



LANCASTER
CITY COUNCIL

Promoting City, Coast & Countryside

COUNCIL MEETING

**Wednesday, 26 November 2025 -
6.00 p.m.
Morecambe Town Hall**

Lancaster City Council welcomes members of the public to attend meetings. However, space in the public gallery is limited to 30 seats due to Fire Regulations. If you would like to watch the meeting and have access to Microsoft Teams, please click the link [HERE](#) to watch the live stream from 6pm on the date of the meeting. If you require support in accessing the building, please contact Democratic Services on 01524 582656, or email democracy@lancaster.gov.uk

Mark Davies,
Chief Executive,
Town Hall,
Dalton Square,
LANCASTER,
LA1 1PJ



LANCASTER CITY COUNCIL

Promoting City, Coast & Countryside

Sir/Madam,

You are hereby summoned to attend a meeting of the Lancaster City Council to be held in the Town Hall, Morecambe on Wednesday, 26 November 2025 commencing at 6.00 p.m. for the following purposes:

1. **APOLOGIES FOR ABSENCE**
2. **DECLARATIONS OF INTEREST**

To receive declarations by Councillors of interests in respect of items on this Agenda.

Councillors are reminded that, in accordance with the Localism Act 2011, they are required to declare any disclosable pecuniary interests which have not already been declared in the Council's Register of Interests. (It is a criminal offence not to declare a disclosable pecuniary interest either in the Register or at the meeting).

Whilst not a legal requirement, in accordance with Council Procedure Rule 9 and in the interests of clarity and transparency, Councillors should declare any disclosable pecuniary interests which they have already declared in the Register, at this point in the meeting.

In accordance with Part B Section 2 of the Code Of Conduct, Councillors are required to declare the existence and nature of any other interests as defined in paragraphs 8(1) or 9(2) of the Code of Conduct.

3. **LOCAL GOVERNMENT REORGANISATION** (Pages 3 - 253)

Report of the LGR Working Group.

A handwritten signature in black ink, appearing to read 'Mark', followed by a long horizontal line.

Chief Executive

Town Hall,
Dalton Square,
LANCASTER,
LA1 1PJ

Published on 18 November 2025.

COUNCIL**Local Government Reorganisation****26th Nov 2025****Report of LGR Working Group****PURPOSE OF REPORT**

To allow the Council to recommend to Cabinet its preference for Local Government Reorganisation.

This report is public

RECOMMENDATIONS**1) That Council notes-**

- There are five cases for change being put forward for Lancashire in response to the government's invitation
- That Council's LGR cross party working group requested the Chief Executive to work with five other Councils on the four unitary option -

North Lancashire- Lancaster, Ribble Valley, Preston

Fylde Coast- Blackpool, Wyre, Fylde

South Lancashire- Chorley, South Ribble, West Lancs

East Lancashire- Blackburn with Darwen, Rossendale, Hyndburn, Burnley, Pendle

- The four unitary option is, therefore, included in full within the report (at appendix 1a, 1b) .

2) That council considers:

- The case for change for the four unitary option as above.
- Cases for change for two unitaries, three unitaries, five unitaries and an alternative four unitary option have been prepared by other Council groupings. (Links have been provided to these where available).
- Cabinet will make the decision on the preferred case for change proposal for Lancaster City Council, the actual decision for Lancashire will be decided by Government.

3) That Council recommends to Cabinet, for the reasons outlined in the report and appendices, the case for change for a 4-unitary option as attached in Appendix 1a

Background to the report

1. Local government in Lancashire and some other areas of England is in a two-tier arrangement (or three-tier if parish and town councils are included), meaning that the delivery of council services are split between the county council and 12 district councils. Two unitary councils (Blackpool and Blackburn with Darwen) border the county council area. Local government reorganisation (LGR) refers to changing the structure of local government in an area so that the existing councils cease to exist and are replaced by new unitary authorities that are responsible for the delivery of all local government functions in the area they serve.
2. At the end of 2024, the government published its White Paper on English Devolution. The White Paper included significant proposals in relation to devolution and local government reorganisation. On 5 February, the government sent a letter to all areas of England with two-tier local government to issue an invitation for proposals for reorganisation. That letter set out the anticipated timescales for proposals to be developed, with full proposals for Lancashire by 28 November.

Current position

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

Local Government Reorganisation proposals

4. The letter received from the government on 5 February set out a formal invitation for proposals for local government reorganisation to all councils in Lancashire. It also set out the anticipated timeline and criteria for proposals.
5. The government requested the councils of Lancashire to work together to produce a single interim plan which was submitted by 21 March 2025. The interim plan for Lancashire outlined high-level options for local government reorganisation, reflecting a lack of consensus among the 15 councils, and proposed between one and five potential new unitary authorities, while acknowledging the political, economic, and geographical complexities of the county.
6. Full proposals for reorganisation in Lancashire will have to be submitted by 28 November.

Local government reorganisation: criteria

7. The government has set out guidance which will be used to assess proposals for reorganisation. The guidance is set in full in the letter and is summarised below.
 - a. **A proposal should seek to achieve for the whole of the area concerned the establishment of a single tier of local government.**
Proposals should be for 'sensible economic areas, with an appropriate tax base' so

there is not unfair advantage or disadvantage across the area. The proposals need to be supported by robust evidence and analysis.

b. Unitary local government must be the right size to achieve efficiencies, improve capacity and withstand financial shocks.

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

c. Unitary structures must prioritise the delivery of high quality and sustainable public services to citizens.

Proposals need to set out how they will improve local government service delivery and public service reform. Consideration needs to be made as to impact on crucial services such as children's services, SEND and homelessness

d. Proposals should show how councils in the area have sought to work together in coming to a view that meets local needs and is informed by local views.

e. New unitary structures must support devolution arrangements.

Proposals will need to set out how the CCA arrangement will need to change as a result of reorganisation, and ensure that there are sensible population size ratios between the new councils and the new strategic authority.

f. New unitary structures should enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment.

8. In developing proposals, the government's guidance is that existing district areas should be considered the building blocks, and strong justification will be required for more complex boundary changes.

Approach to proposal development

9. In keeping with the government's expectations, consultants 31Ten, Metrodynamics, and LG Futures were procured jointly by all 15 Lancashire authorities to support the development of reorganisation proposals for Lancashire.
10. The councils have agreed to the development of a single submission which consists of a joint evidence base and then individual cases for change for each of the different proposals.
11. Lancaster City Council has not formally expressed its preferred model for unitarisation. Lancaster City Council agreed the formation of cross party working group to oversee our approach to LGR. This group meets on a regular basis. The cross party working group have, however, directed the Chief Executive to work with five other Chief Executives to bring forward a case for change for a four unitary model based on existing District footprints. This case for change as already been circulated to all Members and is attached at Appendix 1a, 1b.
12. All Council Leaders and Chief Executives have been fully involved in the pan Lancashire approach to development of unitary proposals. Which includes all Councils agreeing a joint evidence base and then different groupings of Councils developing cases for change (protected by ethical walls). Regular progress and updates have been provided to the cross party working.
13. The Council's overview and scrutiny committee has also received reports on this

subject.

14. Lancaster City Council's preference will be agreed by Cabinet on 26th November (executive function by default pursuant to Section 9D (2) LGA 2000) at the rise of an extraordinary Full Council. This will allow all Members the opportunity to debate the matter, ahead of the Cabinet meeting that immediately follows.

Options

15. Five options have been developed for local government structures in Lancashire, ranging from two to five unitary councils. Appendix 2 shows the proposed geographies and council support for each option, and they are summarised below:
 - a. **Two** unitary councils with Lancashire split into North and South regions broadly across the River Ribble and M65. This has been developed by Lancashire County Council.
 - b. **Three** unitary councils bringing Chorley together with South Ribble, West Lancs and Preston. In the North a council covering the area of Fylde, Wyre, Blackpool and Lancaster. In the east Blackburn with Darwen together with Hyndburn, Rossendale, Burnley, Pendle and Ribble Valley. This has been developed by Wyre, Blackburn with Darwen, Hyndburn, Fylde, and Rossendale.
 - c. **Four** Lancashire which groups Chorley with South Ribble and West Lancs and creates a fourth unitary council of Lancaster, Ribble Valley, and Preston in the North. This is the most widely supported of all options having been developed by six councils; Chorley, South Ribble, West Lancs, Preston, Ribble Valley, and Lancaster.
 - d. An **alternate four** option which has been developed by Blackpool and splits the current districts of Wyre and Ribble Valley and brings Blackpool together with Preston.
 - e. A **five** unitary option, developed by Burnley and Pendle, which creates an additional council in the East of the county, splitting Pendle, Burnley and Rossendale from Ribble Valley, Blackpool and Hyndburn. This also divides districts along the Fylde coast into different authority areas.

Options appraisal

16. A comprehensive approach has been taken to the development of a four unitary Lancashire proposal for local government reorganisation in Lancashire. It covers the strategic, economic, financial, commercial, and management cases, providing context and background for the proposed changes. The business case assesses current arrangements and challenges, presents the rationale and opportunities for adopting a four-unitary model, and details the vision, ambitions, and approach for key services. It also explains how the proposed changes will be delivered, ensuring that the business case is robust, evidence-based, and clearly structured to support the transformation of local government in Lancashire.
17. The full proposal that has been developed undertakes an options-appraisal of each of the proposals being developed in Lancashire. The initial appraisal assessed each model against the government's criteria. The two, five, and alternate four proposals face challenges in scale, community engagement, and strategic alignment and so have not been taken forward, this is detailed below (**commentary on the three proposal is included in para 20**)

Option

Against government criteria

Two unitary Lancashire

The new councils would have extremely large populations of circa 800,000, amongst the largest in the country. This is significantly higher than the government's expected population and risks inefficiency and reduced responsiveness to local needs due to scale. It is likely that at this scale sub-structures would be required which undermines the objectives of local government reorganisation.

The scale also creates local government which is remote from its communities, risking democratic accountability and trust.

The option misaligns with local economic geographies and commuting patterns, with the risk that this may hinder economic development.

Alternate four
Lancashire

unitary This option creates two areas with significant deprivation (the Fylde coast/Preston and also in East Lancashire) alongside a northern unitary which would face challenges in the medium term due to its small and ageing population. This also divides existing district building blocks, which would make it significantly more complex to implement.

It does not effectively support devolution as the new areas are highly uneven in terms of size and economic weight. This would create an imbalance where some areas are remote from power and some lack influence.

Five unitary Lancashire

This option creates councils with populations lower than the minimum thresholds, with two less than 300,000.

Whilst the smaller size allows for more locally tailored services, the fragmentation risks duplication in service delivery and uneven quality.

18. The four unitary proposal that has been developed sets out a vision for what Local Government Reorganisation should achieve. That vision is to create a bold and future-facing local government in Lancashire — radical in its ambition, creative in its design, and innovative in its delivery. It will remain closely connected to communities, provide a strong platform for economic prosperity, and drive the transformation of public services through investment in early intervention.

19. To achieve this vision, the four unitary proposal establishes the following objectives:

- a. Establish the strongest platform for partnership with a future Lancashire Mayoral Strategic Authority
- b. Deliver radical change in creating a new public service landscape
- c. Achieve the right scale for efficient service delivery, whilst ensuring greater

- responsiveness to residents
 - d. Strengthen effective place-based, preventative approaches
 - e. Reinforce democratic connection and accountability to communities
 - f. Build organisational resilience and future delivery capacity
 - g. Ensure Lancashire plays a strong role in the North's growth
 - h. Ensure geographical coherence that reflects communities and functional boundaries
20. Both the three unitary and the four unitary options were assessed as meeting the government's criteria. Those options were then considered against objectives agreed by the six Councils developing the proposal. This detailed appraisal establishes that the Four Lancashire option has significant advantages over the three unitary model.
- a. **Financial analysis** compares the three unitary and four unitary options on benefits, costs, and net positions, concluding that whilst these are small initial set up costs for the additional authority, the transformational potential of the four Lancashire option far exceeds these and could realise over £195 million in savings between 2027 and 2033.
 - b. **Service model analysis** highlights four's advantages in local responsiveness, innovation opportunities, and tailored prevention strategies, while three offers scale but risks reduced community connection.
 - c. **Economic analysis** favours four for aligning with real economic geographies, preserving key economic areas like the Fylde Coast, and supporting targeted innovation and productivity growth, despite some inter-authority inequities.

Stakeholder engagement

21. A consistent engagement approach was agreed by all 15 councils and a resident survey ran across the county from August to September with 13,414 responses. This survey established that, whilst 63% of respondents are happy with the service they currently receive from their local councils, a large proportion of respondents identified areas where they would like to see improvements:
- a. Infrastructure & Transport – residents want to see improvements to roads, traffic, and public transport.
 - b. Safety & Policing – people are concerned about safety and crime prevention.
 - c. Health & Social Care - access to NHS, mental health, and support for carers.
22. A strong theme of localism was evident throughout the feedback with word “local” used 9,000 times. Residents want services close to their communities with their main concerns about change being a loss of local identity and representation and a lack of local accountability and knowledge.
23. 63% of responses indicated a preference to keep the current structure of local government. There was also a clear indication that residents expect public services to improve. The summary of the feedback received is provided at Appendix 3.
24. In addition to this Lancaster City Council conducted its own survey that had 752 responses.
25. This survey showed that a clear majority of respondents were happy with the way things

are currently. It showed that if Lancaster has to become unitary it should be on its existing footprint. This is not an option that Government has provided in its criteria. However it could be taken as an indication of the preference of Local Government to be local and the smallest size and geography possible.

26. The survey indicated a preference for 5 unitaries. For the reasons outlined in this report that does not appear to align with Government criteria or present *the strongest* case for change.
27. The summary of the survey is attached at appendix 4

Officer recommended option

28. **Four Lancashire** aims to simplify governance, improve service delivery, and align with economic corridors. It balances scale for efficiency and local identity, enabling tailored services and stronger community engagement. The model addresses fragmentation and supports integrated, place-based approaches with stakeholder backing.
29. Four unitary councils, working collectively through a Mayoral Strategic Authority will enable radical improvements in public services while also kickstarting economic growth. The councils are based on credible geographies and recognisable communities, while also simplifying the structures of local government and accountability. The population sizes of each unitary are of a scale that is comparable to existing unitary authorities.
30. The model will improve public services through:
 - a. Prevention and Early Intervention – building on the success of initiatives such as social prescribing and the place based intelligence platform.
 - b. Neighbourhood working and community empowerment - embedding communities in decision-making, strengthening their influence, and ensuring that public services reflect local priorities and local identity.
 - c. Economic growth and connectivity - we will close the productivity gap, improve health, and boost labour-market participation.
31. Appendix 5 sets out in detail the rationale / pitch for a four unitary Lancashire.
32. At the time of writing no other completed cases for change were available. As they begin to be published officers will endeavour to provide the links to them for Members to consider. It will obviously be difficult for the Chief Executive to answer detailed questions on those different cases for change.

Delivery and Next Steps

33. It is anticipated that a detailed delivery plan will be developed to outline the phased implementation culminating in Vesting Day, on 1 April 2028.
34. A draft timeline for elections and devolution is detailed at appendix 6. It is important to note:
 - a. This timeline is based on the most recent information available from MHCLG, and so may change.
 - b. The Mayoral elections will only be in 2027 if the strategic authority (LCCA) and upper tier authorities agree to undertake consultation and request a move to a mayoral model. This decision has not been made yet.

35. The initial part of the LGR transition will be overseen by a Joint Committee, appointed to by the existing councils. This will be mandated in 2026, following the government decision, through a Structural Change Order, which will also define its make-up.
36. The elections in 2027 to the Shadow Authority are effectively the first elections to the new authorities, which will take over on 1 April 2028. They are referred to as Shadow Authorities when they are in the preparation period alongside the existing authorities.

Risk

37. The key risks associated with this report include:
- a. Creation of uncertainty, which could lead to a greater turnover of staff and more difficulties in recruitment. This will be managed by a programme of internal communications to provide reassurance and updates, as well as a continued focus on delivering the corporate strategy and core services of the council.
 - b. Breakdown in relationships across Lancashire councils due to the creation of competing proposals. The decision of government is final and there will be the need for the council to continue to collaborate with partners across Lancashire, whichever decision is made for the reorganisation of the county.
 - c. Uncertainty risking disruption to current and developing partnerships, stakeholder relationships and on-going agency links.

Conclusion

38. Council are asked to consider this report and appendices and recommend to Cabinet a preferred option.

CONCLUSION OF IMPACT ASSESSMENT (including Health & Safety, Equality & Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing):
--

As outlined in report

LEGAL IMPLICATIONS

There are no legal implications to the expression of a proposal for local government reorganisation

FINANCIAL IMPLICATIONS

The journey ahead into Local Government Reorganisation will undoubtedly come with significant financial implications. However, these are extremely difficult to quantify at this point in time but as more is known, they will be built into further reports as appropriate.
--

OTHER RESOURCE IMPLICATIONS, such as Human Resources, Information Services, Property, Open Spaces

There will be significant resource implications for all of the above. At this stage the case for change sets out a high level view. Once the Government's decision is taken work will take place to agree the details.

SECTION 151 OFFICER'S COMMENTS

The submission outlines projected expenditure, funding, and savings up to vesting day and beyond, based on financial modelling conducted across all Lancashire Councils.

At this stage, the assumptions are necessarily broad but are anchored in actual, large-scale financial data. Currently, there is limited published information regarding the financial and non-financial outcomes of previous similar reorganisations. As with any assumptions, the further they extend into the future, the greater the uncertainty.

The case for change addresses both the rationale for reorganisation and acknowledges that financial considerations are not the only factors the government will evaluate. The figures presented in the business case reflect a realistic understanding that Local Government Reorganisation will involve substantial costs, but ultimately, the transition to new Councils is expected to deliver significant long-term benefits.

MONITORING OFFICER'S COMMENTS

The Monitoring Officer has been consulted and re-iterates that the final approval of submission of the proposal to government lies with Cabinet in accordance with section 9D(2) of the Local Government Act 2000.

BACKGROUND PAPERS

All Councillors have been provided in advance with access to all the cases for change (which are all in the public domain) and the shared evidence base.

[GRP-LGR x party working group-information - Documents - Shared dataset for all bids - All Documents](#)

Contact Officer: Mark Davies

Telephone: 01524 582401

Email: mdavies@lancaster.gov.uk

Ref: [Insert reference, if applicable]

Options for Local Government Reorganisation in Lancashire

Strategic business case for a four unitary model

Four Lancashire – connected to communities, kickstarting economic growth

Prepared by:



Contents

1. Introduction	4	5. Options appraisal	41
1.1 Purpose	6	5.1 Approach	42
1.2 Contents and Navigation	7	5.2 The Options - Background and introduction	44
1.3 Support	7	5.3 Long-List Options Appraisal – MHCLG Criteria	49
2. Context and Background	9	5.4 Shortlist Appraisal	59
2.1 National Context	10	5.4.1 Financial analysis	59
2.2 Lancashire Context	11	5.4.2 Service Model analysis	68
2.2.1 Lancashire's economy	13	5.4.3 Economic analysis	71
2.2.2 Economic assets	14	5.5 Engagement outcomes	73
2.2.3 Economic challenges	16	5.6 Options appraisal outcome and preferred way forward	75
2.2.4 Lancashire's economic corridors	17		
2.3 The growth opportunity of LGR	18		
3. LGR in Lancashire	20		
3.1 Background to LGR in Lancashire	21		
3.2 Current operating model	22		
3.3 Limitations of current model	24		
4. Introducing the four unitary model	27		
4.1 Introducing the four unitary model	28		
4.2 The opportunity	32		
4.3 A summary of the case	34		

Contents

6. Our Proposition	79
6.1 Introducing the New Authorities:	80
6.2 Operating Model	88
6.2.1 Relational Services:	90
6.2.2 Operational Services:	92
6.2.3 Strategic Services:	94
6.2.4 Investment in Social Care:	96
6.3 Our Core Principles	97
6.3.1 Inclusive Economic Growth	99
6.3.2 Prevention and Early Intervention	102
6.3.3 Empowering Communities	103
6.4 Democratic Representation	107
6.5 Cost and Benefits	107
6.6 Council Tax, Borrowing and SEND	109
7. Delivering our LGR proposition successfully	111
7.1 Approach	112
7.2 Timeline	114
7.3 Roadmap	115
7.4 Key Risks	120
8. Summary: Why are four councils the right answer for Lancashire?	123

In this business case we use the term county (with a lower-case c) to denote the whole area of Lancashire covered by the business case – that is the area covered by the Combined County Authority. Any references to the area covered by Lancashire County Council will be referred to as the County Council.

We refer to the four unitary authority model as either 'four unitary model' or 'four Lancashire model' throughout the business case. In the appendices it may also be written as '4UA'.





1

Introduction

1. Introduction

Now is a pivotal moment. The government is promoting reorganisation to unlock devolution, enhance public services, and drive economic growth. Our goal is to ensure that this reorganisation delivers the full benefits Lancashire deserves - public services that are high-quality, accountable, and efficient; designed around neighbourhoods to be responsive to local needs and improve outcomes for residents. Achieving that will only be possible if the right model is chosen: one that creates councils of the right scale, with the capability and alignment to operate both collectively and independently as strong, effective unitary authorities that work closely with their communities.

Lancashire's current two-tier model is holding the county back. The way people live their lives day-to-day does not follow administrative boundaries. Current structures fragment service delivery and accountability, with critical services such as social care and housing split between different authorities. The result is duplication, misaligned priorities, and barriers to designing integrated solutions or giving residents a clear sense of accountability.

At the heart of this proposal lies a single ambition: to build a **better Lancashire** - one that delivers **inclusive economic growth**, **prevents problems before they escalate**, and **empowers communities to shape their own future**. These three principles are the golden thread that runs through this proposition and underpin the vision for a stronger, fairer, and more resilient county.

Four Lancashire – connected to communities, kickstarting economic growth



This business case sets out Lancashire's proposal for Local Government Reorganisation (LGR) through the creation of **four new unitary authorities** working alongside a future Mayoral Strategic Authority for Lancashire. The four unitary model has been carefully shaped to respond to Lancashire's needs.

The four unitary model presented in this document directly addresses the priorities highlighted in the interim plan feedback from the Government. It proposes four new councils as the optimum arrangement that is based on credible geographies and recognisable communities an arrangement that can build **empowered, simplified, sustainable and a more accountable and resilient** local government, and increase value for money for taxpayers.

This is a chance to move beyond fragmented systems and create four strong, modern, and resilient unitaries that can deliver for local people and drive Lancashire forward. The proposal set out in this business case is underpinned by the principle that reorganisation is not just about structures - it is about building councils that are **closely connected to the communities they serve**, with strong local identity and accountability. It is about creating a **robust platform for inclusive economic growth and prosperity**, enabling Lancashire to compete nationally and globally by attracting investment, supporting businesses, and ensuring that growth benefits residents across all parts of the county. And it is about being ambitious for the future of public services: delivering better outcomes by investing in early intervention, tackling challenges before they escalate, and using resources more effectively to improve people's lives.



1.1 Purpose

Lancashire councils jointly developed and submitted an interim plan in response to the government's invitation to consider Local Government Reorganisation. That work confirmed a shared acknowledgement of the need for reform, while highlighting differing views on the most appropriate model for the county.

Government feedback was clear: any future proposals must be comprehensive, evidence-based, and financially robust. They should cover the whole county footprint, demonstrate clear service and governance benefits, and align with wider strategic partnerships such as the Lancashire Combined County Authority and the Integrated Care System.

This Business Case has been prepared in direct response to the letter from the former Minister for Local Government, which set out the Government's expectations. The Minister was clear that any proposals must demonstrate strong local support, be grounded in the Government's six published criteria, and provide assurance on financial sustainability and deliverability.

This document responds to that challenge by evidencing the local engagement undertaken, appraising the full range of options against the criteria, and setting out a comprehensive, robust and deliverable proposal for a four unitary model in Lancashire.

The purpose of this business case is to:

1. **Reaffirm the case for change** by setting out the limitations of the current two-tier system and the risks of inaction.
2. **Demonstrate the benefits** of a four unitary model against the government's six LGR criteria and Lancashire's local priorities.
3. **Appraise the options available**, showing why four unitary authorities provide the optimum balance of efficiency, resilience, and local identity.
4. **Provide assurance** that the model is deliverable, financially sustainable, has local support and is capable of safeguarding services during transition.
5. **Set out the pathway** to implementation, including governance, engagement, and transition planning.

