic footprint, whereas the 4UA model faces slower progress and lower efficiency gains owing to the need to create many functions and systems from the ground up.

Transformation costs are assumed to be one-off, where transformation savings are incurred year on year. The detailed phasing of these impacts is detailed in the section below.

7. Appendix Two

7.2 Financial Modelling

<table>
<tr><th>Transformation Savings</th><th>3UA Impact £m</th><th>4UA Impact £m</th><th colspan="2">Notes and basis for assumptions</th></tr>
<tr><td>Back Office</td><td>-£14.1</td><td>-£10.6</td><td>Savings are expected over a long implementation period through the transformation of corporate support functions (finance, HR, ICT, legal). These are ambitious assumptions intended to drive material change.

The largest impacts will be on district budgets, where back office teams are currently dispersed. The three-unitary option benefits from existing service structures and footprints, allowing it to standardise processes, integrate teams, and realise efficiencies more quickly and with lower implementation risk than four unitaries, which must build many functions from scratch.</td><td><table><tr><th></th><th>3UA</th><th>4UA</th></tr><tr><td>County</td><td>5%</td><td>3.75%</td></tr><tr><td>District</td><td>10%</td><td>7.5%</td></tr><tr><td>Unitary</td><td>5%</td><td>3.75%</td></tr></table></td></tr>
<tr><td>Service Delivery</td><td>-£23.9</td><td>-£18.0</td><td>Frontline service efficiencies (environmental services, housing, regulatory services) are expected over multiple years as teams are restructured and optimised.
The three-unitary model can leverage existing service delivery arrangements and established district-council footprints to accelerate integration and achieve faster savings. By contrast, the four unitary option model faces longer lead times and higher risk because it is creating new operational structures without the benefit of pre-existing consolidated services.</td><td><table><tr><th></th><th>3UA</th><th>4UA</th></tr><tr><td>County</td><td>5%</td><td>3.75%</td></tr><tr><td>District</td><td>10%</td><td>7.5%</td></tr><tr><td>Unitary</td><td>5%</td><td>3.75%</td></tr></table></td></tr>
<tr><td>Non Staff</td><td>-£24.1</td><td>-£18.8</td><td>Includes savings on property, third-party contracts, supplies, and other operational expenditure.

The three-unitary option can leverage its scale and existing procurement and estates footprint to consolidate contracts and rationalise assets more quickly, driving earlier and larger reductions. The four unitary option has a smaller aggregated footprint and must establish many systems and contracts from scratch, limiting near-term savings.</td><td><table><tr><th></th><th>3UA</th><th>4UA</th></tr><tr><td>County</td><td>2.5%</td><td>2%</td></tr><tr><td>District</td><td>5%</td><td>3.75%</td></tr><tr><td>Unitary</td><td>2.5%</td><td>2%</td></tr></table></td></tr>
</table>