1.2 Contents and Navigation

The Business Case is structured to guide the reader from context through to detailed proposals across seven sections:

Executive summary	Context and background	LGR in Lancashire	Introducing the 4 model	Options Appraisal	Our proposition	Delivering our proposition
Outlines the vision, offer and key outcomes of the four-unitary model	Describes the national policy framework, Lancashire's socio-economic profile, and the challenges facing social services	Explains the history, successes, and limitations of current arrangements, and the opportunities for reform	Sets out the case for change, demonstrating the scale of challenges facing the county, and rationale for four-unitary model	Assesses the relative merits of current arrangements, 2,3,4 and 5 unitary options against governments criteria	Details the four-unitary model, its vision, ambitions and proposed delivery approach for key services	Details the timeline, transition programme, and risk management arrangements
Strategic Case				Economic and Financial case	Commercial and Management case	

1.3 Support

This Business Case has been developed on behalf of the following local authorities, who are in support of a four unitary authority model as the optimum arrangement for Lancashire:

- › Chorley Council
- › Lancaster City Council
- › Preston City Council
- › Ribble Valley Borough Council
- › South Ribble Borough Council
- › West Lancashire Borough Council

It is important to note that this is the option that is most widely supported of any being considered, with six out of the 15 Lancashire councils working on its development.

The resident survey also highlights a strong desire for councils to **stay close to their communities, understand local priorities, and reflect distinct local identities**. Residents' sense of belonging is clearly rooted in their immediate area, emphasising the need for councils that are visible, accessible, and responsive at the community level. **A four unitary authority model would best meet these expectations - large enough to deliver services efficiently, yet local enough to maintain strong community connections and accountability.**



2

Context and Background

2. Context and Background

This section sets out in more detail the national and local context, including the opportunities and challenges relating to LGR. It provides a detailed description of the socio-economic assessment and shared evidence base for the county. It seeks to provide a clear understanding of the wider context in which Local Government Reorganisation is being considered, highlighting the factors that will shape future opportunities for growth, service delivery, and local governance.

This is outlined in the following sub sections:

- ▶ National Context
- ▶ Lancashire Context
- ▶ The growth opportunity of LGR

2.1 National Context

Local government across England is undergoing a period of significant transition. Councils everywhere are grappling with rising demand for services, the effects of historic high inflation, demographic change, and sustained pressure on resources. For Lancashire, these challenges are particularly acute: the county faces increasing demands from an ageing population, the need to respond to inequalities across its diverse communities, a large geography encompassing rural, urban, coastal, market and ex-industrial towns, and heightened expectations for services that are responsive, digitally enabled, and tailored to local needs. These pressures have reduced flexibility to invest in prevention, innovation

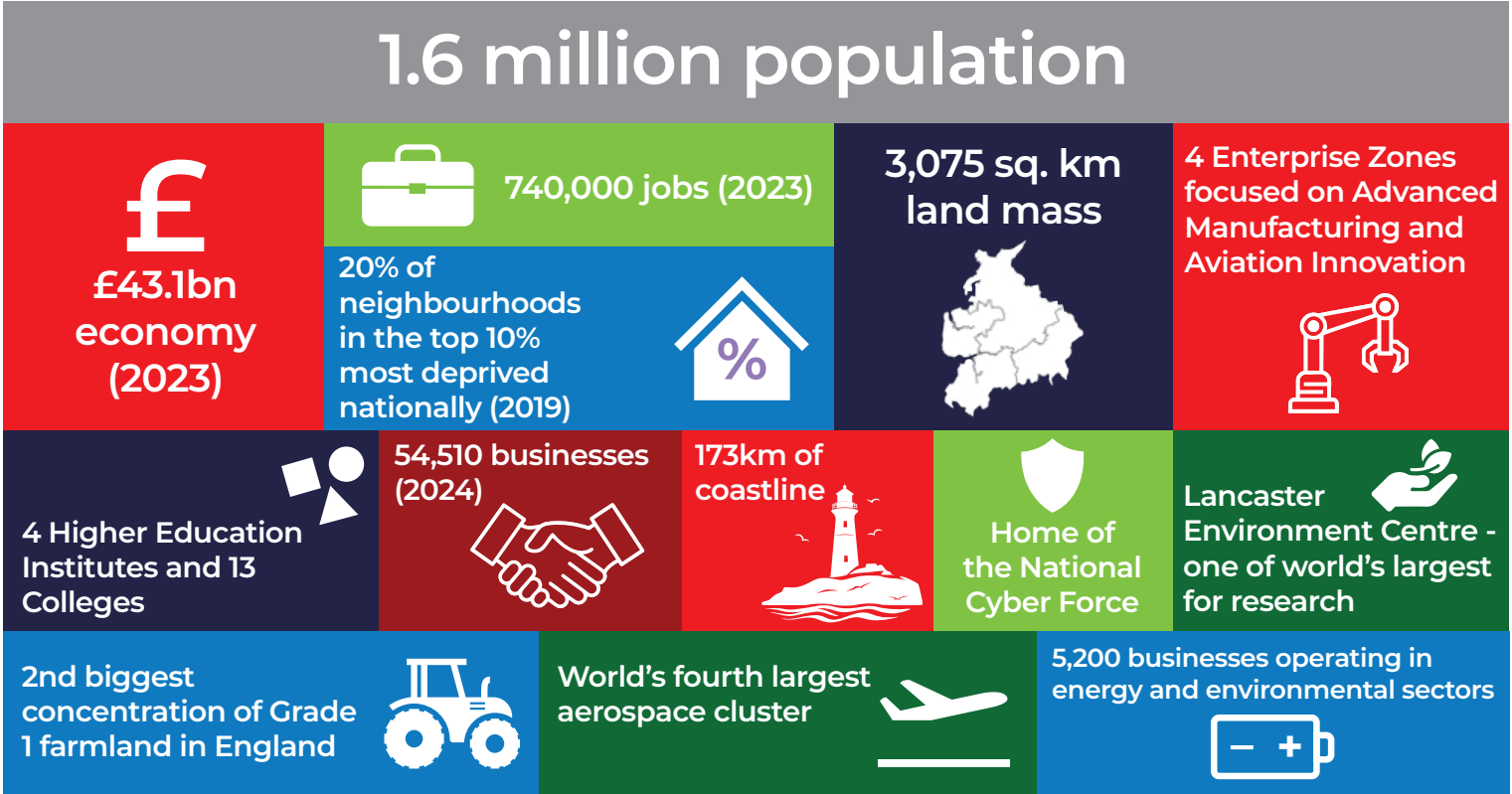
and limit the scope for growth, even as residents and businesses look for stronger local leadership and more efficient service delivery.

Structural reform has increasingly been seen as a necessary step towards unlocking meaningful devolution where more decisions are taken locally, closer to their communities. There is growing momentum behind the Mayoral Strategic Authority (MSA) model. The government has committed to 'devolution by default' and is increasingly positioning MSAs as central partners in the UK's long-term economic strategy, seeing them as the main local strategic partners in securing foreign and business investment, infrastructure development, including energy, and wider policy delivery. This sits at the heart of the wider devolution agenda, where greater powers and investment in transport, skills, housing and economic development are being tied to the creation of stronger, more strategically capable local institutions. The message has been clear, set out in the English Devolution white paper: councils must have the scale, capacity and resilience to act as effective partners for central government, business and wider public services.

In recent years, new unitary councils have been established in Dorset, Buckinghamshire, North Yorkshire, Somerset, and Cumbria. These reorganisations aimed to reduce duplication, integrate services, and strengthen financial sustainability. Many of these areas have seen measurable benefits, including clearer local leadership and greater strategic capacity. However, the complexity of transition - such as aligning service delivery models, integrating systems, and managing financial risks - has also demonstrated the importance of robust planning, careful implementation, and strong local engagement throughout the process.

The government’s position on Local Government Reorganisation is established and communicated through its criteria: councils must be strategically capable, financially sustainable, and locally accountable, with governance that reflects wider public service and economic geographies. Against this national backdrop, Lancashire faces a critical choice. The county must consider how best to organise its councils to deliver for residents today while also positioning itself to seize future opportunities for growth, investment, and improved public services.

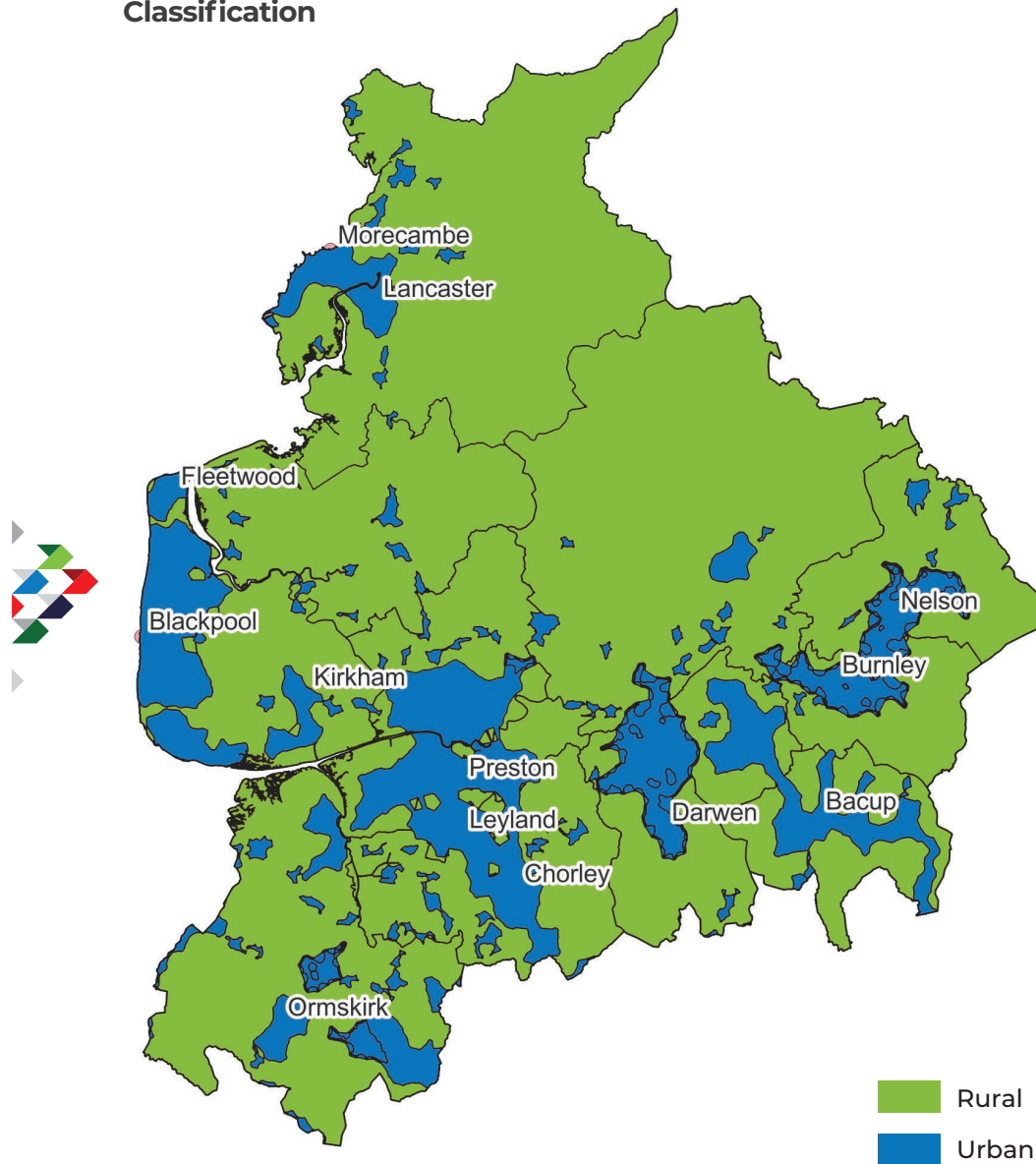
2.2 Lancashire Context



Lancashire is one of England’s largest and most diverse counties, a tapestry of local communities and 1.6 million residents, generating an economy worth £43.1 billion (2023).¹

¹ Current price estimates (2025 values) 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.

Lancashire by Rural / Urban Land Classification



Culturally rich, shaped by a proud industrial heritage that continues to evolve today, Lancashire plays a critical role in the North West's economic and social development. Its economic geography is complex and multi-directional, with connectivity into the other major centres of the North West including Cumbria, Liverpool, Manchester and West Yorkshire.

This proximity underpins strong but underutilised commuting and business linkages: Chorley and West Lancashire benefit from access to Liverpool and Manchester, while Preston and Lancaster along the M6 corridor connect northwards into the Lake District and the nuclear sector at Sellafield and Barrow. In East Lancashire, links into Manchester are significant, alongside aspirations for improved connectivity with West Yorkshire. These relationships shape Lancashire's role as a dynamic hub within a wider network of urban and rural economies.

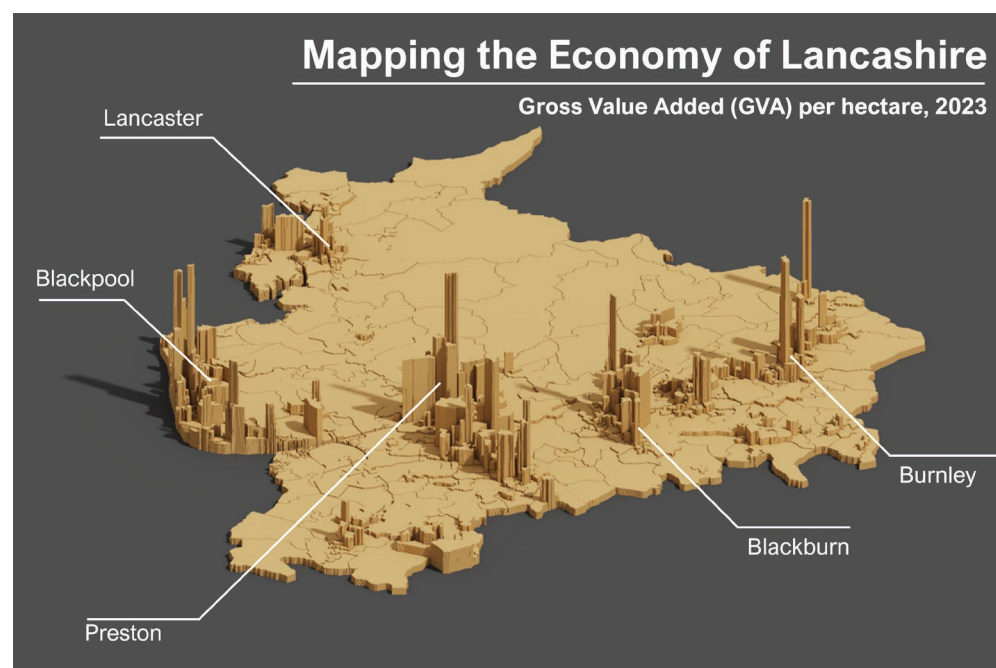
Lancashire's best connectivity runs North-South, but most of its people live East-West, in a central belt stretching from Pendle to Blackpool and the coastal economies. Around 40% of Lancashire's population lives in four urban areas: Preston, Blackburn, Lancaster, and Blackpool. Lancashire's Pennine towns are rooted in their industrial legacy, with a strong manufacturing and engineering base. Along the Fylde Coast, Blackpool anchors an internationally recognised visitor economy.

Central Lancashire, including Preston, one of England's newest cities, and its commuter corridors, is among the fastest growing parts of the North West. The Ribble Valley, West Lancashire, and other rural areas are defined by agriculture, food production and manufacturing, and outstanding natural assets.

2.2.1 Lancashire's economy

Between 1998 and 2023, Lancashire's economy has grown year on year by an average of 1.4%. This is below the 1.7% seen nationally and 1.9% regionally. Concerningly, over the most recent year, growth has stalled with no change in the economy compared to 0.3% nationally and 0.9% regionally. There is not one single economy which is the dominant force, all areas contribute to the overall success of Lancashire's economy – all 14 authorities contribute at least £1bn in GVA with half of authorities contributing at least £3bn annually.

Preston is the highest value economy in Lancashire, now worth over £5bn, followed by South Ribble and Blackburn. Preston and Blackburn have the biggest labour markets in Lancashire. Blackburn particularly has seen the fastest job growth of 1.9% a year between 2011 and 2023.



Alongside slower growth rates, Lancashire has a productivity gap with the England average. The Productivity Institute undertook work for Lancashire's Independent Economic Review in 2021 – a foundational evidence review – that estimated the GVA per capita gap with England to be almost £10bn. They explored the components that make up this gap and estimated that the productivity within sectors is the main contributor, alongside skill & health, infrastructure, and innovation.²

² 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. The growth figures refer to compounded annual growth rate. Those in green are above national growth, those in yellow are within 0.25

GVA by local authority district (1998 and 2003), £bn

Area	1998	2003	1998 - 2003
Preston	3.59	5.17	1.5%
South Ribble	2.90	4.40	1.7%
Blackburn with Darwen	2.21	3.83	2.2%
Lancaster	2.79	3.43	0.8%
West Lancashire	2.07	3.35	1.9%
Fylde	2.69	3.07	0.5%
Blackpool	2.53	3.04	0.7%
Chorley	1.70	2.58	1.7%
Burnley	1.65	2.18	1.1%
Ribble Valley	1.39	2.04	1.6%
Wyre	1.38	1.88	1.3%
Pendle	1.17	1.83	1.8%
Hyndburn	1.12	1.62	1.5%
Rossendale	0.86	1.18	1.3%

2.2.2 Economic assets

Lancashire's economic base combines world-class assets and nationally significant infrastructure. The aerospace and advanced manufacturing clusters at Warton and Samlesbury are internationally renowned; Heysham plays a vital role in national energy security; and the M6 corridor continues to expand as a logistics and distribution hub linking regional, national, and international markets.

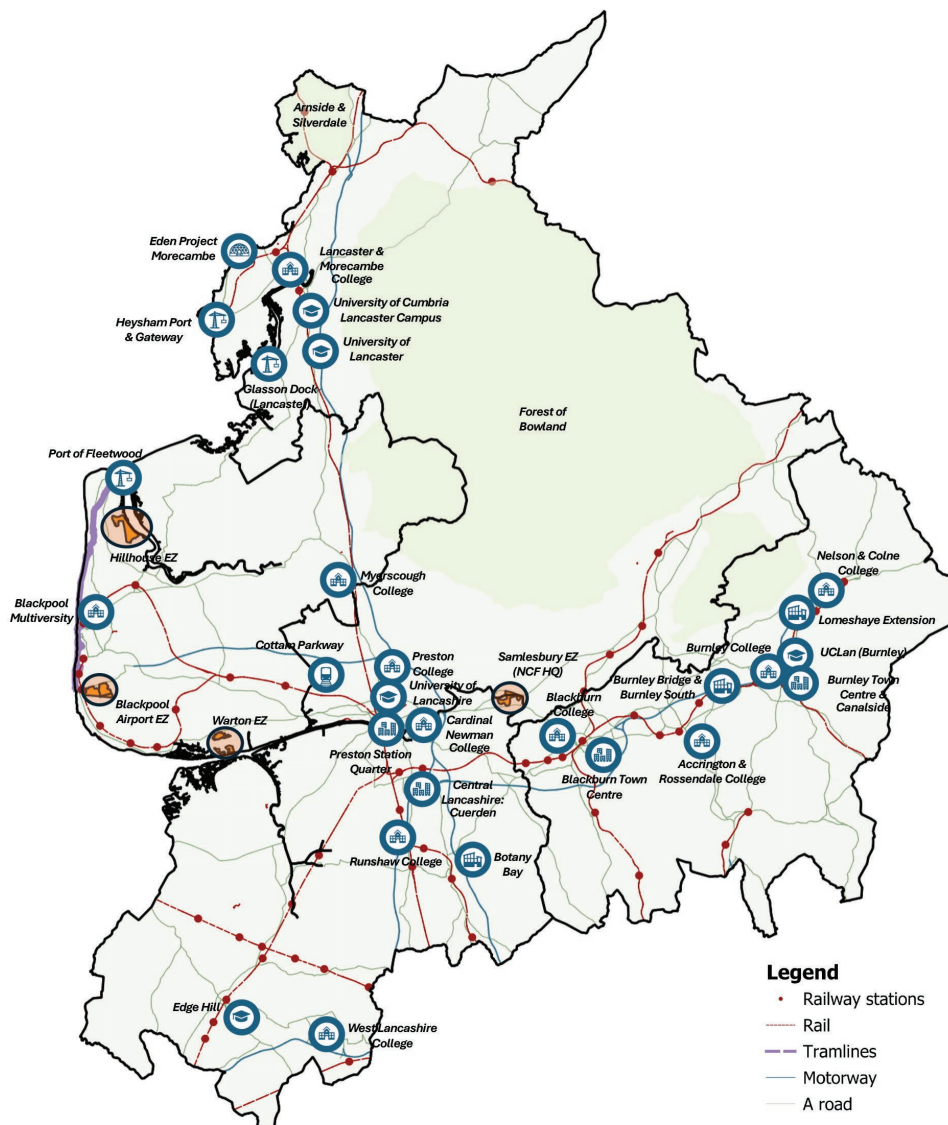
Lancashire excels in food and drink manufacturing, chemicals, digital industries, health innovation, and the low-carbon economy. West Lancashire is pivotal to the region's food sector and the UK's food security, with unrivalled employment in agriculture and production of field vegetables and crops, accounting for 94% of Lancashire's and 71% of the North West's fruit and vegetable land. North Lancashire, including Ribble Valley and Lancaster, also contributes substantial agricultural and food security assets adding £238 million to Lancashire's economy in 2023, underscoring the vital role of agriculture and food production in the county's resilience.

Lancashire hosts four universities enrolling over 60,500 students annually, including 22% international. Lancaster University and the University of Lancashire drive research, skills, and innovation in sectors such as cyber, advanced materials, and clean technologies. Edge Hill University excels in teacher education and has seen significant growth in research, with 62% of outputs rated in the top two Research Excellence Framework categories. Lancaster leads with 91% of research judged 'internationally excellent' or 'world-leading,' including 46% at the highest category of 4. The University of Lancashire demonstrates impact, with 72% of submissions classified

as outstanding or very considerable in reach and significance. Lancaster also hosts the largest campus of the University of Cumbria.

Thirteen colleges provide a strong technical offer across the county. The area is served by a network of colleges and training providers, including large FE colleges such as Blackburn College, Burnley College, Preston College, Runshaw College, West Lancashire College and Blackpool & The Fylde College, alongside specialist institutions like Myerscough College, known for land-based and agricultural training. Collectively, these providers deliver a wide range of academic, technical, and vocational courses, from entry level to higher education qualifications, as well as apprenticeships closely linked to local industry needs. Lancashire's FE sector is central to supporting the county's economy, aligning provision with priority sectors such as advanced manufacturing, health and social care, digital, energy, and construction, while also offering inclusive opportunities for lifelong learning and reskilling.

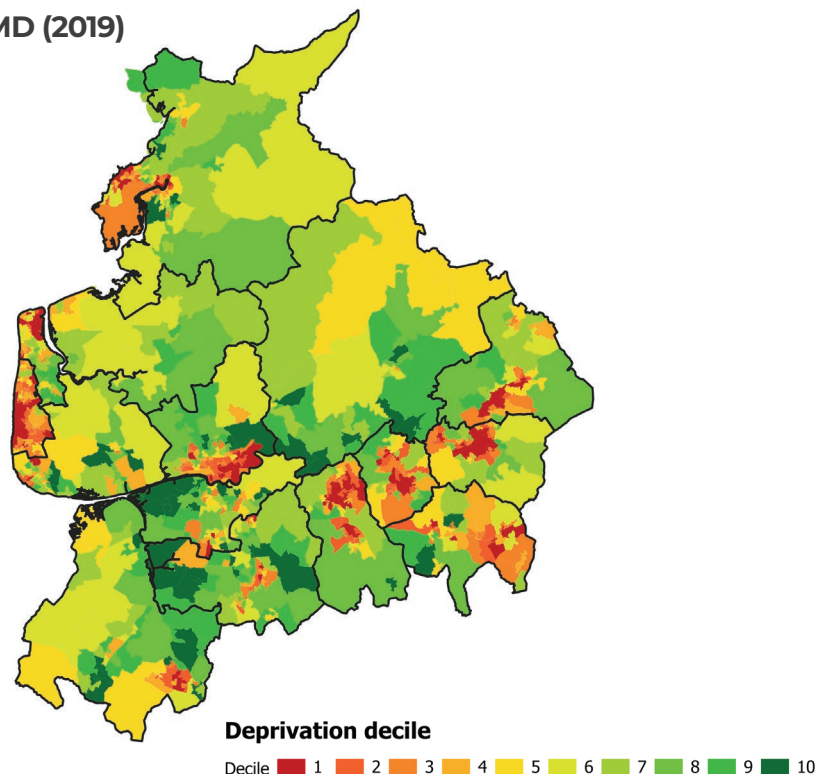
Lancashire's existing strengths are shaping new opportunities. Blackpool is the strategic landing point for the North Atlantic Loop, a unique opportunity for Lancashire to support the needs of the Pan-Atlantic hyperscale that underpin today's international cloud industry for global carriers, cloud-based networks, internet service providers, data centres, IT companies and the global media. With connections running south towards Manchester, where the first UK internet exchange was developed, opportunities exist across the county. The key will be aligning energy infrastructure to support this growth. Salfesbury has been chosen as the headquarters of the National Cyber Force, and Lancashire has an ambitious project to grow the visitor economy with the Eden Project Morecambe. These opportunities can help tackle some of Lancashire's current economic challenges.



2.2.3 Economic challenges

Lancashire faces some of the deepest and most persistently challenging socio-economic contexts in the country – 14 of the 20 most deprived neighbourhoods in England are in Lancashire, and around 20% of neighbourhoods rank in the top 10% most deprived nationally. Blackpool consistently is ranked the most deprived local authority area in England, while Blackburn with Darwen, Burnley and Hyndburn are also among the most disadvantaged. In contrast, many neighbourhoods in Ribble Valley, South Ribble, Chorley, and West Lancashire rank towards the least 20% deprived nationally.

Overall IMD (2019)



Health inequalities are stark, with life expectancy varying by more than a decade across the county's communities. Many coastal and rural areas contend with seasonal or low-paid work and limited-service access, while parts of south and central Lancashire and the Ribble Valley are experiencing rapid growth, housing pressures and rising service demand.

Demographic change compounds these pressures; Lancashire's population has been ageing over the last three decades. 61% of the population is of working age, slightly below 62.5%-63% regionally and nationally. The dependency ratio is higher than regionally and nationally, indicating fewer people working and more people requiring support for healthcare, social services and pensions. The median age of the population has increased to 42.3 years old across Lancashire, reflective of wider ageing trends seen nationally. This is not experienced across all areas in Lancashire; for example, Blackburn and Preston have the youngest populations in the county, at least four years younger than the national average.

The rise in population is largely due to increases in the number of people aged 50 and over. Since 1991, there has been a rise in the number of people aged between 50 and 64 by 1.1% a year (in line with a 1.0%-1.3% rise regionally and nationally), and those aged 65 and over by 1% a year (in line with 0.9%-1.1% rise regionally and nationally). There has only been a 0.4% rise in the working age population, which is in line with trends seen regionally and nationally. An ageing population can place a growing strain on adult social care and health services, while increasing complexity in children's social care, housing need, homelessness, and public health further constrain councils' ability to focus resources on prevention, growth, and innovation.

The Lancashire Independent Economic Review found that an estimated 80,000 people leave the county to find employment, and this costs our economy £4.3bn per annum and 130,000 residents can't find jobs to match their skills. This significant outflow of talent and mismatch between local skills and job opportunities not only hampers Lancashire's economic growth but also underlines the urgent need for greater investment in local job creation and skills development. Addressing these challenges will be key to retaining skilled workers, boosting productivity, and ensuring that residents can access rewarding employment within Lancashire itself.

2.2.4 Lancashire's economic corridors

The 2021 Independent Economic Review used mobile phone data to explore how, within Lancashire, people move around for work using a novel "correlation clustering" algorithm to group neighbourhoods which send their workers to similar places.³ This reveals seventeen economic clusters in Lancashire, the largest (in terms of work visits) being around Preston, followed by areas around Blackpool, Blackburn, BAE Warton, Lancaster and Burnley. Notably, the Samlesbury Enterprise Zone, located between Preston and Blackburn, represents a major hub for advanced manufacturing and innovation activity closely linked to BAE Systems.

These clusters were then grouped into bigger movement corridors by connecting clusters to the places they send most workers to. This revealed four main economic corridors in Lancashire. These corridors are all North-South corridors (even though most of Lancashire's population live on a broadly East-West axis). The Review highlighted that policy in Lancashire needs to reflect these movement patterns, strengthen corridors; labour market policy should generally reflect where people are moving around within Lancashire.



Corridor A

is around the Fylde Coast, with most movements taking place on a North-South axis between BAE Warton and Fleetwood.

Corridor B

is the largest corridor, following the M6 North-South from Lancaster down to West Lancashire.

Corridor C

links North-South from Clitheroe via Blackburn to Darwen.

Corridor D

connects North-South from Colne via Burnley to Rawtenstall. Alongside the four corridors, the Review found that:

³ The Review commissioned specialist research from Citi Logik, a mobile phone data analysis firm. Citi Logik partner with Vodafone to analyse anonymised data on number of movements, categorising trips by purpose, direction, mode of transport, and time of travel. At the time approximately 30% of mobile users in Lancashire were with Vodafone, providing a strong sample of movements.

► **Ties with Greater Manchester have been strengthened** - this is clearest in Chorley, with trips to Bolton and Wigan almost doubling since 2011, representing 10% and 8% of total work trips, respectively. This seems to have been partly at the expense of Preston, with trips to Preston falling by 40%. While Chorley has seen the strongest growth in commuting to Greater Manchester, Rossendale has the highest overall levels, with three of its top five destinations in Greater Manchester.

► **Growing connections outside of Lancashire** – including links across the Pennines into Yorkshire (albeit from a lower base given lack of connectivity); West Lancashire's strong relationship with Liverpool City Region; and Lancaster's links to Westmorland and Furness.

► **The Fylde Coast is deeply interconnected** – Blackpool, Fylde, and Wyre are the three top destinations for each other and represent a highly localised economy.

► **Preston is a slightly less dominant work location** – the city remains a major centre for work, but this suggests that the Lancashire economy is not centralising around its largest employment area and retains its polycentric nature.

2.3 The growth opportunity of LGR

LGR provides an opportunity to develop radical solutions that will unlock greater prosperity for residents and communities. Lancashire has a productivity gap and is growing at a slower rate than the North West and the nation. Without reform, this gap will only widen. Lancashire faces some of the most acute social and economic

challenges in England. Acting now and responding proactively with a bold and radical approach to improve public services and strengthen local economies allows Lancashire to design a locally shaped solution, seize current opportunities, and secure greater powers and resources. Delay risks Lancashire being left behind while other regions accelerate ahead.

The shared socio-economic evidence base Lancashire has developed for LGR identifies areas where Lancashire can build on its strengths and tackle challenges, working flexibly at unitary and strategic authority levels.

A **four unitary authority model** provides the foundation for a stronger, more coherent Lancashire—one that can plan, invest, and deliver at the right scale while staying connected to local communities. It enables a model of local government that is both **strategic and locally responsive**, supporting the county's long-term ambitions for growth, inclusion, and public service transformation. Specifically, it will support inclusive economic growth by:

► **Creating authorities designed around real economic geographies** - reflecting the corridors where people live, work, and travel. This structure allows councils to intervene at the right spatial level, coordinating housing, transport, and skills investment in ways that are difficult under the current fragmented system. It empowers each unitary to develop targeted local growth strategies that respond to the distinct strengths and challenges of their areas.

► **Strengthen cross-border links and regional collaboration** through sufficiently large, strategically coherent authorities that have the appropriate scale and mandate to coordinate effectively

with neighbouring areas such as Cumbria, Greater Manchester, and the Liverpool City Region, ensuring Lancashire captures regional growth opportunities and ensure the county's interests are fully represented in the wider North West economy.

► **Capitalise on sector strengths**, the four unitary authority model allows economic development, innovation, and infrastructure planning to be aligned within authorities of sufficient scale to drive major programmes. It will strengthen the county's ability to support high-value manufacturing clusters, advance clean energy and digital innovation, and leverage national industrial strategy opportunities more effectively than multiple smaller councils acting independently.

► **Tackle deprivation and inequality**, by combining resources and expertise across broader areas, each unitary can take a strategic, place-based approach to addressing inequality. The model supports coordinated early intervention, targeted investment in local priorities, and integrated planning across health, housing, and employment - reducing duplication while ensuring support is delivered where it is most needed.

► **Unlock devolution and investment**: A four unitary authority model provides the governance platform needed to integrate fully with the Lancashire Combined County Authority and any future Mayoral or devolved structures. This creates the opportunity to access additional powers, funding, and investment that smaller or fragmented councils would struggle to secure, ensuring Lancashire can compete on equal terms with other devolved regions. The model proposed in this business case looks to build on a rich foundation of Community Wealth Building locally. Lancashire has played a strong and well-recognised role in pioneering various

streams of Community Wealth Building including progressive procurement, with accreditation amongst the first local authorities in the north of England to pay the Real Living Wage and progressing ambitions around a more inclusive economy.

Preston has championed the approach, working innovatively with the city's anchor institutions on projects committed to the regeneration and municipal ownership of key assets in the locality - a model that will be grown through a four unitary model.

Using council's influence as an employer, a major purchaser of goods and services and as a leader of place Community Wealth Building has successfully promoted inclusive growth of the local economy.

The community wealth building model which we would build into our proposed model of Unitary governance has:

- Increased procurement spend in the local economy and encouraged other local public sector partners (or 'anchors') to do the same.
- Encouraged suppliers to add to the 'social value' of their contracts by providing training and employment opportunities.
- Enabled councils in Lancashire to become amongst the first local authorities in the north of England to be accredited by the Real Living Wage Foundation and has encouraged many other employers in the region to do the same.
- Supported greater diversity of ownership in the local economy by investing directly in key assets in the centre of the city; bringing services back in-house and promoting worker cooperatives and democratically-owned businesses.



3

LGR in Lancashire

3. LGR in Lancashire

This section sets out the current arrangements of local public services in Lancashire and establishes where there are limitations in the current two-tier system. It seeks to showcase the opportunity and ambition presented by LGR.

This is outlined in the following sub sections:

- Background to LGR in Lancashire
- Current operating model
- Limitations of current operating model

3.1 Background to LGR in Lancashire

Lancashire's history is defined by civic leadership, enterprise, and bold innovation. From the late 1700s through the 19th century, its industrial towns helped shape the very foundations of modern local government. Here, some of the nation's first borough councils and public health boards were established; twenty-two towns gained incorporation following the 1835 Municipal Corporations Act. Preston, Blackburn, and Burnley were not just industrial powerhouses; they were pioneers of progressive public services, introducing gas lighting, sanitation systems, public libraries, and municipal parks well ahead of their time. This tradition of civic pride and local identity remains one of Lancashire's greatest assets today. Between the 19th and 20th centuries, Blackpool emerged as a national leader in tourism, new towns like Skelmersdale were created, and the county's rural districts continued to shape its character.

By the mid-20th century, Lancashire was a powerhouse of manufacturing and commerce, with local authorities driving housing, expanding education, and developing transport networks – including the UK's first motorway in Preston - that connected communities and fuelled growth. The 1974 Local Government Act, brought a sweeping reorganisation, creating the current two-tier system: Lancashire County Council, twelve district councils, and, later, the separate unitary authorities of Blackpool and Blackburn with Darwen (both established in 1998).

More recently, the creation of the Lancashire Combined County Authority (CCA) in 2025 marked a change in the way strategic functions are coordinated across the county. Established through the 2024 devolution deal and the integration of the Local Enterprise Partnership, the CCA brings together local authorities to oversee areas such as adult skills, economic growth, transport, and employment.

Yet, Lancashire still faces deep-rooted challenges and LGR poses a significant opportunity to create councils that are designed around neighbourhoods to be more responsive to local needs and improve outcomes for residents. The range of challenges include an ageing population that is driving demand for health and social care faster than the working-age base. Costs and complexity in adult services and SEND are rising, stretching local budgets. Inequalities in health, housing and opportunity persist across the county. Housing shortages and limited adaptations for complex needs undermine wellbeing and regeneration. Workforce shortages affect care, education, and other essential services, while financial headroom is too constrained to invest for the future.

The current system struggles to meet these pressures. Fragmented responsibilities, duplicated effort, and uneven capacity across councils limit Lancashire's ability to act at scale and deliver consistent outcomes. The potential opportunity created through the introduction of a Mayoral Strategic Authority can build on existing good examples of strategic working by regional bodies and will also provide a platform for stronger countywide leadership, but its potential can only be realised if underpinned by councils with the scale, capability, and coherence to deliver as effective unitary authorities.

LGR offers that opportunity. It is about more than structural change: it is a chance to reconnect councils closely with their communities, provide a stronger platform for economic growth and prosperity, and improve outcomes for residents by shifting investment towards early intervention and prevention. With LGR, Lancashire can once again match the ambition of its past with the capacity to meet the challenges of its future.

3.2 Current operating model

Lancashire's public services are currently delivered in a layered system of responsibilities, organised into a mix of county, district, and unitary councils. Separately, health, policing and fire services cover all boundaries.



Currently, Lancashire’s local government services are delivered by 15 councils:

- **Lancashire County Council:** delivers services including education, adults’ and children’s social care, highways and transport, libraries and waste disposal.
- **12 district councils (Burnley, Chorley, Fylde, Hyndburn, Lancaster, Pendle, Preston, Ribble Valley, Rossendale, South Ribble, West Lancashire and Wyre):** provide services such as housing and homelessness, local planning, waste collection, environmental health and licensing, council tax and housing benefits, leisure and parks, and local economic development.
- **Two standalone unitary councils:** Blackpool and Blackburn with Darwen – responsibilities of both LCC and 12 district councils.

The **Lancashire Combined County Authority (CCA)** was formed in 2025 with the three upper councils as constituent members.

In the current system, some connected functions are held by different organisations, such as housing (district) and social care (county), making coordinated planning and delivery more challenging and confusing for local residents, businesses and partner organisations – maintaining visibility and accessibility of council services at the community level is an important element reflected from the community engagement (see section 6).

County Council Responsibilities – Strategic and County Wide	District Council Functions – Local and Place-based
<ul style="list-style-type: none">• Adult Social Care• Children’s Services and Education• Highways and Transport• Waste Disposal• Emergency Planning• Public Health	<ul style="list-style-type: none">• Environmental Health• Housing and Homelessness• Leisure and Culture• Waste Collection• Revenues and Benefits• Public Realm (cleansing / grounds maintenance / parks)• Emergency Planning• Building Control• Local Planning
Unitary Councils	
Unitary councils deliver all of these functions in one place	

More detailed information on the current services delivered is available in Appendix 1 – Detailed Current Services Delivered.

3.3 Limitations of current model

The current operating model presents clear limitations that hinder the improvement of outcomes for residents. These limitations provide real opportunities for transformation through Local Government Reorganisation. The four unitary model will achieve more than has been possible to date and will foster inclusive growth across our communities.

The resident survey informed us that **81% of respondents identified most strongly with their immediate town, village or city – compared to only 3% who identified with their county** – highlighting the deeply rooted sense of place and local belonging across Lancashire's communities. This demonstrates that residents' sense of identity is closely tied to their immediate locality, reinforcing the importance of smaller scale unitary authorities maintaining visibility and accessibility of council services at the community level.

Principle	Limitations in current model	Opportunity for the Four Lancashire Model
To be closely connected to our communities	<ul style="list-style-type: none"> • Administrative boundaries do not always match how residents define their communities, making decision-making feel remote and reducing visibility and accountability for outcomes. • Current structures mean that in some areas, the authorities delivering services are far removed from the communities they are serving – meaning service provision is designed at a scale that cannot be fully informed by the needs of local communities. • Wide disparities in population, scale, and resources limit the ability to recruit specialist expertise, respond to sudden demand spikes and invest in transformative approaches. • Some governance arrangements also limit the accessibility of services for residents. Provision of adult social care is limited locally, with potentially significant travel times for rural communities. • Leisure and culture assets, such as parks, are present in every district, but the scale of investment differs between places. 	<ul style="list-style-type: none"> • Residents' sense of identity is closely tied to their immediate locality, reinforcing the importance of smaller scale unitary authorities, maintaining visibility and accessibility of council services at the community level. • There is an opportunity to provide clearer, more visible, and accessible leadership, ensuring accountability and consistent engagement across the county with stronger connections to residents. • Four unitary authorities will enable equitable service delivery that is more informed by and nuanced to the specific needs of the local communities and is more connected to local community systems than is possible under larger authorities. • Four authorities have the ability to be more responsive to changing community needs and demand levels, with more control over the size and specialisms of service delivery teams. • Residents would experience a closer connection to local decision-making, while all communities, regardless of location or disadvantage, could benefit from coordinated services and investment.

Principle	Limitations in current model	Opportunity for the Four Lancashire Model
To be closely connected to our communities	<ul style="list-style-type: none"> • In education and SEND, travel distances and the variety of placements present major challenges. 	<ul style="list-style-type: none"> • Investment in parks, libraries, landscapes, leisure, and green spaces could be tailored to support community specific needs around health, wellbeing, and community engagement, while reflecting the unique identity of different places. • Smaller areas present better opportunities for proactive place planning and linking up school admissions with transport and travel services to provide better education closer to home for children with additional needs.
Provide a strong platform for economic growth and prosperity	<ul style="list-style-type: none"> • Fragmented leadership and variations in council size, capacity, and geography dilute Lancashire's collective influence compared with neighbouring mayoral areas. This makes it harder to secure and deliver large-scale investment programmes or county-wide strategic initiatives. • Misaligned boundaries split functional economic areas, housing markets, and travel-to-work zones, while current structures make it challenging to operate agile, coordinated programmes across Lancashire or collaborate effectively with neighbouring regions. 	<ul style="list-style-type: none"> • The proposed scale and model of unitary authorities would strengthen Lancashire's collective influence and enable coordinated county-wide strategies that better reflect functional economic areas and economic corridors and support the delivery of the county's investment pipeline. • There is an opportunity to align governance with economic geography, improve collaboration with neighbouring regions, and create a platform to attract investment, deliver growth programmes, and capitalise on local sectoral strengths. Smaller unitary authorities would enable these economic geographies to be defined at a more local level, enabling economic plans and strategies to be more closely informed by local contexts. • Investment in transport infrastructure, universities, and enterprise zones could drive high-value jobs, better link education with employers, and support long-term regional prosperity. • Lancashire's culture, heritage, and strong sense of place could further attract investment and underpin growth and reinforce the county's distinctive identity. Having smaller unitary authorities enables Lancashire's distinct regional identities to be understood at a more nuanced and local level, potentially unlocking economic opportunities that could have been missed when considering Lancashire from a greater scale.

Principle	Limitations in current model	Opportunity for the Four Lancashire Model
To improve outcomes for residents through investing in early intervention and prevention	<ul style="list-style-type: none"> • Interdependent services, such as housing (district) and social care (county), are managed separately, preventing joined-up solutions to complex issues like homelessness, temporary accommodation, and SEND. • Disparate governance makes consistent preventative service delivery challenging, and innovation is often localised and short-term. • Wide disparities in population, scale, and resources limit the ability to identify opportunities for preventative service delivery that is connected to the broader community and invest in transformative approaches. • Existing authorities can often face deeper financial pressures which can further constrain the capacity to deliver early intervention and prevention at scale. • Public Health could be a key preventative service but its delivery at County level is currently disconnected from public health in local communities, e.g. parks, leisure, housing. 	<ul style="list-style-type: none"> • Integrated services will enable joined-up, consistent preventative approaches across the county. • Authorities would have the scale, resilience and resources to innovate, modernise services, and invest in early intervention, reducing long-term costs while improving outcomes in social care, SEND, homelessness, and community wellbeing. • The four unitary model will be more closely connected to local community systems than larger authorities, making it easier to identify opportunities to deliver preventative services before Council service involvement. • Joint working with the NHS could ease pressures and support people at home, while targeted early help for families could reduce costly placements. • Unitary control of social care would ensure more equitable access across urban and rural areas, likely reducing the number of people reaching crisis. • There is opportunity to build on preventative best practice, including national initiatives such as Family Hubs, improving access to support for children and families.

In summary, Lancashire's local public services reflect a proud history of civic innovation and local identity, yet the current two-tier system struggles to meet the scale and complexity of today's challenges. It is clear the current two-tier system in Lancashire faces significant limitations; administrative boundaries that don't reflect real communities, fragmented leadership that dilutes strategic influence, and disconnected services that make consistent prevention and early intervention difficult. These challenges reduce visibility, accountability, and the ability to tailor services to local needs.

The **four unitary authority model** offers a balanced and practical response to Lancashire's current challenges. By creating **smaller, more community-focused authorities** that align with the county's **real geographies and economic corridors**, the model would bring **decision-making closer to residents**, strengthen **local leadership**, and enable **more responsive, joined-up service delivery**. It avoids the concentration of risk seen in larger authorities while providing the **scale and collaboration** needed to plan strategically, deliver efficiently, and drive shared priorities across the county.

Local Government Reorganisation presents an opportunity to **turn existing limitations into strengths**, creating a system with clearer accountability, stronger strategic leadership, and **greater capacity for prevention and early intervention**. A four unitary model would align governance with both **communities and functional economic areas**, supporting **inclusive economic growth**, enabling **targeted investment**, and ensuring that services reflect the **distinct identities and strengths of local places**. In doing so, Lancashire can match the ambition of its past with a modern structure capable of delivering **equitable services, thriving communities, and a more prosperous future for all residents**.



4

Introducing the four unitary model

4. Introducing the four unitary model

This section sets out the rationale for adopting a four unitary model as the most balanced, sustainable, and future-ready solution - one that is based on credible geographies and recognisable communities, provides a model that will stay **closely connected to communities**, provides a strong platform for **inclusive economic growth**, and enables ambitious transformation of public services through **investment in prevention and early intervention**.

This is outlined in the following subsections:

- ▶ **Introducing the four unitary model** – outlining the vision and objectives, proposed structure, how it reflects recognisable communities and economic geographies, and why it best meets government criteria for sustainable reform.
- ▶ **The opportunity** – highlighting how reorganisation enables bold reform, stronger collaboration, and the creation of institutions with the credibility, scale and capability to secure greater devolution, investment and long-term prosperity.
- ▶ **Summary of the case** – providing a summary of the key arguments for a four unitary model and the outcomes sought.

4.1 Introducing the four unitary model

Four unitary councils will create the conditions to accelerate inclusive and sustainable economic growth by working on social care, local services, business support, innovation, skills, infrastructure, and investment at the level that makes sense. At its heart is a commitment that public services will be closely connected to communities providing the foundation for a more preventative

local government and the long-term sustainability of essential public services. The following three principles are the golden thread that runs through the design of a four unitary authority model and underpin the vision for a stronger, fairer and more resilient county:

- ▶ **Principle 1:** Inclusive Economic Growth
- ▶ **Principle 2:** Prevention and Early Intervention
- ▶ **Principle 3:** Empowering Communities

The resident survey informed us that **81% of respondents identified most strongly with their immediate town, village or city – compared to only 3% who identified with their county** – highlighting the deeply rooted sense of place and local belonging across Lancashire's communities. This demonstrates that residents' sense of identity is closely tied to their immediate locality, reinforcing the importance of smaller scale unitary authorities maintaining visibility and accessibility of council services at the community level.

Our Vision

We have developed a clear vision for Lancashire under a four unitary model, working together through a Mayoral Strategic Authority, setting out the future we want to achieve. It reflects our ambition to create a local government that is bold, innovative, and future-ready – one that remains **closely connected to communities, drives inclusive economic growth and prosperity, and transforms public services through prevention and early intervention**.

Our Vision

Our vision is to create a bold and future-facing local government in Lancashire - radical in its ambition, creative in its design, and innovative in its delivery. It will remain closely connected to communities, provide a strong platform for economic prosperity, and drive the transformation of public services through investment in early intervention.

Through the establishment of four unitary authorities, we will move beyond the legacy of transactional service delivery to build a new era of collaborative, community and resident-centred governance. By improving services and reducing demand, we will ensure residents receive the right support at the right time, helping them to live well, for longer.

Our Strategic Objectives

To guide the development of a four unitary Lancashire and ensure the new model delivers real benefits for residents, businesses, and communities, we have developed a set of strategic objectives. These objectives set out the priorities for transformation, focusing on regional influence, strong local leadership, connected communities, sustainable public services, and economic growth. They provide a clear framework for decision-making and measure the success of the new councils in achieving lasting, positive outcomes.

We have 8 strategic objectives:

Establish the strongest platform for partnership with a future Lancashire Mayoral Strategic Authority

Deliver radical change in creating a new and innovative public service landscape

Achieve the right scale for efficient service delivery, whilst ensuring greater responsiveness to residents

Strengthen effective place-based, preventative approaches

Reinforce democratic connection and accountability to communities

Build organisational resilience, foster innovation and create future delivery capacity

Ensure Lancashire plays a strong role in the North's growth

Ensure geographical coherence that reflects communities and functional boundaries

By delivering on these objectives, the new model will give Lancashire the strongest platform for aligning with the future shape of regional governance. It will enable effective connection into Lancashire's Strategic Authority and the neighbouring Mayoral Strategic Authorities, ensuring coherence at scale on critical issues, agility to work effectively across borders on the issues that matter most. At the same time, it retains a strong local leadership and identity at the unitary level, and close connection to our communities.

It will **empower our communities** – creating the conditions for greater connectedness, stronger relationships, and a system that is responsive to residents' needs and aspirations. This approach will foster healthier, more prosperous communities, where services are sustainable, prevention-focused, and grounded in the strengths of local people and places.