7. Appendix Two

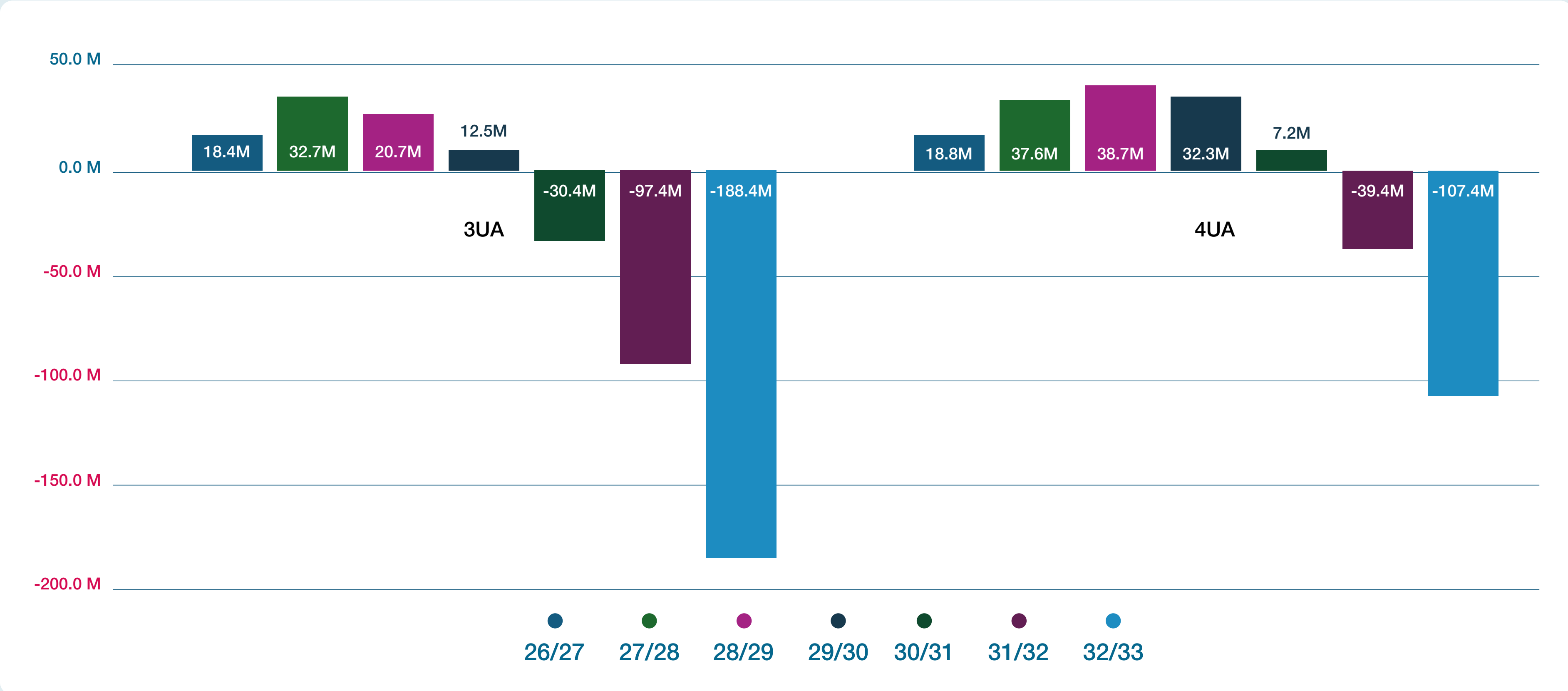
7.2 Financial Modelling

Transformation Savings	3UA Impact £m	4UA Impact £m	*Notes and basis for assumptions*
Redundancy	£13.3	£10.0	Costs associated with staff reductions as roles are consolidated, and duplication removed. Costs are modelled at 35% of overall transformation savings. While the three-unitary option achieves larger savings over time, upfront redundancy costs are higher because it builds on a larger existing structure and must pay exit costs for more positions. In the four unitary proposal, fewer roles are eliminated initially, so upfront redundancy costs are lower, but ongoing efficiency gains are also smaller.
Programme	£7.4	£9.9	Costs of planning, managing, and delivering transformation programmes. Costs are modelled based on expected salaries and numbers of staff required to deliver the Transformation programme. The four unitary approach requires additional programme management capacity to establish an additional new authority and coordinate multiple change streams, resulting in higher costs. The three-unitary option benefits from existing governance and programme structures, so programme costs are lower, and change delivery is more straightforward.
IT	£13.3	£18.6	Investment is required to implement cutting-edge IT systems and AI-driven platforms to support service redesign, workforce optimisation, and long-term transformation savings. Savings are calculated as a % of existing IT costs across Lancashire to give an estimate of the potential costs of transformation. The four unitary approach faces higher costs because it must develop these systems largely from scratch for a new authority, whereas the three-unitary option can build on existing infrastructure and integrate advanced tools more efficiently. By leveraging AI and modern platforms, the three-unitary option is better positioned to unlock savings on people, streamline processes and drive sustainable transformation across services.

7. Appendix Two

7.2 Financial Modelling

Cumulative impact: three-unitary and four-unitary options



Overall Output

Figure 3 shows the year-on-year net impact of the three- and four-unitary option. The three-unitary proposal is projected to save significantly more than the four-unitary approach at the end of the modelling period and is expected to offset the Transition and Aggregation Costs more quickly, reaching breakeven in 30/31.

7. Appendix Two

7.2 Financial Modelling

Phasing

The phasing assumptions show how costs and benefits are expected to materialise over time. **Transition costs** are largely incurred in the early years (2026/27–2027/28), reflecting the implementation of new structures and processes. **Aggregation of staff** is phased from 2028/29 onwards, reaching full realisation by 2030/31, while **disaggregation** occurs partially in 2028/29–2029/30 before tapering off. **Transformation savings** are introduced gradually from 2029/30, increasing from 25% to full realisation by 2032/33, with **transformation costs** following a similar but slightly staggered pattern. This phased approach reflects the practical timing of implementation, integration and the progressive delivery of long-term efficiencies.

	3UA & 4UA Phasing Assumption						
	26/27	27/28	28/29	29/30	30/31	31/32	32/33
Aggregation (Staff)	0%	0%	50%	75%	100%	100%	100%
Disaggregation	0%	0%	50%	50%	0%	0%	0%
Transition	50%	50%	0%	0%	0%	0%	0%
Transformation Savings	0%	0%	0%	25%	50%	75%	100%
Transformation Costs	0%	0%	0%	25%	50%	25%	0%

7. Appendix Three

7.3 LG Futures budget assumptions and workings

Overview

To support the Lancashire authorities with Local Government Re-organisation, LG Futures were commissioned to construct a financial baseline for 2028/29, as a consistent budget projection for all of the Lancashire authorities to use in their respective LGR business cases.

The baseline budget projections have been modelled to forecast the starting budget position at Vesting Day (1st April 2028) using the methodology and approach outlined below.

The approach taken to construct the financial baseline was as follows:

Expenditure:

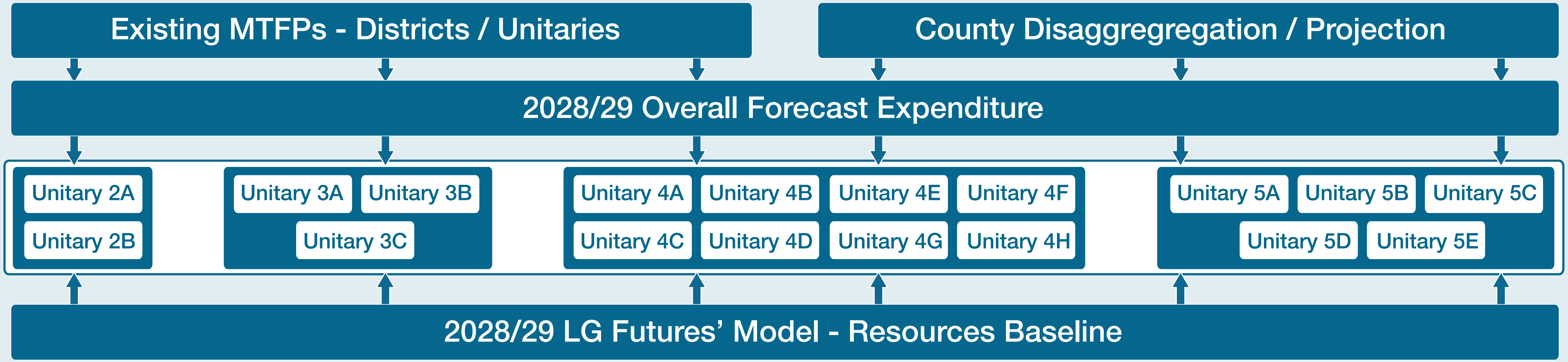
- Review the county disaggregation of its budgets
- Use existing MTFPs from the billing authorities (and the forecast expenditure shown)
- Produce a forecast expenditure position for each of the potential new unitary authorities up to 2028/29

Resources:

- Project forward resources for each of the existing authorities (using LGFutures' Fair Funding Model)
- Produce a forecast resources position for each of the potential new unitary authorities for 2028/29

Output:

- Produce a forecast 2028/29 budget position for each of the potential new unitary authorities



7. Appendix Three

Our Lancashire

7.3 LG Futures budget assumptions and workings

1. Expenditure

Disaggregation of Budgets and projection to 2028/29

The 2025/26 county council expenditure and projected change in expenditure to 2028/29 have been split across the constituent district councils. This is based on the splits provided by LCC for existing and forecast future expenditure.

The county council provided detailed analysis of the starting budget position (2025/26) and increases in net expenditure to 2028/29 by district. The methodology for disaggregation was reviewed by LG Futures and was deemed comprehensive with reasonable chosen methods of apportionment for each of the cost areas (client counts, population etc.).

Expenditure Projections

The current expenditure (2025/26) and projected changes for the Lancashire-14 authorities have been combined with the disaggregated county council expenditure and projections, to provide the overall expenditure projection for 2025/26 to 2028/29. These are based on net expenditure figures with spend offset against service specific ring-fenced grants (which are typically netted off at a service level).

2. Resources

The resource projections for the options and new unitary authorities are based on modelling of the following funding sources for 2025/26 to 2028/29:

- Settlement Funding Assessment (SFA), with impacts of Fair Funding Review 2.0
- Council tax income (including increases in tax rates and taxbase growth)
- Other grants not covered by Fair Funding Review 2.0 (e.g., Children and families grant, public health grant)

Existing Authorities

Projected changes in resources for existing authorities have been carried out using LG Futures' Fair Funding 2.0 predictive model. The model forecasts the level of resources to be received for each authority based on the Spending Review 2024 and the Fair Funding 2.0 consultation paper (published in June 2025). The consultation provided an outline of the methodology and the resulting relative need share of each authority.