It will **prioritise early intervention and prevention** – taking a fresh and joined up approach to tackling entrenched issues.

Finally, it will deliver greater **inclusive economic growth** for Lancashire and the UK – working with employers to create more and better jobs, focusing on increasing productivity in order to deliver better life chances for communities. It will draw on and expand the Community Wealth Building approach developed locally.

The Proposed Unitary Authorities

Four Lancashire – Connected to communities, kickstarting economic growth

Lancashire is home to a vibrant tapestry of communities, each bringing its own heritage, traditions, ambitions, skills and perspectives. This richness is one of the county's greatest strengths, fuelling strong social networks, active civic life and a deep culture that underpins resilient, thriving local places.

The new authorities proposed in the Four Lancashire model are based on credible geographies and recognisable communities, while also simplifying the structures of local government and accountability.

The new authorities reflect the distinctive identities of their communities and will remain closely connected to them, ensuring a deep understanding of local needs and the ability to meet them effectively.



Four unitary councils, working together for Lancashire

Fylde Coast

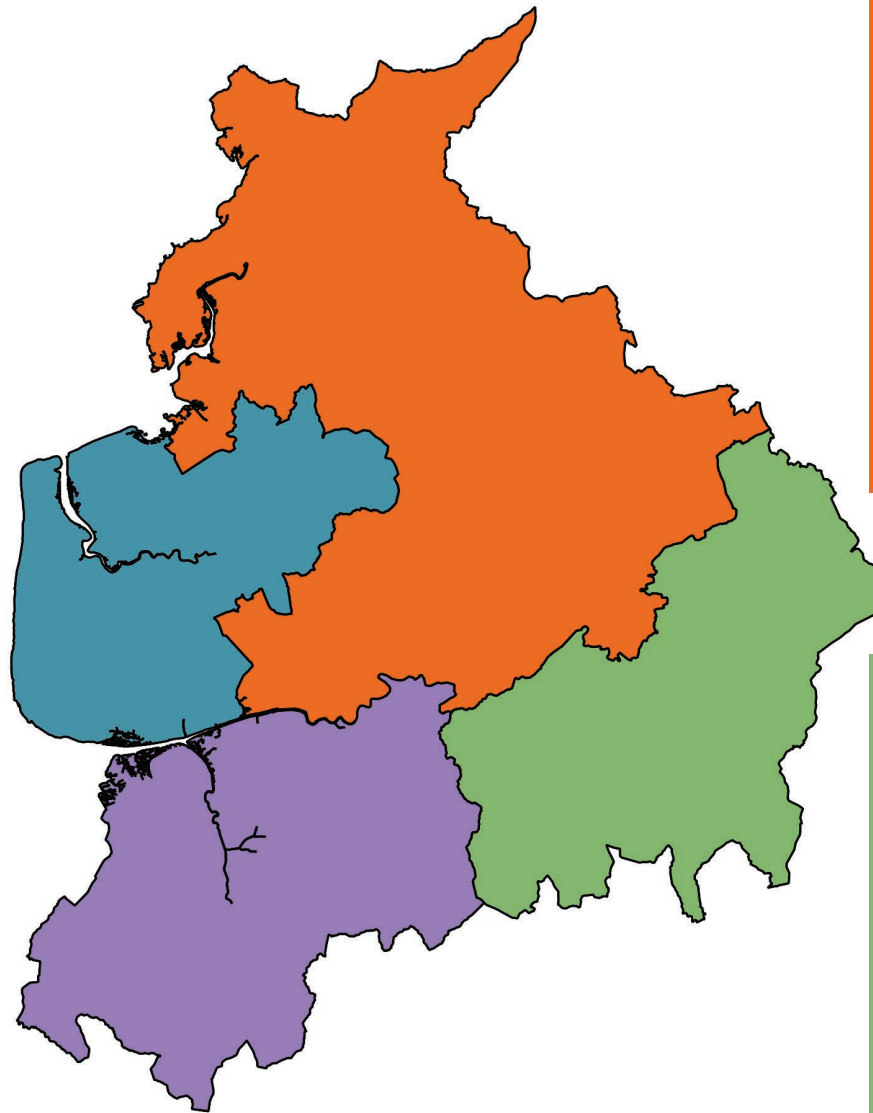
Population: 348,281

Tourism, farming and coastal & market towns, an internationally recognised destination. The Fylde Coast is a self-contained economic footprint with challenges but also home to significant assets for tourism, AI innovation, defence, and strong rural communities.

South Lancashire

Population: 358,947

Area of strong growth, home to nationally critical manufacturing and grade 1 agricultural land plus market towns and villages. Diverse industries from farming to advanced manufacturing with strong connections to neighbouring city regions of Liverpool and Manchester.



North Lancashire

Population: 373,664

Including two university cities leading the way in innovation and research connected on the M6 and A6, rich in heritage and national landscapes from Arnsdale and Silverdale to the Forest of Bowland. Strong links to Westmorland and Furness in areas such as energy, carbon capture and storage.

Pennine Lancashire

Population: 520,653

A manufacturing powerhouse, transforming industrial heritage into modern manufacturing. A rich tapestry of towns and communities, linking into Greater Manchester and West Yorkshire to drive regional economic growth.

A four unitary model for Lancashire will create councils that are large enough to be financially sustainable yet locally responsive, bringing together areas with similar social and economic characteristics so that services can be better tailored to community needs. It will strengthen Lancashire's outward-facing role by enabling closer collaboration with neighbouring regions such as Greater Manchester, Liverpool City Region, Cumbria, North Yorkshire, and West Yorkshire, while ensuring no single area dominates at the expense of others. This approach provides the scale, balance and strategic capacity needed to unlock Lancashire's economic potential, alongside the opportunity to deliver more efficient, integrated and accessible local government and public services.



Through the establishment of four unitary authorities, we will move beyond the legacy of transactional service delivery to build a new era of collaborative, community-centred governance, supported by a strong regional framework for growth through the potential of a Lancashire Mayoral Strategic Authority.

Further details on the proposed new Unitary Authorities are set out in Section 7: Our Proposition.

4.2 The Opportunity

We believe transformed local government, with simpler and more accountable structures, will unlock Lancashire's potential. It will drive regional inclusive economic growth, deliver a step change in prevention and public services so that our neighbourhoods and communities are well-served by high quality and responsive services. Reorganisation offers the opportunity to reshape local

government in Lancashire to create a more integrated system, more closely linked to the way Lancashire's communities, economy, and services function in the present day.

To achieve the transformative change required, we need to implement the right model of local government reorganisation. Lancashire is large, diverse and complex. From the Irish Sea to the Pennines; the city conurbations of Liverpool and Manchester to the Lake District and Yorkshire Dales, Lancashire needs to be served by local government and public services that get the balance right between scale for efficiency and local responsiveness and accountability.

The four unitary model proposal reflects the ambitions set out in the Government's English Devolution White Paper – to create local institutions with the scale, capability, and credibility to act as strong partners for central government, regional bodies, and public agencies. Ministers have been clear: meaningful devolution depends on structural reform.

The four-unitary model meets this challenge head-on. It establishes councils that are large enough to be financially sustainable, operate effectively at scale, and work seamlessly with health services, policing, and other key partners, while maintaining clear local connections and accountability. At the same time, the councils remain small enough to recognise and respond to the needs of local communities and to ensure fair and equal access to democracy.

The proposal for four unitary councils in Lancashire, working together through a Mayoral Strategic Authority achieves that

balance. Specifically, the four unitary model provides the following opportunities:

Kickstarting inclusive economic growth

The four unitary authority model offers a practical, deliverable, and forward-looking solution that directly seeks to address Lancashire's current challenges and opportunities. It is designed to unlock the economic potential of the north of England, being outward looking rather than inwardly focussed on Lancashire alone. It brings together boroughs with similar scale of population and economy, so that one area does not come to dominate to the detriment of others, and it is the proposal most aligned to the real economic geographies of Lancashire.

It will reflect functional economic areas that best correspond to Lancashire's economic corridors and create councils with the scale, skills, and resilience to lead public service reform, strengthen local economies, and widen access to high-quality services for all communities. By embedding connectedness, responsiveness, and strong local identity at the heart of each authority, the model enables economic development to be designed around the needs and character of different places, while fostering targeted regeneration, addressing binding constraints on growth, and greater collaboration with partners across Lancashire and the wider North.

This model will accelerate towards a greater role for the Lancashire Combined County Authority (CCA), transforming to a Mayoral Strategic Authority, giving Lancashire better representation and a seat on the national stage, providing a

coherent local government framework to support strategic decisions on transport, skills, housing, and economic development. With four balanced authorities representing distinct places aligned with economic boundaries, the strategic authority will be better able to act decisively on behalf of the whole county, tailoring responses to the diverse needs of local communities, securing major investment, and coordinating programmes that extend beyond existing boundaries.

This will provide a stable platform for Lancashire to collaborate with government on national priorities. We are ready to deliver. We have already developed a Lancashire Growth Plan; the four unitary authorities with distinctive sector strengths and assets will shape propositions around the Modern Industrial Strategy growth sectors. We will have the scale and capability to collaborate with the National Wealth Fund and Homes England to leverage investment into the area. The size of our unitary authorities means they will be close to local businesses, quickly gripping opportunities and working in collaboration with national agencies and local leaders to build projects that are ready for investment.

Closer to communities, investment in prevention, and financially resilient

The four unitary model provides the opportunity to deliver significant change and improvements in the delivery of local government and wider public services, making them more efficient and accessible to local residents. It enables services to be tailored to the needs of communities – the local authorities will be of sufficient scale to be resilient, but not so big that local need and community voice are overlooked. Decisions will continue to

be taken close to the communities they affect, but with the stability, influence, and capability that comes from operating at a larger scale across four aligned, complementary, and functional footprints.

Reorganisation offers the opportunity to align social care, housing, health, and community services so that people receive joined up, locally rooted support, enabling them to live healthier and more independent lives for longer. It provides an opportunity to connect transport, planning, and economic development into a single vision, driving prosperity and ensuring its benefits are felt across the county. It puts Lancashire in a stronger position to plan for the long term, invest in prevention, and use resources more effectively.

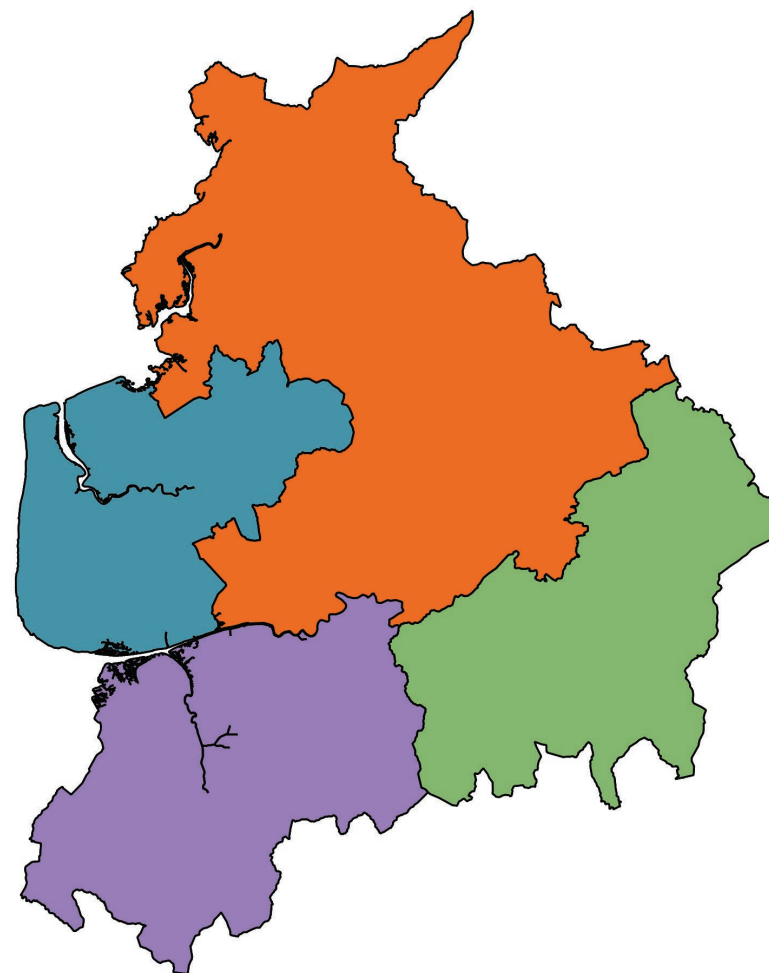


Reducing the number of councils also cuts duplication in corporate functions, lowers overheads, and enables resources to be pooled at a scale that supports investment in prevention and innovation. Four well-balanced authorities across Lancashire would have greater financial resilience, the capacity to retain specialist expertise, and the stability to plan and deliver effectively for the long term.

The four unitary model strips out duplication, clarifies accountability, and creates councils with the strategic reach to partner effectively with government, the NHS, the police, businesses, and the voluntary sector. It is built around the geographies that already shape economic activity, public service delivery, and community identity - making it easier to work with partners and attract investment. Most importantly, it protects and strengthens Lancashire's strong local identity.

4.3 A summary of the case

The four unitary model proposes four new councils as the optimum arrangement to build empowered, simplified, sustainable, more accountable and resilient local government and to increase value for money for taxpayers.



The population sizes of each unitary are of a scale that is comparable to existing unitary authorities, significantly exceeding those seen in conurbations in the North West, while still maintaining local democratic accountability and service delivery. Four unitary councils, working collectively through a Strategic Authority with an elected Mayor will provide the foundations for radical improvements in public services while also kickstarting inclusive economic growth. The councils proposed are based on credible geographies and recognisable communities, while also simplifying the structures of local government and accountability.

The key arguments for a four unitary Lancashire are:

1. Inclusive Economic Growth - Driving Economic Prosperity

A four unitary Lancashire unlocks the economic potential of the North of England by aligning councils with the county's four economic corridors. Each unitary will be outward-looking — South Lancashire building stronger links with the Liverpool City Region and Greater Manchester, Pennine Lancashire working with Greater Manchester, West Yorkshire and North Yorkshire, North Lancashire working with Cumbria and others developing cross-boundary partnerships, bringing together the tourism and economic potential of Blackpool and the Fylde Coast — ensuring Lancashire plays a bigger role in regional and national growth. This configuration will also strengthen Lancashire's influence with a Mayoral Strategic Authority, providing a strong platform for regional growth and investment.

2. Transforming public services – Prevention and Early Intervention

The four unitary model provides the scale and opportunity to deliver bold reforms in the way local government and wider public services are run. It avoids the concentration risk in the creation of larger authorities that then have reduced flexibility to respond to challenges in specific areas.

At our proposed scale and by investing in prevention and early intervention — particularly in adults' and children's social care — we will ensure that services are safe, effective, and more accessible. Financial modelling shows that, even with a cautious approach, we can expect to achieve a cumulative net benefit of £194.9m, with recurring annual benefits of £81.9m from 2032/33. These benefits include additional resources ringfenced for managing the transition and ensuring safe, improved social care provision during reorganisation. This is not simply about reducing costs — it is about creating sustainable services that improve lives and outcomes for residents.

3. Empowering Communities and Reflecting Community Identity

The four unitary model is built using existing district boundaries, grouping together boroughs with natural connections and shared characteristics. This ensures areas are not overly large but instead rooted in recognisable towns and communities – whereas other unitary models would artificially bring together communities with limited shared identity and differing needs.

Residents have told us this matters: 81% of survey respondents identify where they live as a “town”, “village” or “city”, compared to only 3% who would describe Lancashire as their home. By keeping local identity at the heart of the design, councils will be closely connected to the people they represent, tailoring services to communities with similar demographics and needs.

4. **Sustainable, democratic, and widely supported**

Each unitary would be large enough to be financially secure and stable but small enough to remain responsive to local needs and ensure fair access to democracy. Regardless of the size of the unitary models, the east of Lancashire sees a more challenging financial position, due to structural funding challenges - but the four unitary authority model means this financial challenge is distributed appropriately, and not too heavily concentrated in one authority.

The proposed councils are of comparable size to other unitaries across England and, in fact, would be larger than most in Greater Manchester and Liverpool City Region — with only the city councils of Liverpool and Manchester being larger. This balance of scale and local connection strengthens accountability, enables effective representation, and creates a robust platform for long-term sustainability.

This option is also the most widely supported of those being considered, with six of Lancashire’s fifteen councils actively working on its development. Resident survey feedback reinforces

this direction, showing a strong desire for councils to stay close to their communities, understand local priorities, and reflect distinct local identities.

A four unitary authority model would best meet these expectations – large enough to deliver services efficiently, yet local enough to maintain visibility, accessibility, and accountability at the community level.

5. **A credible, acceptable, and future-ready solution**

This proposal is the most acceptable option for Lancashire because it delivers safe, stable, and sustainable councils that make sense to residents. It responds directly to what people have told us, creates councils of the right scale for financial resilience, and ensures public services can truly be transformed.

At the same time, it strengthens Lancashire’s role in driving regional growth and contributes to national priorities on economic development and public service reform.

MHCLG Criteria

When assessed against the six MHCLG success criteria for Local Government Reorganisation, it is evident that the proposed four unitary authority model fully satisfies these criteria:

MHCLG Criteria	How the four unitary authority proposal addresses the criteria
1. A proposal should seek to achieve for the whole of the area concerned the establishment of a single tier of local government	The four unitary authority model covers the entirety of the Lancashire region with no gaps or overlaps, replacing the current two-tier system with unitary authorities across the whole area. By utilising existing district council boundaries, no boundary changes are required as part of the proposal, supporting a cleaner transition and minimising disruption during implementation.
2. Unitary local government must be the right size to achieve efficiencies, improve capacity and withstand financial shocks	The four unitary authority model balances population size and place: three of the four authorities are below 500,000 residents but remain within the advised range for efficiency and resilience, consistent with flexible government guidance. Academic evidence indicates no consistent efficiency advantage for larger councils, and each unitary authority has a broadly similar economic footprint (~£10.5bn GVA), reducing fragmentation and supporting equitable, place based growth. The proposal notes budget risks for smaller unitaries; these can be mitigated through robust financial planning and shared corporate services.
3. Unitary structures must prioritise the delivery of high quality and sustainable public services to citizens	The model consciously balances scale with local responsiveness, enabling sustainable services and organisational resilience. It supports shared services and integrated delivery models that can improve outcomes and drive economic growth. To protect service quality, the proposal highlights the need for careful transition planning to avoid disruption e.g., phased integration, retained service continuity arrangements, and common operating frameworks.



MHCLG Criteria	How the four unitary authority proposal addresses the criteria
4. Proposals should show how councils in the area have sought to work together in coming to a view that meets local needs and is informed by local views	Services are aligned to local demographic and economic profiles, enhancing responsiveness, and the approach is supported by multiple Lancashire councils evidencing local backing. The proposal has been informed by a Lancashire wide resident engagement process. Recognising that coordination across four authorities adds complexity, the proposal anticipates strong joint governance to maintain strategic alignment and ensure decisions remain informed by local communities.
5. New unitary structures must support devolution arrangements	The four unitary authority model offers sufficient scale for strategic engagement while retaining local flexibility. Its alignment with economic geographies and sectoral strengths would enable a Mayoral Strategic Authority to deliver targeted, place based interventions in skills, investment, and infrastructure strengthening the case for and the operation of a devolution deal.
6. New unitary structures should enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment	Clear, locally recognisable boundaries support community identity and democratic connection. The model aims to balance strategic service delivery with local accountability; acknowledging that engagement may feel less immediate than in smaller units, the proposal seeks locality level arrangements to preserve proximity to communities and empower neighbourhood decision making.

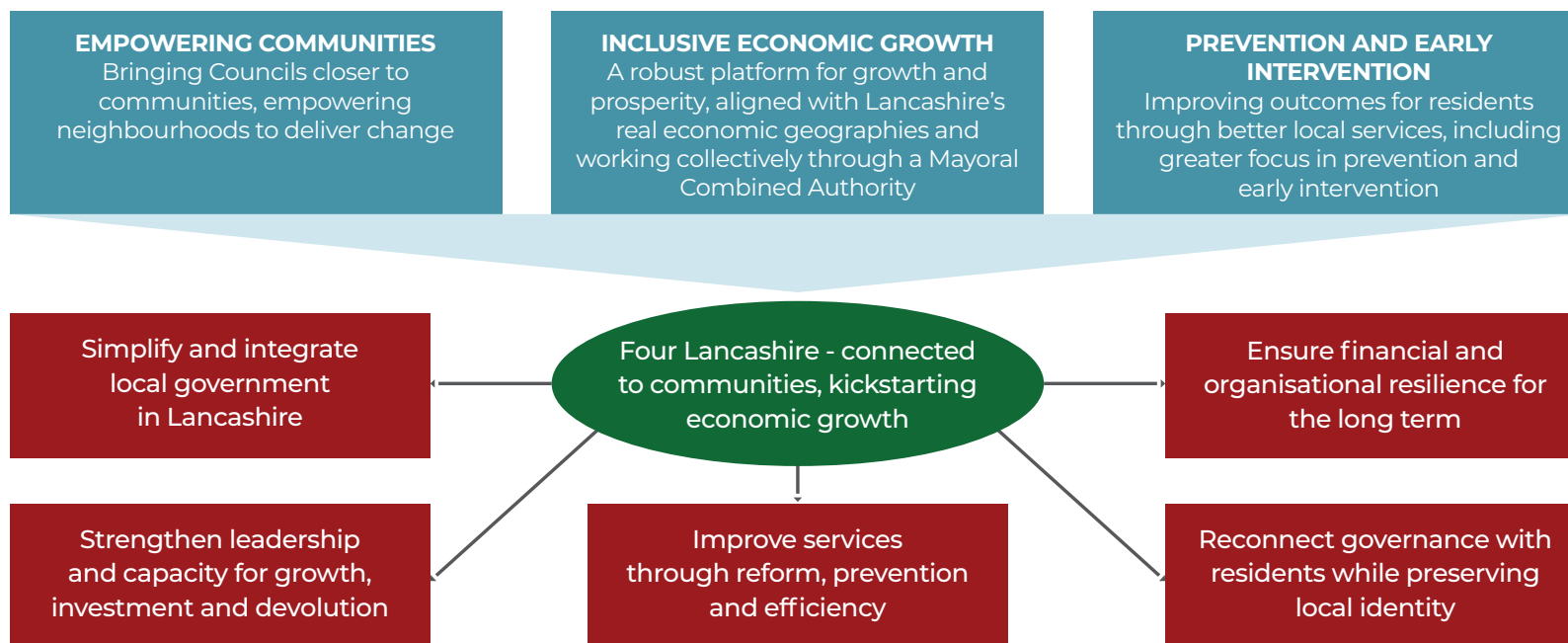
Outcomes

The transition to a four unitary Lancashire is not just a structural change but a bold step towards reshaping how local government serves its people and places. The outcomes sought go beyond efficiency gains: they are about building councils that are deeply **connected to communities**, creating a strong and sustainable platform for **inclusive economic growth** and prosperity, and transforming public services through **prevention and early intervention**.

These outcomes reflect Lancashire's ambitions to be a leader in regional growth, to deliver public services that are fairer and more effective, and to ensure that democracy feels visible, accountable, and rooted in local identity. The new model is designed to provide the scale needed for financial resilience and influence, while preserving the local responsiveness and community pride that residents value.

The outcomes set out below capture the change we want to achieve and the future we are working towards. They form the basis for a system of governance that is modern, sustainable, and ready to meet the challenges and opportunities of the coming decades.

The outcomes being sought through a four unitary Lancashire are:



The following table sets out the intended impact from the outcomes sought that are identified in the previous diagram:

Outcomes Sought	Intended Impact
Simplify and integrate local government in Lancashire	Align council boundaries with credible geographies and recognisable communities, real economic zones, housing markets, travel-to-work areas, and public service footprints; reduce duplication, improve coordination, and ensure fair representation that reflects local communities.
Strengthen leadership and capacity for growth, investment and devolution	Establish Lancashire as a driving force for growth across neighbouring regions in the North and national government - leading collaboration on sectors, clusters, infrastructure, and skills to strengthen economic resilience and competitiveness nationwide. Harnessing strengths across key frontier sectors to become a more competitive, prosperous and productive region.
Improve services, through reform, prevention and efficiency	Develop integrated local delivery models prioritising early intervention (e.g. social care, SEND, homelessness); scale best practice across coherent footprints; reduce reliance on crisis services through preventative investment.
Reconnect governance with residents while preserving local identity	Implement governance and engagement structures that improve visibility and accessibility of local leadership; ensure residents feel connected to decision-making and represented by councils that reflect their communities.
Ensure financial and organisational resilience for the longer term	Build unitaries with the financial resilience, workforce capability, and structural scale to withstand pressures and adapt to future challenges; safeguard service quality; ensure long-term sustainability and innovation.