The Model has been submitted to MHCLG and the Ministry advised no changes were required. The consultation period has now closed, and the outcome of the consultation will be known at the 2026/27 Provisional local government finance settlement. The final allocations will be dependent on the outcome of the consultation, data changes and the Autumn Budget.

7. Appendix Three

7.3 LG Futures budget assumptions and workings

County Council Apportionment

In order to forecast resource projections for the new unitary authorities, the county council's projected resources have been apportioned to the constituent district councils. This apportionment has been carried out across the following elements:

- Splitting the 2025/26 baseline position
- Settlement funding and the impacts of Fair Funding Review
- County council share of council tax income growth
- Grants not covered by the Fair Funding Review

Other Grants and Council Tax

Other grants (both inside and outside Core Spending Power) are assumed to be cash flat, so the 2025/26 split prevails over time. This includes Children and Families, Public Health, Crisis and Resilience and Homelessness and Rough Sleeping funds.

Council tax projections are based on maximum use of tax flexibilities in 2026/27 and 2027/28 and the 4.99% referendum limit for 2028/29. Taxbase growth has also been included, based on MHCLG approach to projections (4-year average CTR taxbase growth, between 21/22 and 25/26).

3. Budget gaps and balanced budgets

Based on the approach set out above, the analysis forecasts a cumulative funding deficit of £133.5m by 2028/29 for all existing Lancashire authorities collectively. This comprises a forecast funding gap of £56.2m in 2026/27 rising to £96.5m in 2027/28 and to £133.5m by 2028/29, based on the scenario where no action is taken to ameliorate this position.

This forecast is based on a range of assumptions in relation to both expenditure (inflation, demand pressures, legislative changes etc.) and income (assumed Council Tax increases, impact of the funding reforms (including Fair Funding 2.0) by Government, increases in fees and charges etc.) as set out above. These assumptions are based on the best information available at the time these forecasts were produced and are, inevitably, subject to change which may reduce or increase the forecast deficit.

7. Appendix Three

7.3 LG Futures budget assumptions and workings

Therefore, for the purpose of modelling the starting budget positions for the prospective unitary authorities as part of the business cases put forward, and acknowledging that new councils will be created from April 2028, it has been assumed that existing councils will address their gross funding gaps for 2026/27 and 2027/28 regardless of local government reorganisation. This recognises the statutory obligation on each Council to set a balanced budget annually. It is not possible to be definitive at this stage about how this will be done given that this will be subject to each Council's own budget setting and democratic decision-making processes. It has been assumed that the budget gaps will be met mainly by recurrent budget reductions (either reduced costs or increased income) with any residual budget pressures considered immaterial in the context of the financial case.

The result of this is that the forecast aggregate budget gap at Vesting Day on 1 April 2028 is £36.9m for the purposes of forecasting the starting budget positions of the prospective unitary authorities for each of the options.

7. Appendix Four

Our Lancashire

7.4 Longlist options appraisal detailed output

Two Unitary Option: Longlist Appraisal			
Criteria	**Success Measures**	**RAG**	**Evaluation**
Single tier of local government	Logical UA boundaries that fully cover the region, with a single council delivering all local services with no overlaps or confusion.	GREEN	The two unitary authorities proposed cover the entirety of the Lancashire region with no gaps or overlaps. The option utilises existing district council boundaries meaning that no boundary changes are required as part of the proposal.
Right size for efficiency and resilience	Each unitary should be large enough for efficiency and service delivery without compromising local identity (MHCLG = 500,000 people)	AMBER	Both authorities under this option have populations well above the 500,000 recommended by MHCLG and are close to the upper limit identified by the County Councils Network's 2020 PwC research. Their scale carries a clear risk of diseconomies of scale, where managing services across a large and diverse population leads to inefficiencies, higher costs and slower decision-making. Authorities of this size may also struggle to remain agile and responsive to distinct local needs. While these concerns are significant, scale can bring advantages in officer capacity and strategic capability. Larger councils often have the resources and expertise to deliver major economic and infrastructure projects, addressing the limited capacity of smaller districts to develop investable propositions or engage effectively with government. This option could therefore strengthen strategic planning and partnership with national agencies. However, there is limited evidence that such benefits cannot also be achieved through smaller, well-designed authorities. Moreover, the proposal risks fragmenting local identities and economic geographies by imposing large administrative areas that do not reflect how people live and work. The option also cuts across the travel-to-work patterns identified in the Lancashire Independent Economic Review (2021), where strong north–south commuting flows show economic activity spanning the proposed boundary. Any coherent economic strategy would therefore depend on sustained collaboration between the two authorities, adding layers of political and managerial complexity that could slow decisions and dilute accountability.

7. Appendix Four

Our Lancashire

7.4 Longlist options appraisal detailed output

2UA Long List Appraisal			
Criteria	**Success Measures**	**RAG**	**Evaluation**
High-quality, sustainable services	The model should improve service standards and access, backed by a credible plan to integrate services without overstretching resources or compromising quality.	AMBER	Both councils within this option benefit from scale, which may support efficiencies in service delivery and strategic capacity. However, the large size also presents risks to responsiveness, particularly in addressing the distinct needs of diverse localities. To reflect these differences, sub-structures or area-based governance models may need to be introduced, potentially reintroducing layers of local government bureaucracy. This could undermine the simplicity and clarity of the unitary model and complicate service co-ordination across the wider authority.
Joint-working and local support	Councils must work together, showing clear engagement with residents, partners, and stakeholders. The approach should feel locally led and widely supported.	AMBER	The scale of the approach may support stronger strategic collaboration, particularly in tackling large-scale issues such as housing, transport, and infrastructure. Larger authorities are likely to have the capacity to engage effectively with Central Government and national agencies. However, the size of each unitary presents challenges in building meaningful relationships with local communities and capitalising on existing place identities. There is a risk that residents may feel disconnected from decision-making, weakening local support and trust. Notably, the County Council is currently the only authority backing this option, which suggests there is not widespread buy-in or legitimacy for the proposal among local stakeholders.
Supports devolution	Unitary authorities should be sized and structured to meet government expectations for devolved powers, with potential for combined authority or mayoral deals.	AMBER	The two-unitary approach offers potential advantages for devolution by virtue of its larger population bases, which align with Government preferences for scale in devolution deals. However, the model does not reflect Lancashire's economic geography or its polycentric structure, where multiple towns and cities contribute to the region's economic activity. This misalignment risks concentrating devolved economic policy around the dominant urban centre in each authority, potentially encouraging a city-based agglomeration model more suited to metropolitan areas with different economic contexts. As a result, the effectiveness of devolved strategies may be compromised, with smaller centres overlooked and regional inequalities reinforced.
Stronger community engagement	Decision-making should stay close to communities. The structure must support public engagement and reflect local identity, avoiding overly large authorities that feel disconnected.	RED	The geography and scale of the proposal present clear challenges to community engagement. Large unitary authorities can struggle to maintain close connections with local communities, particularly across diverse and dispersed areas. The population size risks weakening community identity and making decision-making feel less accessible to residents. This sense of distance may undermine democratic accountability and reduce public trust in local governance. Without additional local structures or mechanisms for engagement, the model may fall short in delivering meaningful and inclusive community participation.

7. Appendix Four

7.4 Longlist options appraisal detailed output

Three-unitary Option: Longlist Appraisal			
Criteria	**Success Measures**	**RAG**	**Evaluation**
Single tier of local government	Logical UA boundaries that fully cover the region, with a single council delivering all local services with no overlaps or confusion.	GREEN	The unitaries proposed cover the entirety of the Lancashire region with no gaps or overlaps. The option utilises existing district council boundaries meaning that no boundary changes are required as part of the proposal. The proposal aligns with local identities and functional geographies and represents a manageable geography and population in each unitary to support effective governance and service delivery. Unitary councils operating on a larger scale are better positioned to identify suitable sites for future housing development and to overcome delivery challenges including natural landscapes, area restrictions and flood zones. This proposal also provides clear lines of accountability to residents and partners, making local government easier to understand and engage with, and creating a single, strategic conversation with government and business.
Right size for efficiency and resilience	Each unitary should be large enough for efficiency and service delivery without compromising local identity (MHCLG = 500,000 people)	GREEN	All three unitaries proposed under this option align with the Government's recommended population threshold of 500,000 and provides the most even distribution of land - offering a strong basis for organisational resilience and financial sustainability. Crucially, they remain below the upper limits where diseconomies of scale typically emerge, suggesting a balance between efficiency and manageability. The boundaries align with resident identities which will support consensus building and future service delivery. Importantly, the model reflects the economic geography patterns established in the Lancashire Independent Economic Review (2021). The Pennine Lancashire authority encompasses key economic corridors, from Clitheroe to Darwen via Blackburn, and Colne to Rawtenstall via Burnley, supporting a focused strategy around the area's manufacturing strengths and alignment with Industrial Strategy 8 sectors. Similarly, Coastal Lancashire recognises the Fylde Coast Corridor, incorporating Blackpool, Fylde, Wyre, and extending to Lancaster which will allow the coastal communities to more closely align on common coastal issues and take a more strategic approach to tourism opportunities extending into Cumbria. Larger unitaries also remain better positioned to absorb budget shocks, enhancing long-term resilience. A survey of North and Western Lancashire Chamber of Commerce members supports the option as reflecting natural economic footprints and aligning with current commerce, infrastructure, travel to work flows and community ties (NWL CoC letter of support).

7. Appendix Four

7.4 Longlist options appraisal detailed output

Three-unitary Option: Longlist Appraisal			
Criteria	**Success Measures**	**RAG**	**Evaluation**
		GREEN	The proposal achieves the best balance of socio-economic needs and assets which avoids creating undue pressures on services within any one authority. This parity provides a solid foundation for place-based growth, enabling balanced investment, equitable access to resources, and collaborative regional strategies without disproportionate dominance or lagging areas. It also offers the best distribution of large and medium urban centres and total land distribution, which supports resilience and provides a strong foundation for economic growth and housing delivery. The scale and balance of these authorities also underpin workforce and service resilience, allowing for shared specialist capacity, joint commissioning, and consistent quality standards across complex service areas.
High-quality, sustainable services	The model should improve service standards and access, backed by a credible plan to integrate services without overstretching resources or compromising quality.	GREEN	The proposal offers a strong balance between achieving economies of scale and retaining the ability to tailor services to local needs. Each authority is large enough to support sustainable service delivery and organisational resilience, while remaining sufficiently focused to respond to distinct community profiles. As with all local government reorganisation proposals, the transition to new structures will require careful planning to avoid service disruption. However, this proposal is the only option which builds on the existing structure of three upper-tier authorities, which could minimise disruption and enable more rapid mobilisation of more integrated services. The option is supported by the North and Western Lancashire Chamber of Commerce members as the most practical size to deliver efficient governance, stronger economic development strategies and better resource allocation (NWL CoC letter of support) and by the Police and Crime Commissioner for Lancashire and is coterminous with operational footprints for key partners in health, the police and fire. This offers the best opportunity for the rapid mobilisation of more integrated services which can tackle Lancashire's most pressing socio-economic challenges (such as economic inactivity) which are creating increased service pressures, whilst also enabling Lancashire to build a strong case for future devolved powers. Effective implementation will be critical to ensuring continuity and maintaining public confidence in service quality. The proposal is also most closely aligned with the operational areas of wider delivery partners in health and blue light services which will enable joint working on key issues such as health and work agendas and minimise service disruption during transition. Compared to the four and five unitary options, the proposal has fewer misalignments and overlaps, which will facilitate co-ordination of cross-boundary initiatives and alignment of strategic priorities, particularly with a future Strategic Authority. Effective joint-working will require robust governance mechanisms to ensure collaboration does not become fragmented or inefficient.

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Our Lancashire

7.4 Longlist options appraisal detailed output

Three-unitary Option: Longlist Appraisal			
Criteria	**Success Measures**	**RAG**	**Evaluation**
		GREEN	As such, this proposal also provides the best platform for meaningful public service reform across social care, SEND, housing and early help. The presence of three established Directors of Children's Services, Adult Social Services and Public Health (DCS/DASS/DPH) provides immediate statutory assurance and leadership continuity through transition. The model allows consistent improvement programmes, shared workforce development, and better integration with NHS and community services to deliver prevention, early intervention and reduced escalation of need.
Joint-working and local support	Councils must work together, showing clear engagement with residents, partners, and stakeholders. The approach should feel locally led and widely supported.	GREEN	The proposal presents a locally recognisable structure, which can foster strong community and stakeholder support. The boundaries are reflective of existing identities and geographies, increasing the likelihood of public and political buy-in, and provides the most stable option from which to build consensus around strategic priorities. This is reinforced by support from several councils across Lancashire, including Blackburn, Fylde, Hyndburn, Rossendale, and Wyre. Support has also been offered by the business community with members of the North and Western Lancashire Chamber of Commerce 'strongly favour(ing) a three-unitary authority model for Lancashire'. Preston Partnership has also publicly stated its support for the option. The option replicates the existing three-unitary structure, so offers the opportunity to rapidly align strategic plans and priorities and build on existing partnership working arrangements such as the delivery of regeneration programmes across Chorley and Preston. This will minimise service disruption and help to retain the support of local communities. The model's co-terminosity with NHS, ICB, police and fire boundaries also creates the best foundation for place-based partnership working and joint commissioning across health, care, and community safety, supporting the wider shift toward prevention and integration. There is clear endorsement from Lancashire Constabulary and the Lancashire Police and Crime Commissioner.