5

Options appraisal

5. Options appraisal

This section appraises each of the five LGR models being proposed for Lancashire. This appraisal is set out across the following subsections:

- Approach
- The Options
- Longlist Options Appraisal
- Shortlist Options Appraisal
- Engagement Outcomes
- Options Appraisal outcome and preferred way forward



These five options have been selected based on discussions with Lancashire stakeholders. The appraisal also considered the ‘business as usual’ approach to function as a counterfactual within the evaluative approach. The purpose of this appraisal is to assess the relative strengths and weaknesses of each option and to ascertain a preferred option which delivers value for money and has the best ability to deliver positive outcomes for residents across Lancashire.

The 15 local authorities have developed a shared evidence base that has been used to review the options analysis presented in this proposal. This has been attached as a separate addendum.

5.1 Approach

The options appraisal has been conducted in two steps – long-list followed by a short-list process.

Perspective	Description
Long-List: MHCLG Criteria	<p>A long-list of five LGR models were assessed according to MHCLG’s six success criteria for Local Government Reorganisation.</p> <p>Each criterion had defined success conditions, and a red, amber, green rating was used to indicate how closely each option met these conditions based on narrative support, evidence, and data.</p>

The long-list appraisal process was designed to assess each LGR proposal against the overarching policy rationale. This stage focused on applying agreed criteria to evaluate the extent to which proposals aligned with strategic objectives, ensuring a consistent and transparent approach before progressing to the next phase of analysis.

The short-listed proposals have been evaluated based on the strategic objectives of the four unitary proposal, drawing upon key financial, service model, and economic evidence. This evaluation presents the four unitary model option as the preferred way forward for LGR in Lancashire.

Perspective	Description
Short-List: Financial	Financial analysis has been carried to assess the financial sustainability of the shortlisted options carried forward from the longlist appraisal. To assess 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 proposed unitary authority models.
Short-List: Service Models	An evaluation of the shortlisted options has been undertaken to consider the suitability of three unitary authority and four unitary authority options from a service delivery perspective against strategic objectives that are focused on service models.
Short-List: Economic	<p>The short-list economic appraisal evaluates each proposal against strategic objectives focused on economic outcomes.</p> <p>It draws on a robust socio-economic evidence base, alongside broader economic literature and local development theory, to assess which proposal is best positioned to support future growth and prosperity across Lancashire.</p>

5.2 The Options - Background and introduction

The five options for the future of local government in Lancashire are set out in the table below. The table shows the geographical attributes of each option, the estimated population and the rationale for selecting that option.



Two Unitary Authority

North: Blackpool, Fylde, Lancaster, Preston, Ribble Valley and Wyre – Population (2024): 722,045

South: Blackburn with Darwen, Burnley, Chorley, Hyndburn, Pendle, Rossendale, South Ribble, and West Lancashire – Population (2024): 879,600

Core Rationale:
This option is based on the premise that larger authorities could provide more financial efficiency in service delivery and promote equity between North and South Lancashire regarding funding and responses to demand pressures.





Three Unitary Authority

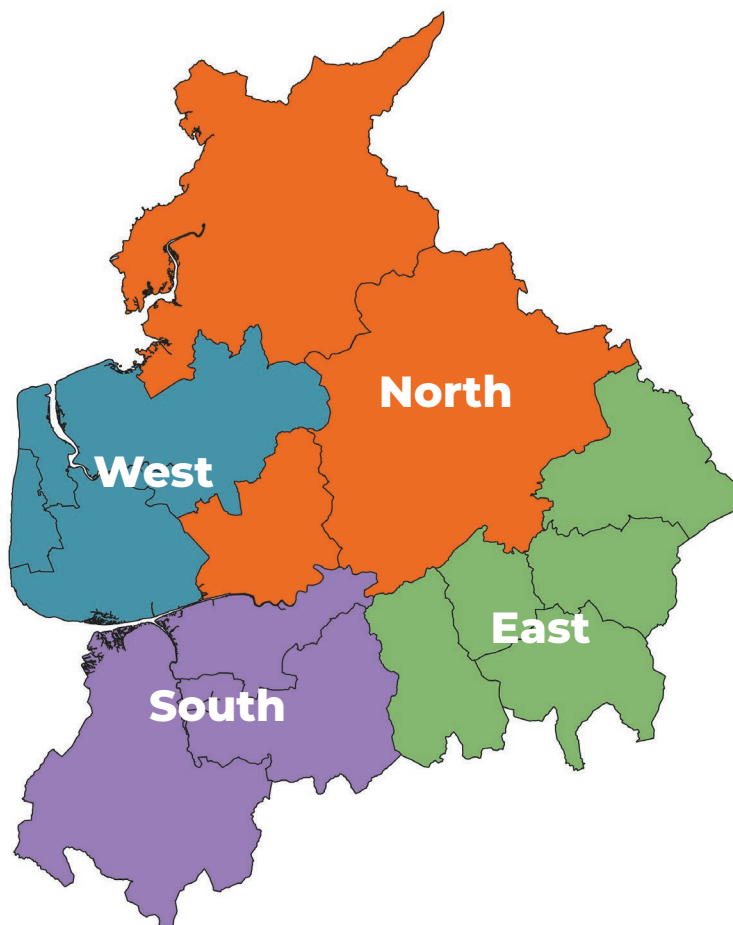
North: Blackpool; Fylde; Lancaster; and Wyre – Population (2024): 493,387

South: Chorley; Preston; South Ribble; and West Lancashire – Population (2024): 521,811

East: Blackburn with Darwen; Burnley; Hyndburn; Pendle; Ribble Valley; and Rossendale – Population (2024): 586,447

Core Rationale:

This option considers the three unitary authority option to be a sufficient scale for be financially sustainable and to deliver improvements and efficiencies in service



Four Unitary Authority

North: Lancaster; Preston; and Ribble Valley – Population (2024): 373,664

South: Chorley; South Ribble; and West Lancashire – Population (2024): 358,947

East: Blackburn with Darwen; Burnley; Hyndburn; Pendle; and Rossendale – Population (2024): 520,653

West: Blackpool; Fylde; and Wyre – Population (2024): 348,381

Core Rationale:

The four unitary authority option recognises the functional economic geographies and differing community identities within Lancashire. The grouping of four unitaries is intended to bring effective scale and agility, whilst retaining strong local leadership and identity.



Alternative Four Unitary Authority

Note this option does not follow existing local authority boundaries

North: Lancaster, part of Ribble Valley, and part of the borough of Wyre – Population (2024): 199,275

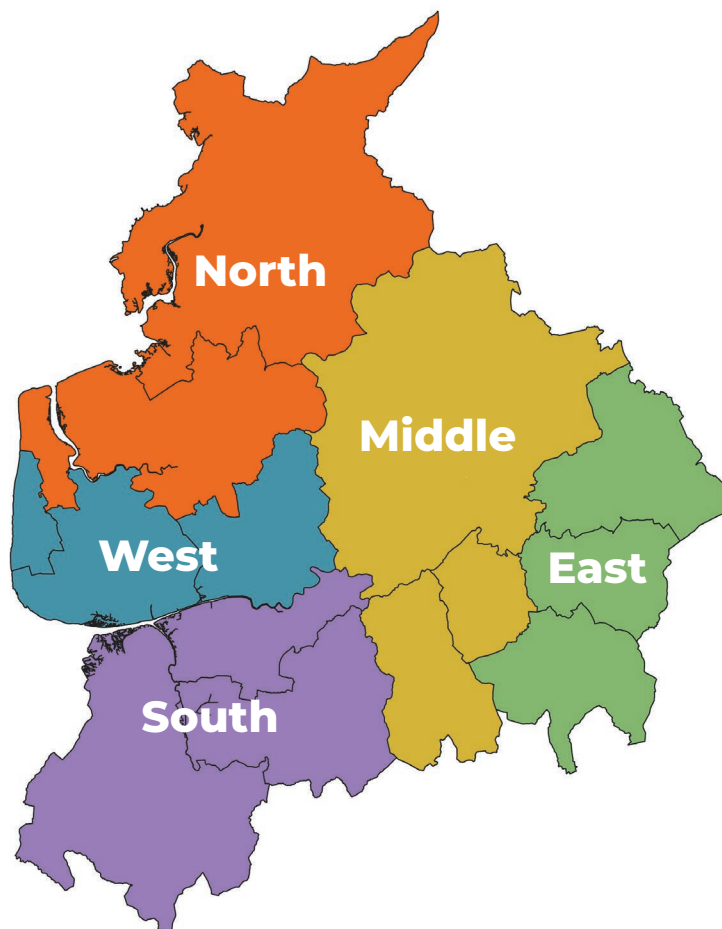
South: Chorley; South Ribble; and West Lancashire – Population (2024): 350,157

East: Blackburn with Darwen; Burnley; Hyndburn; Pendle; Rossendale; and part of the borough of Ribble Valley – Population (2024): 545,057

West: Blackpool; Fylde; and part of the borough of Wyre – Population (2024): 456,001

Core Rationale:

The alternative four unitary authority option is focused on recognising the different typologies of place within distinctive unitary authorities. It has grouped the rural areas of Wyre and Ribble Valley into the North Unitary Authority, whilst also grouping the more southern areas of Ribble Valley for inclusion within the East Lancashire Unitary Authority.



Five Unitary Authority

North: Lancaster; and Wyre – Population (2024): 263,749

South: Chorley; South Ribble; and West Lancashire – Population (2024): 358,947

East: Burnley; Pendle; and Rossendale – Population (2024): 272,055

West: Blackpool; Fylde; and Preston – Population (2024): 392,502

Middle: Blackburn with Darwen; Hyndburn; and Ribble Valley – Population (2024): 314,392

Core Rationale:

This option is based on the principle that smaller unitary authorities may operate with greater agility, reduce reliance on large staffing resources, and foster enhanced engagement with local communities. Such proximity can encourage residents to participate actively in decision-making processes and promote accountability within local government regarding the provision of services and strategic planning.

5.3 Long-List Options Appraisal – MHCLG Criteria

After announcing plans for Local Government Reorganisation in two-tier areas, MHCLG published six main criteria that LGR proposals are required to meet in line with the overall policy objective for LGR. The criteria are not weighted and will be taken into account alongside the strength of contextual evidence and individual proposals objectives. The six criteria are as follows:

Criterion 1	A proposal should seek to achieve for the whole of the area concerned the establishment of a single tier of local government
Criterion 2	<p>Unitary local government must be the right size to achieve efficiencies, improve capacity and withstand financial shocks*</p> <p><i>*We understand that the 500,000 population figure cited in the White Paper is a guideline rather than a threshold that proposals must meet, as confirmed by the former Minister's statements through the LGA LGR Hub. For our proposal we have widened this to 300-800,000 population in order to assess the options. This is the figure cited at the start of the PwC 2020 report Evaluating the importance of scale in proposals for local government reorganisation, this reflects our belief that size is not guaranteed to provide the returns suggested by those seeking unitarisation and that citizen engagement and community activity is likely more difficult the larger the council. This benchmark range is further supported by recent District Council Network analysis of existing unitary councils across expenditure per resident, financial sustainability, council tax and service delivery which finds no clear diseconomies of scale below ~500,000 residents and generally weak or non existent relationships between size and outcomes ⁴⁵</i></p>
Criterion 3	Unitary structures must prioritise the delivery of high quality and sustainable public services to citizens
Criterion 4	Proposals should show how councils in the area have sought to work together in coming to a view that meetings local needs and is informed by local views

⁴ See Bigger is still not Better, report by Professor Colin Copus for the District Councils Network

⁵ In a 3 June Policy Paper, the Ministry of Housing, Communities & Local Government stated:

"We have made clear to councils that the population size of 500,000 or more – as set out in the Statutory Invitation guidance and in the English Devolution White Paper – is a guiding principle, not a target. We have noted that we understand that there should be flexibility, especially given our ambition to build out devolution and take account of housing growth, alongside local government reorganisation, and have asked that all proposals, whether they are at the guided level, above it, or below it, should set out the rationale for the proposed approach clearly." DCN's Oct 2025 analysis of existing unitaries finds no evidence that larger councils (or a 500k level) deliver better value for money; most size–outcome relationships are weak or absent, and where present tend to favour smaller councils. Decision makers should therefore remain open to proposals below 500k and test claims that larger size ensures efficiency, sustainability, effectiveness, or VFM. (MHCLG, 3 June Policy Paper; DCN, Local Government Reorganisation: DCN Briefing, Oct 2025.)

Criterion 5	New unitary structures must support devolution arrangements
Criterion 6	New unitary structures should enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment

As explained in the section above, the long-list of the four LGR proposals in Lancashire have been assessed against this criterion utilising a RAG rating system, alongside the current 'business as usual' option:







Green – The option is likely to satisfy the criterion with minimal risks or concerns around deliverability

Amber – The option partially meets the criteria, or has the potential to fully meet the criteria if risks are managed or mitigated

Red – The option will not be able to meet the criteria given significant risks to deliverability or an absence of appropriate mitigations







On the next page is a summary of the long-list options appraisal – full detail of the appraisal is contained in **Appendix 2 – Detailed Longlist Appraisal**.



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
4						
4 Rationale	<p>The four unitary model 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.</p>	<p>The four unitary model balances population size and place: three of the four authorities are below 500,000 residents but remain within the advised range for efficiency and resilience, consistent with flexible government guidance. Academic evidence shows no consistent efficiency advantage for larger councils, and each council has a broadly equal economic footprint of ~£10.5bn GVA, reducing fragmentation and supporting equitable growth while noting budget risks for smaller unitaries.</p>	<p>The four unitary model balances scale and local responsiveness, enabling sustainable services and organisational resilience. It supports shared services and integrated delivery models that could drive economic growth. However, careful transition planning is essential to avoid disruption and maintain service quality.</p>	<p>The four unitary model aligns services with local demographic and economic profiles, enhancing responsiveness and stakeholder support, evidenced by backing from several Lancashire councils. The 4 geography aligns closely with the NHS Neighbourhoods, providing a strong basis for unitary authorities to promote care in the community and keep people out of hospitals. However, coordinating across four authorities adds complexity, requiring strong governance to maintain strategic alignment.</p>	<p>The four unitary model supports devolution by combining sufficient scale for strategic engagement with local flexibility. Its alignment with economic geographies and sectoral strengths enables a potential Mayoral Combined Authority to deliver targeted, place-based interventions in areas like skills, investment, and infrastructure.</p>	<p>The four unitary model offers clear, locally recognisable boundaries that support community identity and democratic connection. It balances strategic service delivery with local accountability.</p>









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
Business as Usual	●	●	●	●	●	●
Business as Usual Rationale	<p>The current two-tier system, comprising one county council and twelve district/ borough councils, does not meet the definition of a single layer of local government delivering all services in each area. Strategic services are handled at the county level while local services are managed by districts, leading to duplication, inefficiencies, and overlapping governance across 13 organisations.</p>	<p>The current two-tier system lacks optimal scale, with smaller districts facing financial and operational inefficiencies, while variation across areas undermines consistent service resilience.</p>	<p>The split responsibilities between county and district councils hinder consistent service delivery and limit opportunities for scalable, inclusive growth and early intervention.</p>	<p>The current structure complicates joint working, with coordination across 12 districts and the county making partnership development and integrated service delivery challenging.</p>	<p>The two tier system is not compatible with current government expectations for LGR and devolution deals, which favour unitary governance.</p>	<p>The split responsibilities in the current system can lead to fragmented and inconsistent engagement. District councils maintain strong local connections; however, the complexity over who does what, and the fact that some key decisions are taken at a county level, can make decision-making feel opaque, which weakens civic trust. Misaligned boundaries and constrained governance arrangements further reduce visibility and representation, making it harder for residents to see who is accountable and feel genuinely connected to local leadership.</p>







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
2						
2 Rationale	The two unitary model 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 proposed unitary authorities exceed recommended population thresholds, risking inefficiencies and reduced responsiveness due to scale. While their size may enhance strategic capacity and national engagement, similar benefits could be achieved by smaller, well-designed units. Additionally, the two unitary model misaligns with local economic geographies and commuting patterns, potentially fragmenting communities and complicating cross-boundary collaboration, which may hinder effective economic development.	While large unitary authorities may improve efficiency and strategic capacity, their scale risks reducing responsiveness to local needs. Addressing this may require sub-structures, which could reintroduce bureaucracy and undermine the clarity and coordination benefits of the unitary model.	The two unitary model may enhance strategic collaboration and engagement with national bodies on major issues like housing and infrastructure. However, its scale risks weakening community connections and trust. With only the County Council supporting the proposal, questions remain about broader political backing and legitimacy.	The two unitary model aligns with Government preferences for scale in devolution but overlooks Lancashire's polycentric economic geography. This risks concentrating policy around dominant urban centres, sidelining smaller towns and reinforcing inequalities. Misalignment with regional commuting patterns may also weaken the effectiveness of devolved strategies.	The two unitary model's scale may hinder community engagement, weakening local identity and making governance feel distant. Without additional structures to support participation, democratic accountability and public trust could suffer.



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
3	●	●	●	●	●	●
3 Rationale	<p>The three unitary model 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.</p>	<p>The three unitary model exceeds population thresholds, supporting resilience and efficiency without triggering diseconomies of scale. It broadly aligns with resident identities and Lancashire's economic geography, enabling focused strategies in key corridors. While not fully containing all local travel patterns, it offers coherent economic linkages and avoids fragmentation, positioning larger authorities to better absorb financial shocks.</p>	<p>The three unitary model balances scale and local responsiveness, supporting resilient service delivery while remaining attuned to community needs. However, successful transition depends on careful planning to avoid disruption and maintain service quality.</p>	<p>The three unitary model aligns with some aspects of local identity and has secured support from councils and some wider stakeholder groups. Combining areas with limited community connections, such as Lancaster with Fylde or the Forest of Bowland with Rossendale, creates additional challenges. Cross-boundary collaboration across three authorities adds complexity, requiring strong governance to avoid fragmentation and inefficiency. The 3 geography aligns with the current ICB footprints which provides a good basis for joint working across statutory services; however, the ICB footprints are currently under review and are likely to change in the near future.</p>	<p>The three unitary model supports devolution by combining sufficient scale for strategic engagement with flexibility to address diverse local economic needs. Its structure enables targeted, place-based growth while maintaining the capacity to negotiate major investment programmes.</p>	<p>The three unitary model offers more locally coherent boundaries, supporting stronger engagement and legitimacy. However, despite its moderate scale, some communities may still feel distant from decision-making, risking weaker accountability without additional local mechanisms.</p>

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
Alternative 4						
Alternative 4 Rationale	<p>The alternative four unitary option fails to meet the Government's criterion for logical, self-contained unitary boundaries; splitting districts would fracture community identity and service footprints, creating administrative complexity and increase risk of public confusion over accountability for local services.</p>	<p>The alternative four unitary model creates significant inequalities between councils both in terms of population size but also social and economic need. This pronounced size imbalance risks undermining economies of scale and consistent service standards across the region.</p>	<p>The alternative four unitary model may present challenges for improving service standards, given the significant variation between authorities and higher concentration of social need in the East and West.</p>	<p>Because the alternative four unitary proposal is not aligned to existing district boundaries it starts with fewer existing, place based institutional co delivery arrangements that map cleanly onto each proposed unitary footprint. As a result, councils would need to build new governance and engagement structures from scratch across multiple communities, increasing the risk that the approach feels less locally led and has weaker, uneven support from residents and partners.</p>	<p>The alternative four unitary option is poorly suited for devolution because its unitaries are highly imbalanced in size and economic weight; this would create governance and partnership challenges within a Strategic Authority.</p>	<p>The alternative four unitary option risks distancing decisions from communities because its unevenly sized authorities, split district boundaries, and misaligned functional areas dilute local identity, weaken engagement, and create an imbalance where some places feel remote from power while others lack influence.</p>



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
5						
5 Rationale	<p>The five unitary model 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.</p>	<p>The five unitary model faces challenges due to several authorities falling below recommended population range thresholds, risking inefficiencies, higher costs, and reduced resilience. While boundaries may reflect community identity, misalignment with Lancashire's economic geography could hinder coherent policy-making and strategic investment.</p>	<p>The five unitary model allows for more locally tailored services due to its smaller scale, but limited size reduces efficiency, increases costs, and weakens capacity for strategic investment. This fragmentation risks duplicative structures and uneven service quality across the region.</p>	<p>The five unitary model's small and fragmented structure complicates joint working and risks duplicating engagement efforts across boundaries. Strategic alignment may suffer, and limited political support, currently only from Pendle and Burnley, raises concerns about broader consensus and legitimacy.</p>	<p>The five unitary model poses challenges for devolution due to its small scale and fragmented structure, which weakens strategic capacity and complicates regional coordination. While smaller authorities may amplify local voices, they risk inconsistent leadership and reduced ability to deliver coherent, long-term economic strategies.</p>	<p>The five unitary model's smaller scale may strengthen community engagement by fostering closer ties between residents and decision-makers. However, limited resources could hinder consistent, high-quality participation across all areas.</p>

Based on the above assessment against MHCLG criteria the summary RAG rating is as follows:

Criteria	Business as usual	2	3	4	Alternative 4	5
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						
				Carry Forward	Carry Forward	

The assessment has demonstrated the business-as-usual approach, two unitary authority, alternative four unitary authority, and five unitary authority options to be ineffective at satisfying MHCLG's criteria for Local Government Reorganisation. The business-as-usual approach where existing two-tier system is maintained is ineffective at delivering the coherent, efficient, and accountable local government that residents and partners need. The split between county and district councils creates duplication and inefficiencies, while smaller districts struggle to achieve the scale required for financial and operational resilience.

The two unitary authority model risks diseconomies of scale and weakens local responsiveness; the northern unitary will cover an area from the Irish Sea to Yorkshire limiting their ability to be genuinely connected to the communities they are meant to serve. Further, the size of the two unitary authorities will offer little flexibility to transform services or to operate effectively within the context of devolution.

Contrastingly, the smaller sized unitary authorities of the five unitary model would suffer from borders that cut across economic areas and create fragmentation, limiting strategic capacity and resilience. Both options misalign with Lancashire's economic geography, undermining coherent place-based development. Additionally, local political support for these models is limited, raising concerns about legitimacy and deliverability.

The alternative four unitary authority option adds unwarranted complexity into the LGR process and creates highly uneven authorities, from a very small North unit to a much larger East, making consistent service delivery and strategic capacity difficult. Splitting Wyre and Ribble Valley introduces complex boundaries, fractures communities, and risks public confusion over accountability. We understand that the joining of Blackpool and Preston also lacks support from the local population and businesses. These imbalances would strain governance, weaken resilience, and undermine coherent economic planning. This option is discounted on this basis.

The assessment has shown that both the three unitary authority and four unitary authority options perform strongly against MHCLG's criteria for Local Government Reorganisation. Each model offers sufficient population size to support efficient service delivery and strategic capacity. Both options align with Lancashire's economic geography and sectoral strengths, supporting coherent economic development and infrastructure planning.

They also demonstrate broader political support across the county, enhancing their legitimacy and deliverability. As such, the three unitary authority and four unitary authority options will be carried forward for more detailed shortlisting and evaluation against financial and economic dimensions.

5.4 Shortlist Appraisal

The shortlist options appraisal has been undertaken by assessing the three unitary authority and four unitary authority models based on financial and economic criteria and considerations for effective future service delivery. This assessment incorporates a variety of analysis utilising both district-specific datasets and open-source information; comprehensive evidence is provided within the appendices.

The appraisal determines whether the three unitary authority and four unitary authority options can meet the strategic objectives defined in this business case. These objectives are organised into analytical themes and mapped to either financial or economic assessments. Additionally, the appraisal applies the RAG rating methodology.

5.4.1 Financial analysis

Financial analysis has been undertaken to appraise the financial sustainability of the shortlisted four unitary authority and three 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.

5.4.1.1 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 the Lancashire-15 financial advisors LG Futures and are set out below. This modelling provides a view of the starting budget positions as at Vesting Day (1st April 2028) against which the financial impacts of reorganisation can be assessed.

The methodology used to develop these baseline budget positions is set out in **Appendix 3**.

Budget projection outputs

The tables below set out the projected budget positions for each option, with the net position for each unitary authority and the models overall. These projections have been modelled for 2025/26 to 2028/29 to show the baseline budget position for the unitary authorities and the models overall at Vesting Day.

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 (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 prospective unitary councils which form part of the financial case 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 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.

Overall net position

The three unitary authority and four unitary authority models have the same total net position across areas, with a cumulative deficit increasing from £0.0m in 2025/26 to -£37m in 2028/29.

The distribution of net surpluses and deficits across individual authorities varies between the two models, which all has implications for the financial sustainability and risk position for the proposed authorities.

Four Unitary Authority Model

Council		2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	% Change
North Lancashire Council	Funding	449.1	470.9	492.8	516.8	0.5%
	Expenditure	444.0	463.6	483.0	514.2	
	Total	5.1	7.2	9.8	2.7	
South Lancashire Council	Funding	432.4	447.2	461.5	477.2	0.9%
	Expenditure	408.4	426.1	443.2	472.8	
	Total	24.0	21.0	18.3	4.3	
Pennine Lancashire Council	Funding	637.7	667.5	698.8	734.3	-5.6%
	Expenditure	693.2	714.8	737.7	777.6	
	Total	-55.5	-47.3	-38.9	-43.3	
Fylde Coast Council	Funding	507.6	521.3	535.1	550.9	-0.1%
	Expenditure	481.2	502.2	524.2	551.6	
	Total	26.5	19.2	10.9	-0.7	
Total	Funding	2026.9	2106.9	2188.1	2279.2	-1.6%
	Expenditure	2026.9	2106.8	2188.1	2316.2	
	Total	0.0	0.1	0.0	-37.0	

Four Unitary Authority Summary

The four unitary authority model offers a balanced and sustainable approach to local government reorganisation. North Lancashire, South Lancashire, and Fylde Coast show consistently strong financial positions. Pennine Lancashire does face significant and persistent challenges, but these are rooted in the funding settlement and demographic profile of the area, rather than the structure of the four unitary authority model itself.

The transformation ambitions of the four-model approach will reduce demand on statutory services, cutting service costs and helping to address deficits across Lancashire. The impact will be greatest in Pennine Lancashire, where demand is highest. Services will be reshaped with communities at their core, enabling a local, community-led approach that empowers professionals to work alongside residents to understand and meet their needs more quickly and effectively. This preventative approach will ease pressure on statutory services, reduce costs and create a strong, sustainable model for the future.

Crucially, by creating four unitaries, this option spreads financial risk more evenly across the county, allows for tailored strategies in each sub-region, and avoids overconcentration of challenges in fewer organisations.

Three Unitary Authority Model

Council		2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	% Change
North	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%
South	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%
East	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	2026.9	2106.9	2188.1	2279.2	
	Expenditure	2026.9	2106.8	2188.1	2316.2	
	Total	0.0	0.1	0.0	-37.0	-1.6%

Three Unitary Authority Summary

The three unitary authority model consolidates the same funding challenges across a smaller footprint. The East continues to face significant and persistent structural funding pressures, with persistent deficits throughout the period. **While the three unitary authority model does create larger authorities with a bigger financial base, this also concentrates risk and reduces the flexibility available to respond to challenges in specific areas.**

Baseline Budget Position Analysis

In summary, both models are impacted by the underlying funding environment in the East, which creates sustained deficits at baseline regardless of the chosen structure. However, the four unitary authority model distributes this challenge more effectively in the baseline budgets, in that three of the four unitary authorities retain more resilient financial profiles. In contrast, the three unitary authority model concentrates these pressures, leading to steeper deficits across two of the three organisations.

Ongoing financial resilience

Beyond the baseline positions, the creation of four new unitary councils provides a highly resilient financial platform for Lancashire beyond Vesting day. While the four unitary authority model will incur slightly higher upfront aggregation and transition costs – further details in sub-section below - it spreads financial risk across four distinct areas. This structure maintains local accountability while still creating organisations of sufficient scale to plan strategically and manage financial risk effectively.

Modelling undertaken by LG Futures shows that each new authority in a four unitary authority benefits from a more balanced and locally focused tax base, which allows financial pressures in higher-need areas, such as the East, to be addressed without overburdening other parts of the county. This approach supports ongoing stability and enhances the ability of councils to 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 four unitary authority model also enables consolidation of back office and service delivery arrangements across Lancashire's existing 15 authorities, allowing resources to be deployed more efficiently. Streamlined approaches to support services, procurement, technology, and assets can deliver cost reductions, stronger oversight of expenditure, and improved transparency. Over the medium to long term, the below sub-section identifies that this model could achieve cumulative benefits of £194.9m by 2032/33, demonstrating that, despite slightly higher upfront costs, the financial opportunities are comparable to those under the three unitary authority.

Beyond this, when compared to larger unitary models, the four unitary model enables the creation of unitary authorities that are more connected to communities, provide stronger platforms for economic growth and have a greater ability to deliver preventative services. From a financial perspective, each of these strategic benefits will likely translate into improving the authorities' ongoing financial positions, through increased income and reduced expenditure – from the potential for greater income driven by local economic growth or reduced spend on services, as more preventative approaches are adopted. The potential size of these benefits is explored in the next sub-section.

Finally, by distributing responsibilities across four councils, the four unitary authority model allows for targeted, locally responsive planning and investment, with sufficient scale to manage capital programmes, align with regeneration and economic goals, and develop sustainable reserves and treasury strategies. This structure provides a sustainable foundation for financial stewardship and resource allocation across Lancashire, ensuring councils can withstand pressures and shocks while reducing duplication and reinvesting savings to deliver improved outcomes for residents and communities.

5.4.1.2 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 models for the three unitary authority and four unitary authority options 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.

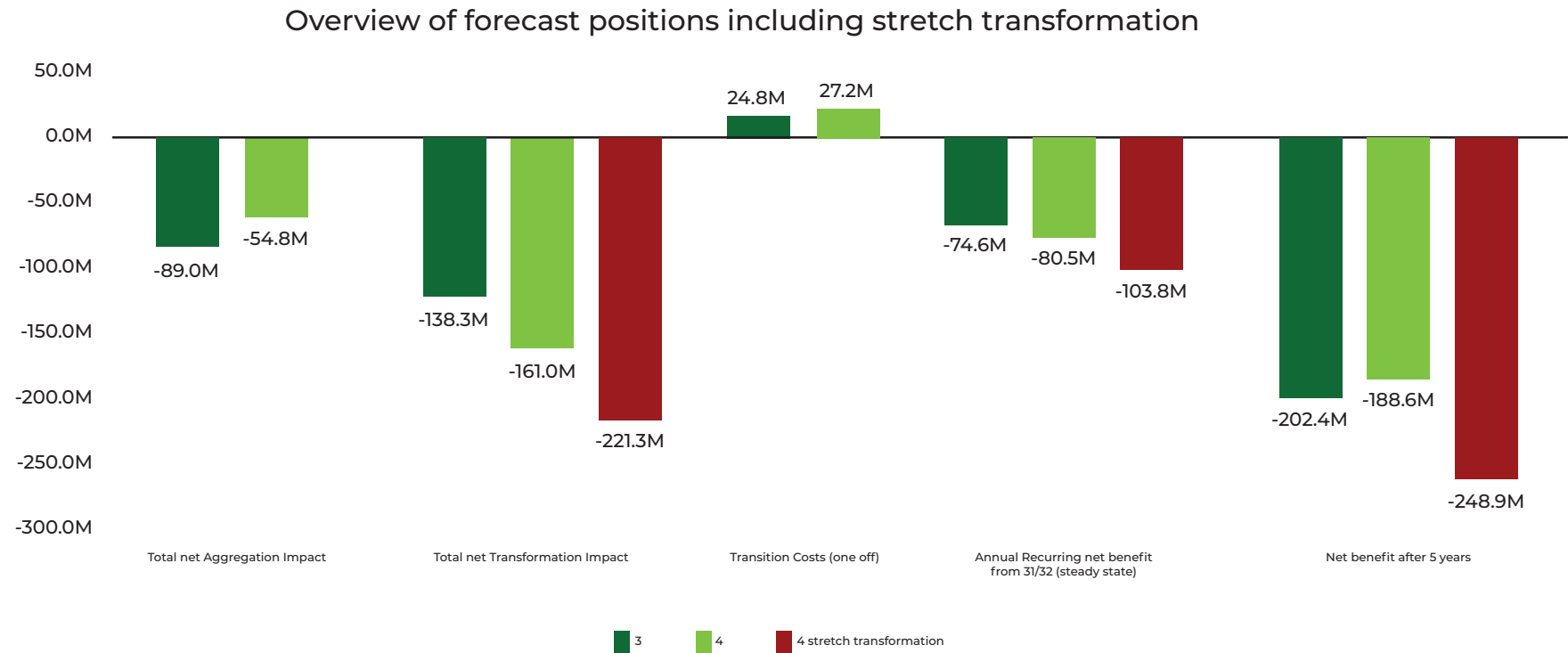
Category	What does this mean	What falls into this category
Aggregation impacts (benefits)	The medium-term impacts of aggregation, i.e. starting from after the Transition is complete and new authorities are up and running	<ul style="list-style-type: none">• Staffing efficiencies (Management, back office, 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	<ul style="list-style-type: none">• Staffing inefficiencies (additional leadership and management roles required)
Transition impacts (costs)	The one-off costs of establishing the new authorities	<ul style="list-style-type: none">• Redundancy costs• Organisation set up/closedown costs• Shadow authority costs• Comms & Marketing costs• IT costs• Programme management costs
Transformation impacts (costs and benefits)	Longer term additional impacts from service transformation (additional costs and benefits beyond savings from transforming services in the new unitary authorities)	<ul style="list-style-type: none">• Service delivery, back office and non-staffing impacts

The modelling approach is comparative across all potential unitary authority 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.

More detail on the data and assumptions underpinning the financial impacts modelling can be found in the **Appendix 3** of this business case.

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.

Overall Financial Impact



Financial Impact (over seven year appraisal period)

Category	3 unitary model Impact (£m)	4 unitary model Impact (£m)	4 unitary model Stretch Impact (£m)
Total aggregation impact	-87.5 M	-61.1 M	-61.1 M
Transition Costs	24.8 M	27.2 M	27.2 M
Total Transformation impact	-138.3 M	-161.0 M	-221.3 M
Total	-200.9 M	-194.9 M	-255.2 M



Overall, the financial modelling shows that there is limited difference between the three unitary authority and four unitary authority options, with both delivering broadly comparable levels of benefits once disaggregation and aggregation, transition, and transformation impacts are accounted for.

The modelling shows the greater costs of aggregation and transition in the four unitary authority model, reflecting the additional complexity of establishing an additional authority, but the greater opportunities for benefits to be realised from transformation. The stretch transformation targets for the four unitary authority model reflect the significant opportunity and appetite for transformative change that would be unlocked by the four unitary authority option.

Over the seven year appraisal period, the four unitary authority model achieves a total net benefit of £194.9m compared to £200.9m under the three unitary authority model – a small differential when set against the scale of the overall financial challenge and opportunity. This marginal difference is outweighed by the wider strategic advantages of the four unitary authority approach, which spreads financial risk across four organisations, allows for greater local accountability, creates authorities that are more closely connected to local communities and enables more tailored responses to the distinct economic and demographic circumstances of each sub-region. In practice, this means the four unitary authority model can deliver a more locally nuanced and flexible platform for change and economic growth, while still achieving transformation benefits of a similar magnitude to the three unitary authority alternative.

Steady state Financial Impact

Category	3 unitary model Impact (£m)	4 unitary model Impact (£m)	4 unitary model Stretch Impact (£m)
Annual steady state aggregation benefit	-26.3 M	-25.6 M	-25.6 M
Annual steady state aggregation cost	0.0 M	4.8 M	4.8 M
Annual steady state net transformation impact	-48.3 M	-61.3 M	-84.7 M
Ongoing annual impact	-74.6 M	-82.1 M	-105.4 M

The modelling forecasts that ongoing benefit from aggregation impacts would be marginally lower in the four unitary model when compared to the three unitary. However, when considering the ongoing financial impact of transformation, the four unitary model delivers greater overall ongoing benefit than the three unitary. This is reflected in the table above which shows that the four unitary model could deliver higher annual recurring net benefits at £82.1m compared to £74.6m under the three unitary model. Should stretch targets be realised, this could lead to recurring annual benefits of £105.3m.

In summary, the four unitary authority model presents a comparable financial position to the three unitary over the modelling period and could generate greater financial benefits into the long term. It strikes a stronger balance between local responsiveness and organisational scale, ensuring each new authority has the capacity to plan and deliver services effectively while retaining strong connections to local communities and partners. This structure supports more agile and place-based decision-making, greater visibility of budgets, and stronger political and managerial accountability. Combined with the transformation opportunities identified, the four unitary authority approach provides the most sustainable framework for long-term financial resilience and improved outcomes across Lancashire.

Please see **Appendix 3** for further details of this analysis.



5.4.2 Service Model analysis

An assessment of the shortlisted options has been undertaken to consider the suitability of three unitary authority and four unitary authority options from a service delivery perspective against the following strategic objectives that are focused on service models:

- To deliver radical change in creating a new public service landscape
- To achieve the right scale for efficient service delivery, whilst ensuring greater responsiveness to residents
- To strengthen effective place-based, preventative approaches
- To reinforce democratic connection and accountability to communities
- To build organisational resilience and future delivery capacity

The table below sets out a summary of this analysis with further detail included at **Appendix 4 - Shortlist Appraisal – Service Delivery Analysis**.

Objectives	Four unitary authority model	Summary narrative on four unitary authorities	Three unitary authority model	Summary narrative on three unitary authorities
Deliver radical change in creating a new public service landscape		<ul style="list-style-type: none"> • Shorter chains of accountability between councils and neighbourhoods • Place footprints better able to match NHS neighbourhoods, health footprints and VCSE ecosystems • More executive teams create additional opportunities for innovation • Widens access for underserved communities • Reduce long-term costs and improved outcomes through prevention focus 		<ul style="list-style-type: none"> • Larger footprints give scale for efficiency but increase distance from communities • Proposed unitary footprints align to ICB health footprints, however uncertainty over the future ICB landscape is unclear with further changes on the horizon in 2026. • Fewer leadership teams result in less opportunity for innovation • Larger scale creates larger authorities with a bigger financial base, this also concentrates risk and reduces the flexibility available to respond to challenges in specific areas.
Achieve the right scale for efficient service delivery, whilst ensuring greater responsiveness to residents		<ul style="list-style-type: none"> • Achieves efficient scale for corporate functions while retaining manageable footprints • Strengthens civic identity and resident connectedness • Enables neighbourhood-led integration and responsiveness • Create organisational redundancy and learning capacity with more executive teams 		<ul style="list-style-type: none"> • Larger organisations achieve economies of scale but risk losing civic identity and democratic proximity and accountability • Weakened responsiveness due to larger geography for service delivery



Objectives	Four unitary authority model	Summary narrative on four unitary authorities	Three unitary authority model	Summary narrative on three unitary authorities
Strengthen effective place-based, preventative approaches		<ul style="list-style-type: none"> • Close partnerships with VCSE organisations, improving trust and sustainability of prevention programmes • Four organisations = four laboratories for piloting integrated place-based delivery models • Easier to tailor prevention strategies to local risk drivers 		<ul style="list-style-type: none"> • Complicated alignment risking loss of neighbourhood focus due to larger footprint • Governance more distant from VCSE partners and community groups • Fewer organisations reduce number of innovation testbeds for prevention pilots
Reinforce democratic connection and accountability to communities		<ul style="list-style-type: none"> • Single-tier system gives residents clear accountability for all local services • Four authorities strike a stronger balance between scale and proximity, with councillors representing areas that feel closer to communities • Localised authority structures strengthen residents' ability to influence decisions on prevention, regeneration and place-based services • More executive teams and scrutiny bodies enhance transparency and create multiple avenues for democratic oversight 		<ul style="list-style-type: none"> • Larger authorities retain clear single-tier accountability, simplifying the relationship for residents • Risk that democratic connection is less immediate than in smaller unitary footprints
Build organisational resilience and future delivery capacity		<ul style="list-style-type: none"> • Workforce plans can be tailored to local conditions, whilst still pooling specialist recruitment county-wide • Allows differentiated resilience strategies matched to Lancashire's varied geographies 		<ul style="list-style-type: none"> • Potential for workforce planning to become more generic across larger areas • Less leadership teams reduce bandwidth for innovation, national engagement and attracting investment • Less scope for tailored resilience strategies

5.4.3 Economic analysis

From an economic standpoint, the short-list options appraisal has evaluated the following strategic objectives:

- To establish the strongest platform for partnership with a future Lancashire Mayoral Strategic Authority
- To ensure Lancashire plays a stronger role in the North's growth
- To ensure geographical coherence that reflects communities and functional boundaries

An assessment of the three unitary authority and four unitary authority's ability to meet the strategic objectives was conducted separately, using various socio-economic indicators and referencing sources such as the Lancashire Independent Economic Review (LIER) and other literature on the connection between Local Government structure and economic development.

A summary of the assessment is set out below with details included at **Appendix 5 – Shortlist appraisal - Economic.**

Objectives	Four unitary authority model	Summary narrative on four unitary authorities	Three unitary authority model	Summary narrative on three unitary authorities
To establish the strongest platform for partnership with a future Lancashire Mayoral Strategic Authority		<ul style="list-style-type: none"> • Unitary authorities of comparable scale with strong polycentric focus • Fully contains the Fylde Coast within a single Unitary authority, which encompass full travel to work area • Pennine Lancashire Council consolidates the Manufacturing belt; North and South reflect the M6 axis and southward linkages 		<ul style="list-style-type: none"> • Unitary authorities of comparable scale to Greater Manchester and West Midlands Mayoral Strategic Authorities • Polycentric footprints with mixed urban-rural assets and education offers • North-South rail/road links across Unitary authorities • Aligns partially with growth corridors but splits the Fylde Coast and pairs Blackpool/ Fylde/ Wyre with Lancaster, despite evidence suggesting weak economic linkages with Lancashire



Objectives	Four unitary authority model	Summary narrative on four unitary authorities	Three unitary authority model	Summary narrative on three unitary authorities
To ensure Lancashire plays a stronger role in the North's growth		<ul style="list-style-type: none"> • Coherently brings together Pennine Lancashire Council's manufacturing base, strengthening supply chain advancement and diffusion of innovation across firms • Fylde Coast Council keeps Fleetwood-Blackpool-Lytham together, enabling focused visitor-economy strategy and labour-market interventions while also capitalising on emerging defence opportunities and digital, providing distinct leadership for Blackpool's wider regeneration and tourism transition. • North Lancashire Council's inclusion of Preston supports logical southward economic linkages. Alongside this, there is a strong case for the South Lancashire Council's rural/ agri-tech/ food security prioritisation, together the split balances rural areas and enables clear investable propositions • Each new authority retains a clear sectoral identity, creating stronger conditions for cross-sector innovation and diffusion, and the four unitary geography unlocks an innovation corridor that runs from Preston to Lancaster and onto Cumbria 		<ul style="list-style-type: none"> • Three unitary authority boundaries do surface some distinct specialisms, e.g. South can build on professional services and Preston's role; East retains manufacturing links, providing a platform for targeted, sector led interventions • Combining Blackpool-Fylde-Wyre's visitor economy with Lancaster's defence and agricultural strengths risks weakening value chain focus and makes it harder to design interventions that promote interaction within coherent clusters
To ensure geographical coherence that reflects communities and functional boundaries		<ul style="list-style-type: none"> • Smaller, closer-to-community authorities that retain radical improvement potential • Fylde Coast Council reflects the Fylde Coast's self-contained economy and identity • North/South Lancashire Councils better reflect the M6 axis and southward ties • Some minor cross-boundary commuting (e.g. Ribble Valley southward into Pennine Lancashire) 		<ul style="list-style-type: none"> • Larger population unitaries could achieve nominal efficiency benchmarks • Risks weaker local affinity and more disruption in transition • Lancashire grouped with Fylde Coast despite stronger south/east ties for Lancaster

5.5 Engagement outcomes

To ensure our new model of local government meets the needs of the community, we undertook a comprehensive engagement process. This included a resident survey to capture public opinions, priorities, and concerns, as well as targeted discussions with key stakeholders, including local organisations, businesses, and elected representatives.

The insights gathered from this process have directly informed the design of our proposed model, helping us to balance efficiency, local identity, and service quality. By listening to the people who live and work in the area, we aim to create a system of local government that is both effective and responsive.

Survey Results

The LGR Resident Survey received **13,414 responses**, providing a robust insight into local priorities and perceptions of council services. The survey revealed a strong emphasis on **local identity and decision-making**, with “local” mentioned over 9,000 times and residents frequently highlighting the importance of community cohesion, accessible services, and infrastructure such as roads and public transport. When asked about the **most important aspects of local government**, respondents prioritised health and social care, parks and green spaces, waste services, education, and local employment opportunities.

More broadly, the survey findings indicate a **strong desire for councils to remain close to their communities, understand local priorities, and reflect distinct local identities**. This suggests that

residents value proximity, responsiveness, and local decision-making in any future arrangements, rather than necessarily supporting the status quo.

Some specific aspects of the survey feedback (scores out of 5) are set out in more detail below:

► **81% of respondents identified most strongly with their immediate town, village or city – compared to only 3% who identified with their county** – highlighting the deeply rooted sense of place and local belonging across Lancashire’s communities. This demonstrates that residents’ sense of identity is closely tied to their immediate locality, reinforcing the importance of smaller scale unitary authorities maintaining visibility and accessibility of council services at the community level.

► When ranking the most important functions of local government, residents placed ‘good health and social care’ (average 4.89) and ‘parks and green spaces’ (average 4.74) at the top, followed closely by waste and recycling (4.55) and education and opportunities for young people (4.50). This reflects a clear priority for quality of life and frontline services that directly impact daily life, with relatively lower – though still positive – ratings for areas such as digital services, planning and climate action. These findings indicate that any future changes to governance need to ensure these key services remain a focus, reflecting the issues that matter most to residents. The four unitary authority model will strengthen the ability to deliver on these priorities by creating councils that are **closely connected to their communities, strategically aligned, and large enough to sustain high-quality frontline services**. Bringing together responsibilities for health, care, housing, education, and

local environments within single organisations will enable more **joined-up decision-making**, better **early intervention**, and more **efficient use of resources**. We will also support a stronger platform for **economic prosperity**, helping each area shape its own growth while collaborating across Lancashire on shared priorities such as skills, investment, and climate resilience.

► Most residents expressed satisfaction with council services, with 63% rating them neutral to positive. When asked about future structures, a majority (63%) expressed a preference for retaining current councils rather than moving to larger unitary authorities, particularly among residents in towns and villages. It is worth noting that participation patterns varied across areas – for example, Fylde Council undertook direct household engagement, which may have influenced local response rates and preferences. However, while headline satisfaction is relatively stable, feedback and performance data reveal clear challenges in service delivery and a significant proportion of residents who believe services need improvement, particularly in areas such as adult social care. This suggests that the current two-tier system, while familiar, is struggling to meet modern demands and to deliver services consistently and efficiently across Lancashire. By streamlining governance and reducing duplication, a four unitary model will enable resources to be reinvested in improving frontline services. Unitaries that are large enough to be efficient but local enough to stay connected can strengthen accountability, align related services such as housing, health, and social care, and make it easier to design joined-up solutions that reflect the real lives of residents. We will also create capacity for innovation and early intervention, helping prevent issues from escalating and delivering better outcomes in the long term.

► While potential benefits of larger councils, such as economies of scale and streamlined services, were acknowledged, significant concerns were raised about **loss of local identity, reduced accountability, service quality, job security, and financial fairness**.

Respondents frequently referenced risks around centralisation, reduced responsiveness, and potential inequity between more affluent and deprived areas, reinforcing the suitability of smaller unitary authorities. Terms such as 'local', 'community' and 'identity' dominated open-text responses, alongside concerns about 'roads', 'support', and 'accountability', illustrating the balance residents seek between efficiency and representation. These insights underline that residents value both effective service delivery and local oversight, with clear expectations around transparency and accountability.

► In considering how any future unitary model should operate, residents prioritised consistent and reliable services (average rating 4.77), good value for money (4.76), and clear, accountable decision making (4.75). These findings indicate that while residents are open to reform, their support depends on the assurances of transparency, local access, and tangible service improvement. A four unitary authority model will deliver these expectations. By bringing together responsibilities currently split between county and district councils, it would create clearer lines of accountability—so residents know exactly who is responsible for local services. At the scale proposed, integrated councils would have the scale and financial resilience to provide consistent, high-quality services across communities, while removing duplication and delivering better value for money. At the same time, each unitary would remain locally focused, with structures that ensure decisions are made close to communities and reflect local priorities. This balance of efficiency,



transparency, and local connection would provide a stronger foundation for improving outcomes and rebuilding public trust in local government.

► Keywords such as “local,” “community,” and “identity” dominated responses, underscoring the strong desire to **preserve local representation** and decision-making in any future reorganisation.

Overall, the survey results provide a clear evidence base for understanding resident priorities, expectations, and concerns, which should inform subsequent analysis and options appraisal. Further detail on the resident survey, methodology and results is included at Appendix 6 - LGR Resident Survey Methodology and Results.