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7.4 Longlist options appraisal detailed output

Three-unitary Option: Longlist Appraisal			
Criteria	**Success Measures**	**RAG**	**Evaluation**
Supports devolution	Unitary authorities should be sized and structured to meet government expectations for devolved powers, with potential for combined authority or mayoral deals.	GREEN	The proposal presents a strong and credible platform for devolution, with each authority of sufficient scale to engage effectively with a Strategic Authority and negotiate large-scale investment programmes. The configuration maintains the population strength needed to support devolution while preserving local flexibility. Importantly, the three authorities encompass a distinct diversity of economic strengths and challenges, good alignment with functional economic areas and clear sectoral specialisms which provide a strong foundation for a devolved authority to deliver targeted and effective economic development policy. This balance of scale and local relevance enhances the potential for meaningful place-based growth strategies, with each unitary having the capacity, capability and experience to manage large scale investment and infrastructure programmes. The even distribution of large and medium urban areas across the three authorities also provides a strong spatial focus for the delivery of major economic growth interventions. The model's clarity and balance will also enable devolution of key reform agendas, such as integrated care, employment support, housing and skills, through aligned footprints and streamlined accountability, giving government confidence in Lancashire's readiness for a Mayoral Combined County Authority.
Stronger community engagement	Decision-making should stay close to communities. The structure must support public engagement and reflect local identity, avoiding overly large authorities that feel disconnected.	GREEN	The proposal offers improved geographical coherence compared to larger configurations, with boundaries that are more accessible and reflective of local identity, culture, and political context. This enhances the potential for stronger community engagement and democratic legitimacy. The simplified structure makes local accountability clearer and aligns well with MP constituencies. As with all larger unitaries, there remains a risk that the authorities could feel distant from local communities, potentially weakening democratic accountability. However, the proposal is the most stable option; offering the least disruption based on current arrangements and has a clear outline for the co-design and development of neighbourhood governance arrangements with communities. This will facilitate the rapid alignment of existing plans and strategic priorities which local communities have been consulted upon. Furthermore, the coterminosity of the proposal with wider services (e.g. health and blue light) provides an opportunity to increase service integration and innovation which can be a focus for strong and enhanced community engagement moving forwards. . Neighbourhood governance models will be co-designed through implementation, building on existing parish councils, Pride in Place Boards and Integrated Neighbourhood Teams to maintain a visible link between decision-makers and the communities they serve.

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7.4 Longlist options appraisal detailed output

Four Unitary Option: Longlist Appraisal			
Criteria	**Success Measures**	**RAG**	**Evaluation**
Single tier of local government	Logical UA boundaries that fully cover the region, with a single council delivering all local services with no overlaps or confusion.	AMBER	The four unitaries proposed cover the entirety of the Lancashire region with no gaps or overlaps. The option utilises existing district council boundaries meaning that no boundary changes are required as part of the proposal. However, the smaller size of each authority may be insufficient to help increase the supply of housing and ensure financial resilience.
Right size for efficiency and resilience	Each unitary should be large enough for efficiency and service delivery without compromising local identity (MHCLG = 500,000 people)	AMBER	The option presents a balanced approach to scale and identity but does not meet MHCLG's recommended population requirements. The configuration achieves balance between economies of scale and the ability to tailor services to community needs. There is some variation in population size across the four UAs, but the model creates economies of broadly equal size, approximately £10.5bn in GVA, with the second most equal spread of economic strength among all LGR options. This parity provides a solid foundation for place-based growth, enabling balanced investment, equitable access to resources, and collaborative regional strategies without disproportionate dominance or lagging areas. The alignment with Lancashire's economic geography, including the full containment of the Fylde Coast corridor in the West UA and effective grouping of labour market corridors in the East UA, further supports coherent infrastructure and economic planning. However, smaller units may be more exposed to budget shocks and less able to invest in major infrastructure, and disparities in demographic and deprivation indicators, particularly in the East and West, could place uneven pressure on service delivery and resilience. Whilst the Fylde Coast is contained under this option, this fails to provide the opportunity of better alignment of strategy along the Lancashire coast and in Pennine Lancashire, where Ribble Valley is not contained in this option and thereby risks uneven distribution of resources, continues to constrain the ability of this area to address the housing and infrastructure needs which are hindering growth.

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7.4 Longlist options appraisal detailed output

Four Unitary Option: Longlist Appraisal			
Criteria	**Success Measures**	**RAG**	**Evaluation**
High-quality, sustainable services	The model should improve service standards and access, backed by a credible plan to integrate services without overstretching resources or compromising quality.	AMBER	The proposal offers a strong balance between economies of scale and the ability to tailor services to local needs. Each authority is sufficiently large to support sustainable service delivery and organisational resilience, while remaining focused enough to respond to distinct community profiles. The configuration is not coterminous with the operating boundaries of wider health and blue light services. Additionally social needs are not balanced in the proposal, with deprivation concentrated in the East UA with almost 60% of neighbourhoods in the top 30% deprived nationally and challenges in the West along the Fylde Coast striking a significant difference to North and particularly South Lancashire. As with all local government reorganisation proposals, careful planning will be essential to avoid service disruption during the transition and ensure continuity for residents.
Joint-working and local support	Councils must work together, showing clear engagement with residents, partners, and stakeholders. The approach should feel locally led and widely supported.	AMBER	The proposal enables services to be tailored to the needs of communities with similar demographic and economic profiles, with each authority having clear sectoral specialisms that support locally responsive policymaking. This alignment enhances the potential for community and stakeholder buy-in and is supported by councils including Lancaster, West Lancashire, Preston, Ribble Valley, South Ribble and Chorley. However, the increased number of authorities introduces greater complexity in partnership working arrangements, requiring robust coordination mechanisms to ensure strategic alignment and avoid fragmentation across shared priorities.
Supports devolution	Unitary authorities should be sized and structured to meet government expectations for devolved powers, with potential for combined authority or mayoral deals.	GREEN	The proposal presents a robust platform for devolution, with each authority of sufficient scale to engage effectively with Strategic Authorities and negotiate large-scale investment programmes. The configuration maintains the population strength needed to support devolution while preserving local flexibility. Broad alignment with functioning economic geographies, sectoral strengths, and people-based challenges creates the conditions for a potential Mayoral Combined Authority to deliver place-centred interventions. This includes targeted strategies around skills, investment, entrepreneurship, and infrastructure, developed in close collaboration with the constituent UAs.
Stronger community engagement	Decision-making should stay close to communities. The structure must support public engagement and reflect local identity, avoiding overly large authorities that feel disconnected.	GREEN	The proposal offers geographical coherence and identifiable boundaries, supporting clearer connections between residents and decision-making structures. Each authority is compact enough for communities to maintain a sense of local identity and understand who represents them, while avoiding the fragmentation risks associated with smaller models. The configuration strikes a balance between local democratic connection and strategic service delivery, preserving accountability while enabling efficient coordination across a broader geography. While engagement may feel less immediate than in smaller units, the overall structure supports meaningful participation and responsiveness.