5.6 Options appraisal outcome and preferred way forward

The options appraisal highlights the four unitary authority model is the preferred way forward as the LGR proposal that best satisfies MHCLG criteria and the strategic objectives of local leaders. It offers the strongest alignment with Lancashire’s functional economic geography, preserves community identity and democratic connection through appropriately scaled unitary authorities, and enables coherent sectoral clustering that supports innovation and productivity growth. The four unitary authority model uniquely contains the Fylde Coast corridor within a single authority, enhancing planning and delivery in a self-contained economic area. It also provides a balanced distribution of assets and infrastructure, facilitating effective partnership with a future Mayoral Strategic Authority. While challenges around inequality exist, the four unitary authority’s configuration is better suited to targeted interventions

and collaborative governance, making it the most robust and future-proof foundation for Lancashire’s devolution journey.

While both the three and four unitary authority models offer improvements over the current two-tier system, enhancing strategic capacity, service integration, and financial resilience, the four unitary model provides the strongest foundation for future reform. It strikes the best balance between scale and local responsiveness, creating councils that are large enough to deliver cost-effective services, yet rooted in communities with distinct identities and needs.

The proposed unitaries are aligned to real economic and service geographies and reflect recognisable places, enabling councils to tailor services more effectively and maintain strong democratic connections to the communities they serve. This locally grounded approach supports neighbourhood-level delivery and fosters meaningful collaboration with a prospective Mayoral Strategic Authority.

In contrast, the three unitary model risks undermining these benefits. Its larger, less locally connected structures could weaken accountability, dilute community identity, and reduce responsiveness to local needs - creating organisations that are harder to manage and less attuned to the people they serve.

Further, a core argument for larger authorities is often that larger authorities are able to achieve higher cost savings and efficiencies. However, whilst larger scale creates larger authorities with a bigger financial base, this also concentrates risk and reduces the flexibility available to respond to challenges in specific areas. Our financial analysis suggests that while the costs of aggregation and disaggregation are higher within the four unitary authority model,

the transition costs are broadly comparable. Crucially, the transformation benefits are expected to be broadly similar under both the three unitary authority model and four unitary authority model, with little evidence that a larger unitary authority larger than that of the four-authority model can generate greater long-term benefits. This means that all the benefits of the four unitary authority model outlined can be achieved without a significant financial impact, with three of the four authorities starting from a stronger financial position than under the three unitary authority model. A summary of the core arguments is presented below:

Objectives	Core arguments of the four unitary model compared to the three unitary model
Deliver radical change in creating a new public service landscape	<ul style="list-style-type: none"> • Four unitary model shortens accountability chains and reduces distance from neighbourhoods, whereas the three unitary model's larger size risks remoteness • Four unitary model's footprints better match NHS neighbourhoods (in line with the 10 year plan) and VCSE ecosystems, enabling integrated delivery that three unitary model's larger geographies complicate.
Achieve the right scale for efficient service delivery, whilst ensuring greater responsiveness to residents	<ul style="list-style-type: none"> • Four unitary model reinforces local civic identity and resident connectedness; three unitary model's larger geography dilutes both. • Four unitary model keeps corporate economies of scale while retaining manageable place footprints; three unitary model risks efficiency at the expense of responsiveness. • Four unitary model councils are of similar size to other unitaries across England.
Strengthen effective place-based, preventative approaches	<ul style="list-style-type: none"> • Four unitary model aligns more cleanly with NHS Neighbourhoods, schools and VCSE partners, avoiding the coordination complexity of three unitary model's larger footprint. • Four unitary model makes it easier to target local risk drivers; three unitary model's scale risks generic, less effective prevention offers. • Four unitary model's closer partnerships with VCSE improve the durability and sustainability of prevention programmes versus three unitary model's more distant governance
Reinforce democratic connection and accountability to communities	<ul style="list-style-type: none"> • Like the three unitary model, the four unitary model offers single-tier accountability, plus councillor footprints that feel closer to communities. • Four unitary model's localised structures increase residents' ability to shape prevention, regeneration and place services; the three unitary model risks more distant decision-making.

Objectives	Core arguments of the four unitary model compared to the three unitary model
Build organisational resilience and future delivery capacity	<ul style="list-style-type: none"> • Four unitary model enables place-specific resilience strategies matched to Lancashire's varied geographies; Three unitary model offers less scope for such tailoring. • Four unitary model's additional leadership teams provide greater capacity for innovation, national engagement and investment attraction than three unitary model.
Establish the strongest platform for partnership with a future Mayoral Strategic Authority	<ul style="list-style-type: none"> • Larger GVA dispersion across three unitary model's (c. £4.1bn spread) risks uneven fiscal capacity for region-wide initiatives • Fylde Coast in the three unitary model remains together (Blackpool, Fylde and Wyre) but is integrated into a wider unit, making the labour market less self contained and adding complexity for MSA level transport, skills and regeneration delivery; by contrast, four unitary authority model treats the Fylde Coast as a self contained area. • Sector mixing in three unitary model North (visitor economy with defence and agriculture) weakens strategic clarity compared to four unitary model's tighter sectoral mix
Ensure Lancashire plays a stronger role in the North's growth	<ul style="list-style-type: none"> • Misaligned commuting/supply chain patterns in three unitary model hampers targeted interventions and adoption/diffusion of innovation • Net effect: slower productivity uplift and a reduced Lancashire contribution to the wider North in a three unitary model compared to the four unitary model. • Opportunity for more targeted and agile approach in four unitary model to exploit opportunities for growth.
Ensure geographical coherence that reflects communities and functional boundaries	<ul style="list-style-type: none"> • Three unitary model's Lancaster-Fylde grouping cuts across functional patterns risking policy misfit and weaker resident legitimacy • Larger unitaries heighten governance distance from communities, limiting local intelligence for effective economic policy • Polycentric Lancashire is better served by the four unitary model's closer match to corridors and functional labour markets



6

Our proposition

6. Our proposition

In this section of the business case, we set out in greater detail how the four new unitary authorities proposed for Lancashire will work, and how this new model of local government will deliver the outcomes that matter most to our residents. At its heart is a commitment that public services will be **closely connected to communities** – truly empowering the people who know and care most about the places where they live. This is the foundation for a **more preventative local government** and the long-term sustainability of essential public services.

We explain how our approach to these services will build on years of good practice and be strengthened through clear accountability and scale, moving from the current complex landscape to four streamlined authorities. We also set out how our four unitary structure provides **a strong platform for economic prosperity across** the county. Finally, we demonstrate the core financial case: that creating four well-resourced authorities maximises the scope for early intervention and long-term transformation, rather than fragmenting investment and diluting impact.


Our proposition is set out across the following subsections:

- Introducing the new authorities
- A community-centred operating model
- Our core principles:
 - Economic growth
 - Prevention and early intervention
 - Empowering communities
- Democratic representation
- Cost and benefits
- Council Tax, borrowing and SEND

6.1 Introducing the New Authorities:

Further detail on each of the new proposed Unitary Authorities is set out below:

North Lancashire Council - North

Population (2024): 373,664	Number of businesses: 13,945	Number of Jobs: 203,000	Number of adults with no qualifications: 6.10%
Population Growth per year (1991-2024): 0.60%			% qualified to RFQ4+ (degree level): 46.70%
Population Density (people per sq.km) (2024): 289.00			% employed in high skill occupations: 45.00%
Male Life expectancy: 78.3			% of NEET individuals: 3.00%
Female Life expectancy: 82.6			Unemployment rate: 3.60%
% of households experiencing deprivation: 17.30%			GVA economy: £10.6bn
Average Earnings: £36,066			Number of Towns and/or Cities: 9
Sector Specialisms (LQ): Agriculture, Mining and quarrying, Construction, Defence, Education			



North Lancashire Council unites a remarkable blend of historic cities, world-class education, and stunning rural landscapes. From the breathtaking Arnsdale and Silverdale National Landscape to the Forest of Bowland; an Area of Outstanding Natural Beauty and a vital hub for biodiversity. North Lancashire is a place where nature, innovation, and community thrive side by side.

To its south lies Preston, a dynamic riverside city on the River Ribble. Perfectly positioned at the crossroads of Lancashire's transport network, Preston connects people and business across the North and beyond, with exceptional North-South and East-West Road and rail links. To the north, the historic city of Lancaster sits proudly on the River Lune, facing Morecambe across the bay. Linked by the M6 and the West Coast Mainline, Lancaster enjoys strong economic ties with both Preston and Cumbria, creating a seamless flow of talent and opportunity across the region.

Education is one of North Lancashire's greatest strengths. With Lancaster University and the University of Lancashire at its core, the area boasts a highly skilled workforce; 46.7% of residents are educated to RQF Level 4 or above, outperforming the North West average by 3%. This talent drives productivity, supports impressive average earnings of £36,066, and contributes to the lowest NEET rates in Lancashire.


Yet, challenges remain, particularly in coastal communities such as Morecambe and Heysham, where deprivation continues to impact residents. But here too lies immense potential. Heysham Port provides vital sea links to Belfast, Warrenpoint, Dublin, and the Isle of Man, while the Eden Project Morecambe represents a once-in-a-generation opportunity. More than just a world-class

visitor destination, it promises to be a catalyst for regeneration, environmental innovation, skills growth, and community transformation. North Lancashire Council is determined to ensure the Eden Project's success radiates across the region, bringing renewal and prosperity to every neighbourhood.

The local economy is powered by specialisms in defence, agriculture, construction, education, and the primary industries, all underpinned by a growing culture of innovation and collaboration. Cutting-edge sectors such as Electech are emerging through partnerships between universities and businesses, while offshore wind investment in Morecambe cements North Lancashire's place at the forefront of the UK's clean energy revolution. Working closely with Cumbria, the Council is championing sustainable energy and carbon storage initiatives to tackle climate change head-on.

From Preston to Lancaster, and across the Ribble Valley to the coast, North Lancashire's blend of education, enterprise, and creativity fuels a powerful innovation ecosystem. By connecting world-class research with local industry, North Lancashire Council is driving inclusive, sustainable growth – spreading opportunity, tackling deprivation, and positioning the area as a leader in innovation-led development for the whole of Lancashire.

South Lancashire Council - South

Population (2024): 358,947	Number of businesses: 13,085	Number of Jobs: 162,000	Number of adults with no qualifications: 6.70%
Population Growth per year (1991-2024): 0.50%			% qualified to RFQ4+ (degree level): 40.00%
Population Density (people per sq.km) (2024): 542.00			% employed in high skill occupations: 45.60%
Male Life expectancy: 79.1			% of NEET individuals: 3.40%
Female Life expectancy: 82.8			Unemployment rate: 2.70%
% of households experiencing deprivation: 15.60%			GVA economy: £10.3bn
Average Earnings: £37,869			Number of Towns and/or Cities: 11
Sector Specialisms (LQ): Agriculture, Manufacturing, Electricity, Water supply, Construction			

South Lancashire Council brings together prosperous market towns, world-class manufacturing, and some of the UK's most productive farmland, all strategically positioned along the M6 and M61 growth corridors. Anchored by vibrant centres like Chorley and Leyland (both recognised in the Lancashire Independent Economic Review as high-performing employment hubs) the area is a powerhouse of engineering excellence and industrial innovation. With assets such as the Advanced Manufacturing Research Catapult, Innovation Hub, and the National Cyber Force, South Lancashire stands at the cutting edge of Britain's industrial and digital future.

Home to around 360,000 residents, a £10.3 billion economy, and 13,000 thriving businesses across 11 towns, South Lancashire is an economic force in its own right. With average annual earnings of £37,869 (the highest in Lancashire) and 35% of the workforce qualified to RQF Level 4 or above, the area has a strong foundation for growth. Together, these strengths make South Lancashire a balanced and dynamic contributor to the county's polycentric economy, with exciting potential to expand higher-value sectors and boost participation in advanced skills.


In West Lancashire, the story of innovation begins with the land itself. As the home of England's second-largest concentration of Grade 1 agricultural land, the district powers a vibrant, high-quality food production system that can evolve into a national hub for modern agri-tech and controlled-environment farming. Alongside this, South Lancashire's industrial base is helping to lead the clean-energy revolution, exemplified by NSG (Pilkington), whose pioneering work and intellectual property in solar glass and renewable technologies underline the area's global significance in sustainable manufacturing. Together, these strengths, coupled with

the area's energy-adjacent capabilities, position South Lancashire perfectly to seize opportunities in the net-zero transition, driving diversification, innovation, and long-term growth.

The innovation frontier of South Lancashire is defined by world-class facilities like Samlesbury Enterprise Zone and the upcoming National Cyber Force headquarters. Together, they anchor a new wave of technological capability; fuelling breakthroughs in secure-tech, systems engineering, and advanced manufacturing, and generating powerful spillover benefits across the region's supply chains. Complementing this industrial strength, Edge Hill University in Ormskirk enriches the talent pipeline with graduates in education, health, creative, and digital disciplines, ensuring that South Lancashire's skills ecosystem is as diverse as it is dynamic.

Connectivity is another major advantage. As travel and work patterns evolve, South Lancashire Council is seizing the opportunity to strengthen its links across the North West. Ties with the Liverpool City Region remain deep, while Chorley's growing commuter flows to Bolton and Wigan highlight ever-closer connections with Greater Manchester. Agile and forward-thinking, South Lancashire Council is ready to work collaboratively with Lancashire County partners and neighbouring Combined Authorities to shape the infrastructure, services, and partnerships that will unlock sustained growth, innovation, and prosperity for generations to come.

Pennine Lancashire Council - East

Population (2024): 520,653	Number of businesses: 16,275	Number of Jobs: 214,000	Number of adults with no qualifications: 11.40%
Population Growth per year (1991-2024): 0.40%			% qualified to RFQ4+ (degree level): 33.40%
Population Density (people per sq.km) (2024): 829.00			% employed in high skill occupations: 39.40%
Male Life expectancy: 76.4			% of NEET individuals: 3.40%
Female Life expectancy: 80.6			Unemployment rate: 4.60%
% of households experiencing deprivation: 23.30%			GVA economy: £10.6bn
Average Earnings: £30,515			Number of Towns and/or Cities: 18
Sector Specialisms (LQ): Manufacturing, Construction, Retail			

Pennine Lancashire Council stands as a manufacturing powerhouse; a distinctive corridor of innovation and enterprise stretching through the Pennines. This is Lancashire's largest population centre, home to around 520,700 residents, generating £10.6 billion in GVA, supporting 214,000 jobs and over 16,000 businesses. Anchored along a historic transport spine, from the days of the Leeds and Liverpool Canal to today's M65 and rail connections, Pennine Lancashire forms an almost continuous urban ribbon running from Blackburn to Colne, linking the proud industrial towns of Accrington, Oswaldtwistle, Padiham, Burnley, and Nelson.

These towns grew from the roots of the textile revolution, and while the looms have long fallen silent, their legacy endures in a deep industrial culture, world-class craftsmanship, and a resilient spirit of enterprise. Today, Pennine Lancashire retains one of the strongest concentrations of manufacturing activity in the North.

However, the area also faces some of the most acute deprivation challenges in both Lancashire and England. Nearly half of all neighbourhoods fall within the 20% most deprived nationally, and 59% of residents live in areas ranked within the bottom three deciles for deprivation. Low job density, modest earnings, and lower-than-average qualifications all contribute to persistent barriers to opportunity and social mobility. Tackling these inequalities, and ensuring prosperity is shared across every community, is a defining mission for Pennine Lancashire Council.

At the heart of this mission is a commitment to transforming the productivity and value of the area's manufacturing base. With globally recognised firms such as Rolls-Royce in Barnoldswick and

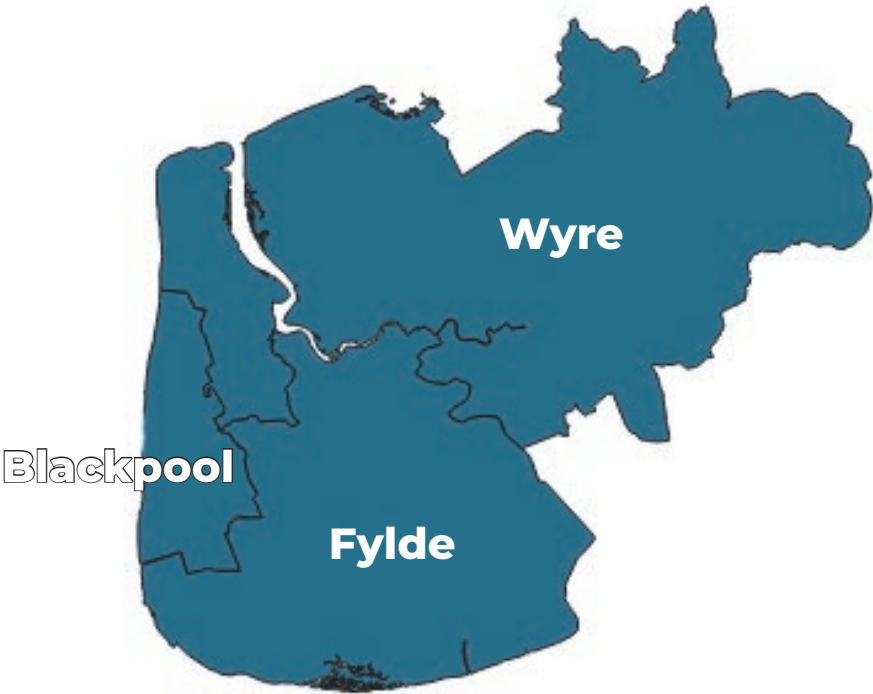
Safran Nacelles in Burnley, supported by a rich network of specialised SMEs, Pennine Lancashire has a world-class foundation for growth. The Council's focus is to move from volume to value; accelerating Industry 4.0 adoption, driving process innovation among smaller firms, and strengthening technology diffusion from anchor businesses and regional assets like AMRC North West.

Partnerships with the University of Central Lancashire's Burnley campus and other higher-education providers will ensure that skills provision keeps pace with modern industry, equipping local people with the expertise to thrive in the digital manufacturing age. As productivity rises, so too will job quality, earnings, and wellbeing, helping to reduce poverty, narrow health and skills gaps, and create new pathways for social mobility.

Looking outward, Pennine Lancashire will seize opportunities to deepen and diversify supply chains, reshore production, and build powerful cross-border links with Greater Manchester's advanced manufacturing hubs. By drawing in investment, technology, and talent, Pennine Lancashire can cement its role at the forefront of the North's modern industrial economy.

Delivering this vision means pursuing a dual-track approach: sustaining frontier excellence in high-value manufacturing niches, while uplifting productivity and innovation across traditional industries. Nowhere else in Lancashire offers the scale or the industrial heritage to achieve this transformation at such depth. By realising these ambitions, Pennine Lancashire will drive a step-change in wages, employment, skills, and community outcomes, reaffirming its position as the beating heart of the county's industrial renewal.

Fylde Coast Council - West

Population (2024): 348,381	Number of businesses: 11,495	Number of Jobs: 161,000	Number of adults with no qualifications: 6.10%
Population Growth per year (1991-2024): 0.20%	 A map showing the geographical areas of Fylde, Wyre, and Blackpool. Fylde is the southern area, Wyre is the northern area, and Blackpool is the western area along the coast. The map is colored in a dark teal/blue shade. <div>Fylde</div> <div>Wyre</div> <div>Blackpool</div>		% qualified to RFQ4+ (degree level): 46.70%
Population Density (people per sq.km) (2024): 722.00			% employed in high skill occupations: 48.10%
Male Life expectancy: 76.9			% of NEET individuals: 4.70%
Female Life expectancy: 81.3			Unemployment rate: 3.10%
% of households experiencing deprivation: 21.40%			GVA economy: £8bn
Average Earnings: £35,081	Sector Specialisms (LQ): Manufacturing, Accommodation and Food, Defence		Number of Towns and/or Cities: 10

Fylde Coast Council represents one of the UK's most distinctive coastal economies; a vibrant chain of ten towns stretching along the Irish Sea, bound together by a North–South labour market corridor linking BAE Systems at Warton to the port and logistics hub at Fleetwood. Home to over 348,000 residents, generating £8 billion in GVA, and supporting around 11,500 businesses, the Fylde Coast blends world-class tourism, deep industrial capability, and productive farmland into a unique and dynamic local economy.

This is a place where Blackpool, the UK's most visited seaside resort, anchors a visitor economy of national significance, while Lytham St Annes brings coastal elegance and enterprise. Behind the shoreline lies a manufacturing base of real strength, supported by high-quality agricultural land across Fylde and Wyre, including substantial tracts of Grade 2 farmland that sustain modern agri-food production. The area's business ecosystem is powered by three Enterprise Zone sites and strategic international connectivity via the North Atlantic Loop, providing strong foundations for trade and innovation.

Yet, like many coastal regions, the Fylde Coast faces structural challenges, including seasonal demand in parts of the visitor economy, pockets of deep deprivation and housing churn, transport bottlenecks between the coast and inland areas, and productivity gaps between frontier firms and smaller local enterprises.

Fylde Coast Council's core mission is to turn recent Levelling Up and Town Deal investments into lasting transformation, knitting together place, skills, and industry to build a more self-sustaining, opportunity-rich economy. Tackling deprivation, reducing health inequalities, and raising productivity are central priorities.

Within this ambition lies Blackpool's Town Deal and the emerging 'Multiversity', which will form the backbone of a skills escalator linking education to employment. By aligning local curricula and employer-led training pathways to the area's sectoral strengths, advanced manufacturing, a modern, year-round visitor economy, and agri-food industries (rooted in Fylde and Wyre's fertile landscape), the Council will ensure residents can access high-quality, future-focused careers.

The three Enterprise Zone sites will continue to act as testbeds for innovation and supply chain development, helping SMEs to adopt new technologies and grow their productivity. Meanwhile, town centre regeneration and coastal public realm projects will elevate the area's appeal for residents, investors, and visitors alike; attracting talent, creativity, and year-round economic activity.

A joined-up programme of business support, targeted transport improvements, active travel infrastructure, and higher-level skills delivery will translate this investment momentum into durable gains in productivity, wages, and wellbeing. By integrating manufacturing and tourism into a single, mutually reinforcing growth model, Fylde Coast Council will ensure that prosperity is inclusive and sustainable across all ten towns.

Through collaboration, empowerment, and strong regional alignment, Fylde Coast Council is shaping a healthier, more resilient, and more prosperous future. In doing so, it will not only strengthen the coastal economy but also secure Lancashire's position as a key driver of growth across the North; a region that is coherent, connected, and ready for the future.

6.2 Operating Model

The importance of communities

81% of survey respondents identify the place that they live as a “town” or “village” or “city” compared to only 3% who would refer to Lancashire as their home. This is a strong indicator that residents’ lives are centred around their immediate localities rather than the wider county. People feel most connected to the places where they live, work, shop, and socialise; their neighbourhoods and communities.

Communities are, therefore, at the heart of the new operating model. By shaping services at a neighbourhood level, we can build on the strong sense of local identity and ensure that delivery is responsive to the needs and aspirations of residents. Delivering services within communities brings several key benefits:

- » **Accessibility and trust:** Locally delivered services are easier to access and more visible to residents, helping to build trust and stronger relationships between people and service providers. 82% survey respondents said that a visible and active presence of councils within communities is important.
- » **Responsiveness to local needs:** Every town, village, or neighbourhood has its own character, challenges, and priorities. Designing services at a community level makes it possible to tailor support to what matters most locally.
- » **Stronger partnerships:** Working in and with communities creates opportunities to connect public services with voluntary groups, schools, faith organisations, and local businesses, building networks of support that strengthen resilience.

» **Empowered residents:** When services are seen and felt within a community, residents are more likely to participate, contribute, and take ownership of local solutions. This builds civic pride and collective responsibility.

» **Prevention and early intervention:** Being embedded within neighbourhoods means services can identify issues earlier, offer support sooner, and prevent problems from escalating – improving outcomes for residents and reducing long-term costs.

By placing communities at the centre of the operating model, public services can move away from a ‘one-size-fits-all’ approach and instead focus on what works for people in the places they call home. This approach recognises that real change and improvement happen not at the county level, but on the streets, in the parks, and through the networks of people that make up Lancashire’s towns and villages.

Community-centred Service Delivery

LGR is the catalyst for the bold, radical improvement of public services. We will simplify services, unlock efficiencies, and provide more targeted and responsive services locally for residents. Recognising that there is no single right spatial level to deliver the wide variety of public services, our Operating Model, has three clear components:

- » Relational
- » Operational
- » Strategic

While the scale of delivery may change, the commitment to keeping services centred on communities and residents remains strong.



6.2.1 Relational Services:

Summary	Examples	Community Benefits
Staff are embedded locally, building relationships and understanding needs.	<ul style="list-style-type: none"> • Housing advice and Homelessness • Adult and Children's Social Care Delivery • SEND Delivery • Early intervention and prevention services 	<p>Tailored support – services shaped around the unique needs of each community.</p> <p>Joined-up delivery – closer collaboration across council departments, healthcare, and local organisations results in a smoother and more timely experience for the resident.</p> <p>Early help and prevention – so residents can access the support they need earlier within the community.</p> <p>Efficient and responsive – targeting resources where they are most needed reducing wait times for residents.</p> <p>Building resilience – strengthening local networks so that communities feel well equipped and supported.</p>

We know that relational services are most effective when they are firmly rooted in the communities they serve. Although there will still be clear unitary accountability for these services, officers in resident-facing roles will mostly be based within neighbourhoods, drawing on deep local insight and building strong, trusted relationships to deliver support that truly meets residents' needs. Having neighbourhood-based staff will enable the improved quality and localised delivery of early intervention and prevention services that will realise savings in the medium to long term.