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7.4 Longlist options appraisal detailed output

Five Unitary Option: Longlist Appraisal			
Criteria	**Success Measures**	**RAG**	**Evaluation**
Single tier of local government	Logical UA boundaries that fully cover the region, with a single council delivering all local services with no overlaps or confusion.	AMBER	The five unitaries proposed cover the entirety of the Lancashire region with no gaps or overlaps. The option utilises existing district council boundaries meaning that no boundary changes are required as part of the proposal. However, the smaller size of each authority may be insufficient to help increase the supply of housing and ensure financial resilience.
Right size for efficiency and resilience	Each unitary should be large enough for efficiency and service delivery without compromising local identity (MHCLG = 500,000 people)	RED	The proposal presents significant challenges in terms of scale and resilience. Several of the proposed authorities fall below the Government's recommended population threshold and the minimum size identified in academic research for efficient service delivery. While the boundaries may reflect local community identity, they do not align with Lancashire's economic geography, which could hinder the development of coherent and effective economic policy. The smaller scale of these authorities increases the risk of higher service delivery costs, reduced opportunities for economies of scale, and duplicative administrative functions. Additionally, smaller units are more vulnerable to budget shocks and may lack the capacity to invest in major infrastructure, undermining long-term resilience and strategic capability. There are also additional costs associated with five leadership teams which may be reduced under other options.
High-quality, sustainable services	The model should improve service standards and access, backed by a credible plan to integrate services without overstretching resources or compromising quality.	RED	The proposal may offer greater scope to tailor services to local needs due to its smaller scale and closer proximity to communities. However, the limited size of each authority presents challenges in delivering specialist services efficiently. Data also suggests that in terms of key social needs such as homelessness duty owned, this option creates specific pressures for one or more of the proposed authorities. In addition, smaller units are less likely to benefit from economies of scale, which can lead to higher service delivery costs and reduced capacity for innovation or strategic investment. This fragmentation may also result in duplicative service structures and uneven access to quality provision across the region. This could create additional risk in terms of each unitary's ability to recruit to additional statutory posts, which are already hard to fill and could negatively impact implementation and continuity of services.

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7.4 Longlist options appraisal detailed output

Five Unitary Option: Longlist Appraisal			
Criteria	**Success Measures**	**RAG**	**Evaluation**
Joint-working and local support	Councils must work together, showing clear engagement with residents, partners, and stakeholders. The approach should feel locally led and widely supported.	AMBER	The five unitary approach introduces significant complexity in joint-working arrangements due to the small size and fragmented nature of the proposed authorities. Effective collaboration will require robust partnership agreements to maintain a coherent understanding of residents and their participation in a cross-border economic geography. Businesses and stakeholders operating across unitary boundaries may experience duplicated engagement efforts and a lack of strategic alignment, undermining the perception of a joined-up approach. Furthermore, the model currently has limited political support, with backing only from Pendle and Burnley, both within the proposed East UA, highlighting a lack of consensus across the wider Lancashire geography.
Supports devolution	Unitary authorities should be sized and structured to meet government expectations for devolved powers, with potential for combined authority or mayoral deals.	AMBER	The proposal presents notable challenges for supporting devolution. The smaller size and under bounding of the proposed authorities would make regional devolution difficult to manage, particularly given Lancashire’s cross-boundary economic geography and the varied political dynamics introduced by a greater number of member authorities. Smaller units are less able to negotiate and deliver large-scale investment programmes, weakening the strategic voice required for effective engagement with Government and with the Strategic Authority itself. While local voices may be more prominent in smaller authorities, this comes at the cost of reduced coherence and increased risk of inconsistent political leadership, which could undermine the delivery of place-based interventions and long-term economic strategies.
Stronger community engagement	Decision-making should stay close to communities. The structure must support public engagement and reflect local identity, avoiding overly large authorities that feel disconnected.	GREEN	The proposal offers the potential for stronger community engagement through its smaller scale, which may foster closer connections between residents and local decision-makers. This proximity can enhance feelings of involvement and accountability, with communities more likely to recognise and interact with their representatives. However, the limited size of each authority may constrain resources available for engagement activities, potentially reducing the reach and consistency of participation efforts. While the model supports local democratic connection, its capacity to sustain high-quality engagement across all areas may be uneven.

7. Appendix Five

7.5 Catalogue of data sources

All fifteen councils across Lancashire agreed to use an agreed set of common data sources to inform the development of business cases.

These are captured below:

Category	Metric / Measure	Source
Council data	Total number of local authority employees, headcount	Local Government Association
	Total number of seats on local council	The Elections Centre
	Total reserves as at 31 March: Other earmarked financial reserves & Unallocated financial reserves (RS)	Department for Levelling Up, Housing & Communities
	Budget - Net revenue expenditure (RA)	Department for Levelling Up, Housing & Communities
	Gross borrowing as at 1 April	Department for Levelling Up, Housing & Communities
	Council tax average Band D tax bill - total amount paid by the residents in the billing authority	Department for Levelling Up, Housing & Communities
	Total amount of council tax collected	Department for Levelling Up, Housing & Communities
	Total Income - Non-domestic rates collection	Department for Levelling Up, Housing & Communities
	Total of all property types in Council Tax Band D	Valuation Office Agency
Crime and Community Safety	Hospital admissions for violence (including sexual violence) per 100,000 population	Office for Health Improvement and Disparities (OHID)
	Total recorded offences (excluding fraud)	Office for National Statistics
	Other crimes against society offences recorded	Office for National Statistics
	IMD - Crime - proportion of LSOAs in most deprived 10% nationally	Department for Levelling Up, Housing & Communities
	IMD - Barriers to Housing and Services - proportion of LSOAs in most deprived 10% nationally	Department for Levelling Up, Housing & Communities
	IMD - Living Environment Deprivation - proportion of LSOAs in most deprived 10% nationally	Department for Levelling Up, Housing & Communities

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Category	Metric / Measure	Source
Demographics	Total resident population	Office for National Statistics
	Population, all persons aged 0 to 17	Office for National Statistics
	Population, all persons aged 18 to 64 (count)	Office for National Statistics
	Population, all persons aged 65 and over	Office for National Statistics
	Proportion of population aged 65 and over	Office for National Statistics
	Population density, persons per hectare	Office for National Statistics
	Population projections, all ages	Office for National Statistics
	Population projections, all persons aged 0 to 17	Office for National Statistics
	Population projections, all persons aged 18 to 64	Office for National Statistics
	Population projections, all persons aged 65 and over	Office for National Statistics
	Population projections, old age dependency ratio	Office for National Statistics
	Population, all persons aged 16 to 64 (count)	Office for National Statistics
	Age 16 to 17	Office for National Statistics
	Male age under 1 (Census)	Office for National Statistics
	Female age under 1 (Census)	Office for National Statistics

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Category	Metric / Measure	Source
Economy and skills	Number of enterprises	Nomis
	Number of medium-sized enterprises (50-249 employees)	Nomis
	Number of small enterprises (10-49 employees)	Nomis
	New enterprises 1-year survival rate	Office for National Statistics
	Gross value added (GVA): All industries	Office for National Statistics
	Overall employment rate (aged 16-64)	Nomis
	Current price (smoothed) GVA per filled job (£)	Office for National Statistics
	Total number of jobs in an area	Nomis
	Jobs density	Nomis
	All persons employed in public sector	Nomis
	All persons employed in private sector	Nomis
	Total gross disposable household income at current basic prices (£Millions)	Office for National Statistics
	Number of working households	Nomis
	Proportion of the population who are economically inactive (aged 16-64)	Nomis
	Overall unemployment rate (aged 16 and over)	Nomis
	JSA Claimant count, total claimants - number (resident population aged 16-64)	Nomis
	Total number of households on Universal Credit	Department for Work and Pensions
	JSA Claimant count, % claimants claiming for over 12 months	Nomis
	JSA Claimant count, number claiming for over 12 months	Nomis
	Number of people claiming unemployment related benefits, aged 18-24	Nomis
	Proportion of 16 and 17 year olds who were not in education, employment or training (NEET)	Department for Education

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Category	Metric / Measure	Source
Economy and skills	Gap in the employment rate between those with a long-term health condition and the overall employment rate	Office for Health Improvement and Disparities (OHID)
	Highest level of qualification: Level 4 and above qualifications	Office for National Statistics
	Proportion of population qualified to at least Level 3 or higher (aged 16-64)	Nomis
	IMD - Income Deprivation - proportion of LSOAs in most deprived 10% nationally	Department for Levelling Up, Housing & Communities
	IMD - Employment - proportion of LSOAs in most deprived 10% nationally	Department for Levelling Up, Housing & Communities
	IMD - Education Skills and Training Deprivation - proportion of LSOAs in most deprived 10% nationally	Department for Levelling Up, Housing & Communities
	Count of births of new enterprises	Office for National Statistics
	Economically active	Office for National Statistics
Education	Number of pupils with Special Educational Needs (SEN) (All schools)	Department for Education
	Total number of Education, Health and Care (EHC) and SEN assessments undertaken	Department for Education
	Percentage achieving 9-4 in English & mathematics	Department for Education
	Percentage meeting the expected standard at the end of key stage 2 in reading	Department for Education
	Percentage meeting the expected standard at the end of key stage 2 in grammar, punctuation and spelling	Department for Education
	Percentage meeting the expected standard at the end of key stage 2 in mathematics	Department for Education
	Number of children and young people assessed for whom an Education, Health and Care (EHC) plan was issued	Department for Education
	Percentage of all pupils known to be eligible for free school meals	Department for Education
	Percentage of pupils meeting the expected standard at the end of key stage 2 in reading, writing and mathematics	Department for Education

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Category	Metric / Measure	Source
Geography	Size of the geographical area - Land only measurements in hectares	Office for National Statistics
	Proportion of total land area designated as Green Belt	Ministry of Housing, Communities and Local Government
	Proportion of total land area designated as Built-up areas (BUAs)	Ministry of Housing, Communities and Local Government
	Percentage of persons resident in rural and rural related OAs	Department for Environment, Food and Rural Affairs
	Percentage of premises (outdoor) with a 4G signal from all operators	Ofcom
	Percentage of geographic land in an area with a 4G signal from all operators	Ofcom
	Percentage of A and B roads in an area with a 4G signal from all operators	Ofcom
	Percentage of motorway network in an area with a 4G signal from all operators	Ofcom
Health, Care & Deprivation	Number of children in need as at 31 March	Department for Education
	Number of children looked after at 31 March by LA	Department for Education
	Number of looked after children in a foster placement	Department for Education
	Number of referrals to children's social care	Department for Education
	Number of children who were the subject of a child protection plan at 31 March	Department for Education
	Children and family social workers - Average caseload (per FTE)	Department for Education
	Children and family social workers - Turnover rate (FTE)	Department for Education
	Children and family social workers - Agency worker rate (FTE)	Department for Education
	Children and family social workers - Vacancy rate (FTE)	Department for Education
	IMD - Children and Young People Sub-domain - average rank	Department for Levelling Up, Housing & Communities
	Number of children living in families in absolute low income	Department for Work and Pensions
	Number of children living in families in relative low income	Department for Work and Pensions
	Social care-related quality of life (score out of 24)	NHS Digital
	Proportion of Social Care Service users who feel safe	NHS Digital

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Category	Metric / Measure	Source
Health, Care & Deprivation	Proportion of carers who reported that they have as much social contact as they would like	NHS Digital
	Carer-reported quality of life for carers (score out of 12)	NHS Digital
	IMD - Overall - extent (%)	Department for Levelling Up, Housing & Communities
	IMD - Health Deprivation and Disability - proportion of LSOAs in most deprived 10% nationally	Department for Levelling Up, Housing & Communities
	Deaths from all causes, under 75 years	Office for Health Improvement and Disparities (OHID)
	Suicide rate per 100,000 population aged 10 and over	Office for Health Improvement and Disparities (OHID)
	Killed and seriously injured casualties on England's roads per 100,000 population	Office for Health Improvement and Disparities (OHID)
	Emergency Hospital Admissions for Intentional Self-Harm per 100,000 population	Office for Health Improvement and Disparities (OHID)
	Estimated dementia diagnosis rate (aged 65+) (%)	Office for Health Improvement and Disparities (OHID)
	Admissions to hospital for under 18s where the primary diagnosis or any of the secondary diagnoses are an alcohol-specific (wholly attributable) condition. Crude rate per 100,000 population	Office for Health Improvement and Disparities (OHID)
	Smoking prevalence in adults - current smokers (APS)	Office for Health Improvement and Disparities (OHID)
	Percentage of physically active adults (aged 19+)	Office for Health Improvement and Disparities (OHID)
	Percentage of adults (aged 18+) classified as overweight or obese	Office for Health Improvement and Disparities (OHID)
	Percentage of children in reception year classified as overweight, including obesity	Office for Health Improvement and Disparities (OHID)
	Percentage of children in year 6 classified as overweight, including obesity	Office for Health Improvement and Disparities (OHID)
	Number of conceptions at ages under 18	Office for National Statistics
	Infant mortality per 1,000 live births	Office for Health Improvement and Disparities (OHID)
	Number of excess winter deaths	Office for National Statistics
	Percentage of households in fuel poverty	Department for Business, Energy & Industrial Strategy

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Category	Metric / Measure	Source
Health, Care & Deprivation	Average (mean) rating to the question "Overall, how satisfied are you with your life nowadays?"	Office for National Statistics
	Average (mean) rating to the question "Overall, how happy did you feel yesterday?"	Office for National Statistics
	Life expectancy at birth - male	Office for National Statistics
	Life expectancy at birth - female	Office for National Statistics
	Healthy life expectancy at birth - male	Office for National Statistics
	Healthy life expectancy at birth - female	Office for National Statistics
	Deaths from drug misuse per 100,000 population	Office for Health Improvement and Disparities (OHID)
	Smokers that have successfully quit at 4 weeks per 100,000 smokers	Office for Health Improvement and Disparities (OHID)
	NHS Health Checks: Percentage of people that received an NHS Health Check of those offered (annual)	Office for Health Improvement and Disparities (OHID)
	Total number of prescribed long-acting reversible contraception (LARC) excluding injections	Office for Health Improvement and Disparities (OHID)
	Successful completion of alcohol treatment	Office for Health Improvement and Disparities (OHID)
	The total number of adults in treatment for alcohol use in a year	Office for Health Improvement and Disparities (OHID)
	Successful completion of drug treatment - opiate users	Office for Health Improvement and Disparities (OHID)
	Population vaccination coverage - MMR for two doses (5 years old)	Office for Health Improvement and Disparities (OHID)
	Population vaccination coverage - Flu (65 and over)	UK Health Security Agency
	Fine particulate matter - concentrations of total PM2.5	Office for Health Improvement and Disparities (OHID)
Housing	Number of households assessed and owed a duty - Total initial assessments	Department for Levelling Up, Housing & Communities
	Number of households assessed and owed a duty - Total assessed as owed a duty	Department for Levelling Up, Housing & Communities
	Total households on the housing waiting list as at 31st March	Department for Levelling Up, Housing & Communities

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Category	Metric / Measure	Source
Housing	Household type of households in temporary accommodation - Total number of households in Temporary Accommodation	Department for Levelling Up, Housing & Communities
	Number of all households	Office for National Statistics
	Tenure: Owner occupied: Owns outright - percentage of ONS household count	Office for National Statistics
	Tenure: Owner occupied: Owns with a mortgage or loan - percentage of ONS household count	Office for National Statistics
	Tenure: Rented from: Housing Association / Registered Social Landlord - percentage of ONS household count	Office for National Statistics
	Tenure: Rented from: Private landlord or letting agency - percentage of ONS household count	Office for National Statistics
	Household rooms and heating - Average number of bedrooms per household	Office for National Statistics
	Total number of vacant dwellings in the area	Department for Levelling Up, Housing & Communities
	Total rateable value (local rating lists) in an area	Valuation Office Agency
	Households assessed as threatened with homelessness per thousand	Department for Levelling Up, Housing & Communities
	Ratio of median house price to median gross annual (residence-based) earnings	Office for National Statistics
	Ratio of median house price to median gross annual (workplace-based) earnings	Office for National Statistics
	Ratio of median house price (existing dwellings) to median gross annual (residence-based) earnings	Office for National Statistics
	Ratio of median house price (existing dwellings) to median gross annual (workplace-based) earnings	Office for National Statistics
	Ratio of median house price (newly built dwellings) to median gross annual (residence-based) earnings	Office for National Statistics
	Ratio of median house price (newly built dwellings) to median gross annual (workplace-based) earnings	Office for National Statistics
	Number of households in fuel poverty	Department for Business, Energy & Industrial Strategy

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Category	Metric / Measure	Source
Transport	Motor vehicle traffic (Million vehicle miles): All roads	Department for Transport
	Proportion of usual residents aged 16-74 who travel to work by underground, metro, light rail, tram	Office for National Statistics
	Proportion of usual residents aged 16-74 who travel to work by train	Office for National Statistics
	Proportion of usual residents aged 16-74 who travel to work by bus, minibus or coach	Office for National Statistics
	Proportion of usual residents aged 16-74 who travel to work by driving a car or van	Office for National Statistics
	Proportion of usual residents aged 16-74 who travel to work as a passenger in a car or van	Office for National Statistics
	Proportion of usual residents aged 16-74 who travel to work by bicycle	Office for National Statistics
	Proportion of usual residents aged 16-74 who travel to work on foot	Office for National Statistics
	Proportion of usual residents aged 16-74 who travel to work by motorcycle, scooter or moped	Office for National Statistics
	Proportion of usual residents aged 16-74 who travel to work by other methods	Office for National Statistics
	Percentage of children who participated in active travel, in the last week	Sport England
	Proportion of non-frequent scheduled bus services running on time	Department for Transport
	Average excess waiting time for frequent bus services	Department for Transport
	People killed or seriously injured in road traffic accidents per 10,000 population (annual)	Department for Transport
	Number of disabled concessionary bus travel passes	Department for Transport
	Number of older concessionary bus travel passes	Department for Transport
	Total number of publicly available electric vehicle charging devices at all speeds	Department for Transport

7. Appendix Six

7.6 Catalogue of qualitative sources

A wide range of reports, publications and studies have been consulted and referenced in support of the development of this proposal. A summary is below, and we are grateful to the authors for their work:

Association of Directors of Adult Social Services (ADASS): Spring Survey 2025	https://www.adass.org.uk/documents/adass-spring-survey-2025/
ADASS: Submission to the 2025 Spending Review	https://www.adass.org.uk/wp-content/uploads/2025/02/20250209-ADASS-Spending-review-submission-2025-FINAL.pdf
Blackburn with Darwen – Blackburn with Darwen Local Plan 2021–2037	https://blackburn-darwen.org.uk/wp-content/uploads/Blackburn-with-Darwen-Local-Plan-2021-2037.pdf
Blackburn with Darwen – MHCLG/NPPF reforms report (LHN c.564 dpa)	https://democracy.blackburn.gov.uk/documents/s26150/MHCLG%20Consultation%20Planning%20Reforms%20and%20Revised%20NPPF%20Report.pdf
Blackburn with Darwen JSNA	https://www.blackburn.gov.uk/health/public-health-information/joint-strategic-needs-assessment
Blackpool – Deliverable Five Year Housing Land Supply Statement (Dec 2024)	https://www.blackpool.gov.uk/Residents/Planning-environment-and-community/Documents/Deliverable-five-year-housing-land-supply-statement-1-April-202-4to-31-March-2029.aspx
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