For residents, this means services that feel more accessible and joined up in everyday life. For example, someone visiting their GP could also be introduced to a housing officer in the same building, rather than having to make a separate trip. A parent dropping children at school could have an opportunity to speak with a family support worker about childcare or employment advice. An older resident could meet a social care officer at a local library or community hub, rather than travelling across town to a council office. These everyday touchpoints make services easier to use and help residents feel more connected to the support available.

By working across council departments and in close partnership with healthcare providers, voluntary groups, schools, and other local organisations, our teams will provide responsive, wrap-around services shaped around the people and places of Lancashire.

There are already excellent examples of local multi-disciplinary work making a real difference to residents' lives in Lancashire. We will build on these, as well as learn from innovative approaches elsewhere, to ensure that every community can access the joined-up, localised support it needs to thrive.

Case Study:

Preston – Local Partnership Approach to Youth Strategy

Preston has pioneered a place-based approach to improving outcomes for young people by developing a city-wide youth strategy rooted in local collaboration. Recognising the importance of working with communities, Preston brought together 50 organisations from public services and the voluntary and community sector to jointly address the needs and aspirations of young people.

Central to this work was an extensive consultation process; engaging young people from across the city to ensure their voices guided decision-making. The insights gained shaped a cross-cutting youth strategy that has since been recognised nationally as an example of best practice and has delivered a range of early intervention and capacity-building programmes; demonstrating the benefits of working locally and collectively.

By placing community partnerships at its core, Preston has not only improved outcomes for young people but has also established a strong model of place leadership. This model is now set to provide the Lancashire four-unitary structure with a solid foundation for effective place-based leadership, showcasing how locally rooted collaboration can shape strategic, long-term change.

6.2.2 Operational Services:

Summary	Examples	Community Benefits
<p>Functions that provide governance, assurance, and oversight for work delivered in communities.</p> <p>In addition, high-volume, low-risk activities that can be streamlined through standardisation, automation, and economies of scale, driving greater efficiency and consistency.</p>	<ul style="list-style-type: none"> • Social Care and Public Health Commissioning • Housing and Benefits • Waste Collection • Environmental Health • Highways & Transport • Leisure & Culture • Local Planning • ICT and Digital • Data and Intelligence • Procurement • Finance • HR and Payroll • Legal 	<p>Consistent and high-quality delivery – communities will benefit from the same reliable standard of service across their council footprint.</p> <p>Access to specialist expertise – larger organisations can sustain skills and capacity that smaller councils cannot.</p> <p>Greater resilience and responsiveness – the councils will experience greater stability and flexibility in managing demand and will be more responsive to communities.</p> <p>Stronger value for money – consolidating services unlocks greater spending power and reduces costs.</p> <p>Modern and digital – investment in new platforms makes access to citizen services faster, simpler and more reliable for residents.</p>

Moving from fifteen separate councils to four creates a unique opportunity to redesign how services are delivered across Lancashire. By consolidating high-volume corporate functions, such as procurement, ICT, legal, and HR, each new authority can unlock greater spending power, reduce duplication, and lower unit costs. These efficiencies will release more resources for front-line priorities and enable investment in modern digital platforms, making services faster, simpler, and more reliable for residents and businesses.

At the same time, this reorganisation allows for a more localised approach where it matters most. While some services benefit from scale, others, particularly social care, depend on proximity, local knowledge, and strong relationships with providers and communities. Under the new arrangements, social care responsibilities would transfer from the current model (which is-

predominantly delivered by the County Council) to the new unitary councils, allowing commissioning and delivery to be shaped around distinct local populations.

This shift aligns with Section 5 of the Care Act 2014, which requires councils to promote a “diverse and sustainable local market” for care and support. Evidence from the DCN’s *Local Government Reorganisation: Bigger Isn’t Better* analysis shows that larger authorities often perform less well across key service areas such as social care due to weaker local accountability and reduced responsiveness to community needs.

Four unitaries are better placed to deliver social care that is relational and responsive. They understand local geographies and can commission in partnership with providers to support a more

resilient market and improved outcomes. Manchester City Council's experience illustrates this principle: despite serving a population of around 700,000, it divides its social care operations into three locality-based units to stay connected to residents. The four new authorities would build this localism in from the outset, combining the efficiency and resilience of larger organisations with the community focus and accountability that high-quality social care demands.

Case Study:

Chorley and South Ribble Councils – Innovation in Reducing Health Inequalities

Working with the NHS Lancashire & South Cumbria Integrated Care Board, the councils created the Place-Based Intelligence (PBI) platform.

This system-wide data-sharing tool combines intelligence from councils, the NHS, housing providers, and others using mapping and trend analysis to support collaborative, evidence-based decision making.

The platform has highlighted barriers to NHS appointment attendance, guided winter warmth support, and linked mental health with employment services. It enables proactive, coordinated action across agencies and provides a scalable model for tackling health inequalities.

6.2.3 Strategic Services:

Summary	Examples	Community Benefits
Aligning policy, managing markets and commissioning at scale.	<ul style="list-style-type: none"> • Social Care Partnerships • Brokerage (in partnership with Health) • Waste Disposal • Culture and Heritage – The Lancashire Archives • Shared data warehouse 	<p>Consistency and fairness – strategic delivery ensures standards are applied equally across Lancashire.</p> <p>Robust planning and prevention – richer datasets enable better insight into trends, risks, and inequalities that can then be shared with communities.</p> <p>Joined-up strategy – aligning policy and priorities across the county strengthens long-term planning and commissioning.</p> <p>Improved specialist services – county-wide delivery supports school place planning, SEND provision, and fostering/adoption services that match demand and raise standards.</p> <p>Stronger collective voice – speaking as one Lancashire strengthens influence with government and partners, unlocking investment and powers.</p> <p>Driving prosperity – coordinated action on infrastructure, housing, skills, and economic growth tackles entrenched inequalities and supports productivity.</p>

Collaborating across the county to deliver strategic functions will ensure that Lancashire's services are future-proof, coherent, and designed for long-term impact. Working county-wide allows the four new authorities to align policies, share data, and coordinate commissioning activity where it makes sense, ensuring the right mix of providers, stability in the market, and better value for money. This aligns with national direction set out in *Working in Partnership with People and Communities: Statutory Guidance* (DHSC and NHS England, 2022), which highlights that effective integration and collaboration between local authorities and health partners is essential to improving outcomes and achieving better value for money. Taking a collaborative approach to quality assurance and commissioning frameworks (for example in mental health or

specialist SEND) means providers will become more accessible across Lancashire, while maintaining flexibility for authorities to tailor services locally. This is particularly important for the small number of residents with highly bespoke needs, where joint commissioning avoids unviable arrangements and ensures equitable access to specialist provision. *The People at the Heart of Care* White Paper (DHSC, 2021) emphasises the importance of collaborative commissioning and data sharing across local systems to improve quality, efficiency, and personalisation—principles that underpin this county-wide approach. Similarly, developing shared data warehouses and mapping tools (building on models such as the Greater Manchester Intelligence Hub) will enable data-driven management, benchmarking, and improvement across authorities.

Shared delivery will also maximise efficiency and resilience in some areas. Examples include county-wide emergency duty teams, shared equipment stores and aids-and-adaptations markets, and joint work to support people with complex lives or in transition to adulthood. In areas such as East Lancashire, where the market for aids and adaptations is underdeveloped, this approach can fill gaps and improve access to essential support.

Collaborating at scale will also enable transformation and innovation to be done once and shared widely; **innovate once, move further faster**. The experience of Greater Manchester is a great example: a cross-authority Adult Social Care Transition Team jointly funded by member councils (£80k per annum each) drives system-wide improvement, supported by staff seconded from local commissioning teams. Lancashire can adopt a similar model, embedding a shared transformation resource to deliver reform at pace. We will also look to transformation opportunities across the wider system, by building strong relationships across public sector bodies, Lancashire can spread best practice and avoid duplication making sure public money goes further in Lancashire.

For residents this translates into better services and outcomes:

- Consistent thresholds for accessing early help and support from social care services as is already in place through the Lancashire Safeguarding Children's Board
- Collaborative working on social care thresholds to reduce complexity for partners working on a county wide footprint and for partner agencies
- School place planning that is linked with transport services and works across the area gives families confidence their children will have a place nearby that meets their needs

- Commissioning at scale where appropriate (i.e. aids and adaptations) but retaining local control to focus on the quality of services being delivered to support residents (i.e. homecare)
- Shared learning from innovative activity in high profile areas with complex issues (i.e. Adult Social Care Transitions)
- County wide collaborative working with key partners including health, VCSE and housing partners
- Developing data warehouses and mapping tools to support data driven management and improvement.

This approach will enable Lancashire to speak with one voice to government, the NHS, and the voluntary sector; unlocking investment, driving innovation, and ensuring resources are targeted where they will have the greatest impact. For example, coordinated investment in transport could deliver faster, more reliable bus and rail connections across the county; joint action on housing growth could unlock affordable options for young families; and pan-Lancashire skills programmes could connect residents to new job opportunities in advanced manufacturing and green industries.

Alongside the move to four unitaries, there is an opportunity to strengthen Lancashire's role on the national stage through the evolution of the Combined County Authority into a Mayoral Strategic Authority. This would provide the scale, leadership, and powers needed to raise productivity, working together on areas such as human capital, innovation, investment, and connectivity and tackle entrenched deprivation in parts of the county. By learning from areas such as Greater Manchester, Lancashire can adopt a radical, long-term approach to reform and growth, supporting its manufacturing base, securing investment in infrastructure, and creating more resilient local labour markets.



Case Study:

Working Well with Children and Families in Lancashire - A Strategic, Multi-Agency Guide

Lancashire, Blackpool and Blackburn with Darwen face complex challenges in safeguarding and supporting children and families across diverse communities. To provide greater clarity, consistency, and coordination in how statutory and partner agencies respond, the three authorities and their safeguarding partners developed Working Well with Children and Families – a shared multi-agency guide.

The guidance is designed for everyone working with children, young people and families – from teachers, social workers and health practitioners to voluntary and community organisations. Publicly available and accessible to all, it sets out a clear and common framework of levels of need and the expected responses.

This ensures that no matter where in Lancashire a child or family seeks help, they encounter a consistent and joined-up approach.

6.2.4 An Investment in Social Care

Social Care is not working in its current set up in Lancashire. Delivery footprints are confusing and there is no consistency in quality of service across the county.

Adult social care is currently delivered by three authorities, the Care Quality Commission's 2025 local authority inspections concluded:

- **Blackburn with Darwen Borough Council:** "Good"
- **Lancashire County Council:** "Requires Improvement"
- **Blackpool Council:** "Inadequate"

Children's services are currently delivered by three authorities. The 2025 Ofsted inspections concluded:

- **Blackburn with Darwen Borough Council:** "Good"
- **Lancashire County Council:** "Requires Improvement"
- **Blackpool Council:** "Inadequate"

We will make a **significant investment in social care**; the creation of an additional fourth directorate of both Adult's and Children's Social Care in the county. We will not only robustly resource these new Senior Leadership Teams, but we will invest in extra capacity and support to set them up for success. Our financial modelling assumes a significant annual investment of £4.8 million into social care leadership roles to support this.

This investment represents our commitment to families across Lancashire:

- **Reducing risk** – by strengthening leadership capacity and establishing clear lines of accountability and empowering front line staff to meet needs using quality services.
- **Localising delivery** – by embedding services in neighbourhoods through the community model, supported by robust unitary oversight and a firm focus on preventing escalation of need at an early stage through co-produced services.
- **Raising standards** – by ensuring quality and consistency through locally commissioned/managed services that focus on quality supported by county-wide strategic policy alignment.

Neighbours Westmorland and Furness provide a powerful example of how a newly created LGR unitary authority can deliver rapid and measurable improvements in children's services. Established on 1 April 2023, the council underwent its first Ofsted inspection just a year later, in April 2024, and was judged "Good", a significant step up from the predecessor Cumbria service's "Requires Improvement" rating.

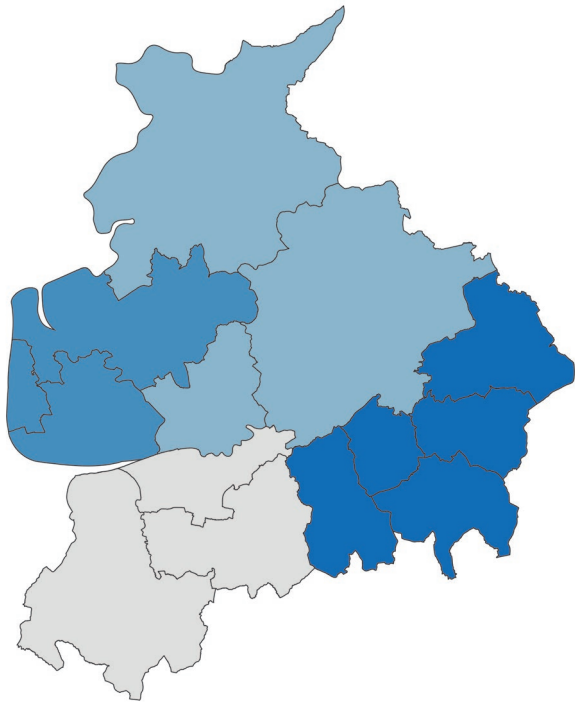
This swift progress was driven by a strategic, organisation-wide focus on strengthening practice and expanding early intervention.

The experience makes a compelling and replicable case for Lancashire councils. LGR offers a unique opportunity to break free from legacy structures, reset leadership priorities, and concentrate resources on what our communities really need. With clear direction, targeted investment, and a focused improvement strategy, we can realistically expect to achieve significant gains in social care within a short timeframe.

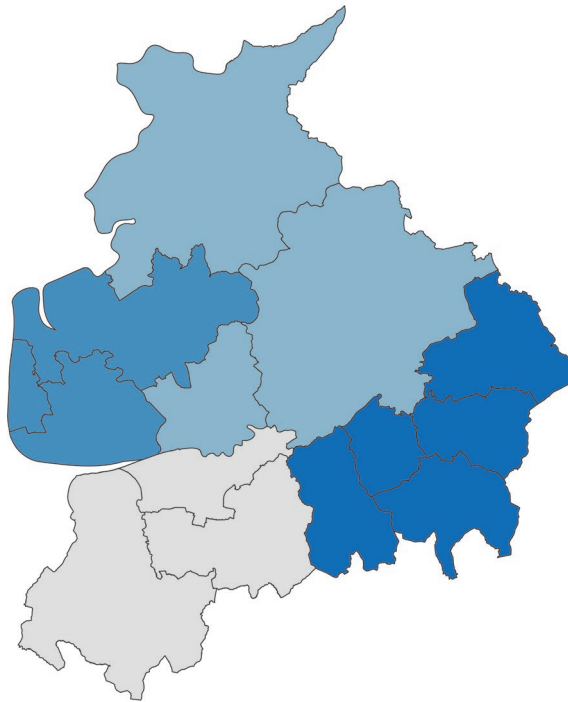
6.3 Our Core Principles

The new unitary councils will need to confront service demand challenges that have always existed but, until now, often been hidden within the wider geography of the two-tier system. There is a real need to plan strategically, target resources effectively, and innovate in service delivery to meet local needs.

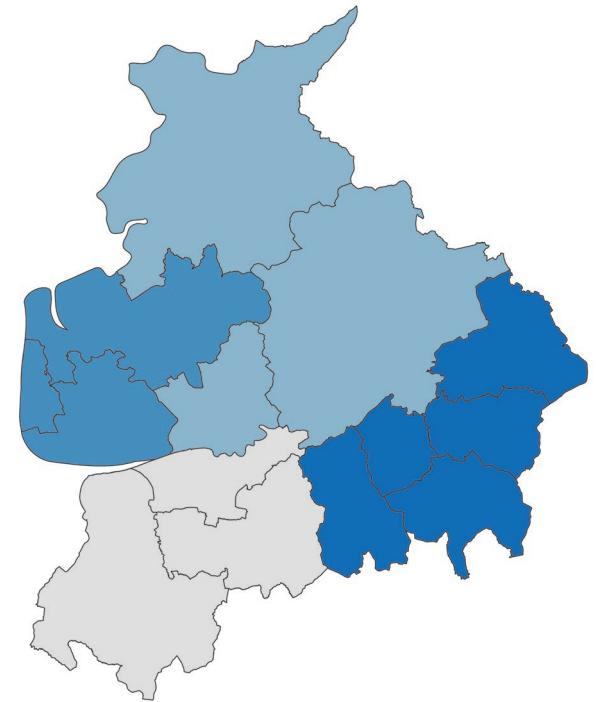
**Total number of cases open to
Children's Social Care:**



**Total number of Housing
initial assessments:**



**Total number of cases open to
Adult Social Care:**



Pennine Lancashire and Fylde Coast Councils are projected to experience the highest demand for key pressure services such as social care, housing, and homelessness support. These pressures are not new, the demand has always existed, but the four unitary structure provides a clearer line of sight to the scale of the challenge. For the first time, this visibility creates a genuine opportunity to respond differently: to reshape services, target resources more effectively, and design preventative strategies that better meet the needs of Lancashire's residents.

Transitioning to the four unitary authority model will not, in itself, resolve the deep-rooted challenges facing Lancashire. However, it does unlock the potential for ambitious transformation, bringing councils closer to communities, focusing on quality outcomes, aligning more effectively with partners, and embedding resilience across the county. By redesigning how demand is addressed, the new authorities can move away from reactive approaches and towards **growth, prevention and empowerment**.

This section explores how improved outcomes would be delivered under the four unitary authority model, with a focus on:

- **Inclusive economic growth** – closing the productivity gap whilst ensuring more residents and communities contribute to and benefit from economic growth.
- **Prevention and early intervention** – tackling problems before they escalate and reducing long-term demand on acute services through locally focused co-produced services.
- **Empowering communities** – enabling residents, neighbourhoods and local networks to shape and deliver solutions that work for their areas.

6.3.1 Inclusive Economic Growth

We believe that a Mayoral Strategic Authority is essential for all of Lancashire to reach its potential and kickstart economic growth. Our new unitary authorities each have sector strengths, further & higher education providers, economic and natural assets. In the context of the proposed four unitary authority model, these opportunities are strengthened. Each local authority will have the resource to build ideas into investable propositions, working with the MSA and national agencies such as Homes England to unlock investment and accelerate delivery in areas ranging from high growth sectors to housing.

By creating four equal partners by economic size aligned to Lancashire's main economic corridors, the model ensures decisions are locally grounded, while enabling collaboration on shared priorities. This structure encourages innovation and reform by using districts as building blocks, giving Lancashire both the scale and flexibility to maximise the benefits of Mayoral powers.

Working in new ways will allow us to build strong projects, attract investment, and deliver new and better jobs. Labour market policy can be delivered at the level that makes sense, unlocking new opportunities for our communities. We will work together, using devolved powers, on areas such as infrastructure, ensuring that we invest to support our businesses and residents to thrive. We will build Community Wealth Building into the model, building on the good work undertaken by areas such as Preston, to use procurement and employment levers to promote inclusive growth.

As the Lancashire Mayoral Strategic Authority, we would have:

- ▶ **Ability to invest in local growth priorities through an investment fund** – enabling Lancashire to take advantage of opportunities and close sector productivity gaps in areas such as advanced manufacturing and low-carbon industries.
- ▶ **Increased local development of skills and employment support** – working in partnership with the Integrated Care Board (ICB) and Job Centre Plus (JCP) to implement the Get Lancashire Working Plan, and support communities and individuals with targeted interventions to address social and economic challenges.
- ▶ **Greater control of transport investment and powers** – accelerating delivery of the Lancashire Local Transport Plan, allowing coordinated decisions on a key route network and access to consolidated multi-year transport settlements that unlock connectivity across the county, including supporting East-West connectivity to ensure all communities can access the main economic centres.
- ▶ **Stronger powers and funding to support house building that responds to local need** – for example, through a potential Brownfield Housing Fund and enhanced planning powers, including the ability to establish Mayoral Development Corporations. Working alongside the four unitaries in a fresh approach to housing delivery and strategic spatial planning, investing across larger geographies that build thriving communities.



- ▶ **Greater voice at a national level, accelerated delivery of Lancashire's priorities, and soft power** – with statutory Local Growth Plans agreed with Government, and representation at the Council of the Nations and Regions, the Mayoral Council, and the Mayoral Data Council.

We already have a strong foundation to build from. The Independent Economic Review analysed the economy and set out bold recommendations to kickstart growth; the Combined County Authority has developed a Local Growth Plan and Local Transport Plan, and a Get Lancashire Working Plan.

What is missing at the moment is investment, devolved powers, and future projects, all of which will be better served in the future four unitary authority model and MSA structure.

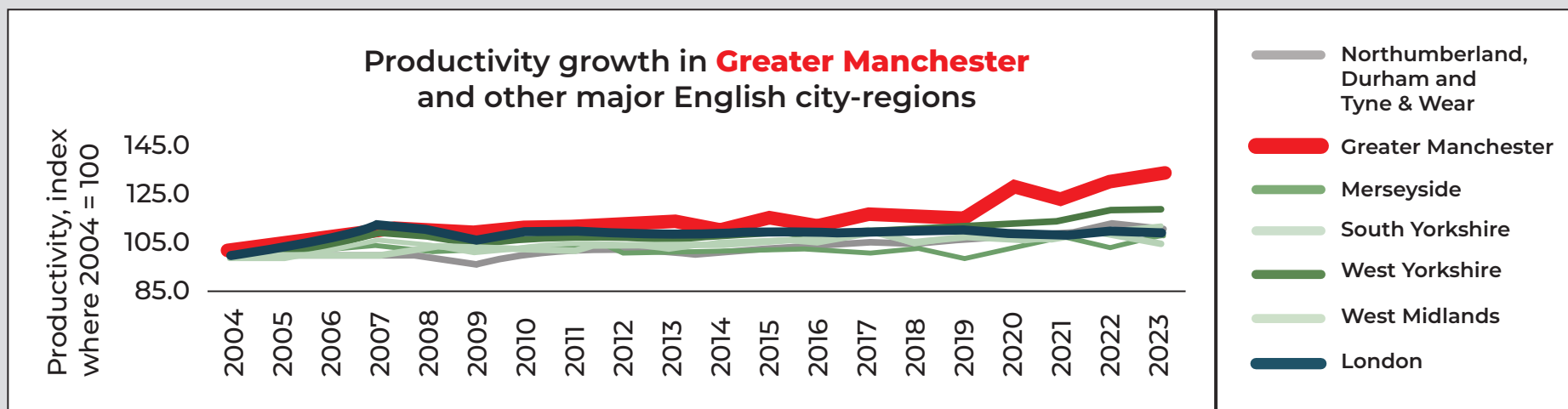
The four unitaries will each incorporate economic development functions that respond to local needs (for example skills and sector growth) and have the capacity and capability to build investable propositions – informed by local conditions and communities. The MSA will, over time, have access to an integrated settlement. This will enable Lancashire to invest better in local priorities, to measure what works, and adjust policy and investment accordingly.

Case Study:

Greater Manchester Combined Authority (GMCA) – Growth in Greater Manchester

Greater Manchester is England's longest established Mayoral Strategic Authority. A Mayor was elected in 2017 and it has been co-ordinating policy and delivery across the ten GM local authorities. Major policy initiatives have included the £1.5bn Metrolink tram expansion, the Working Well economic inactivity programme, and the “Greater Manchester” model of public service reform and early intervention.

Greater Manchester has also seen substantial economic growth over recent decades and is now the most economically productive major city outside of London. Over recent decades the pursuit of agglomeration enabling policies has led to overall productivity growth between 2004-2020 in Greater Manchester of 22%, relative to London's 15%. Within Greater Manchester the productivity gains have been greatest for the North East (Oldham, Rochdale, Tameside), with a 25% growth in productivity relative to Manchester's 16% growth. Increases in productivity across the whole of Greater Manchester have also been accompanied by a narrowing of spatial inequality by income, as the gap has narrowed between the most and least prosperous sub-regions of the city. In 1997, an average resident of the least well off area in Greater Manchester could expect to earn 60% of the wages of a resident in the most well off; in 2020, that gap had closed by 15%.



6.3.2 Prevention and Early Intervention

There is growing recognition, both locally and nationally, that prevention must be at the heart of reform. Shifting investment towards health, wellbeing, and economic participation reduces future demand on costly services and creates stronger, more resilient communities. Recent national policy signals – from commitments to strengthen prevention in health to the Government's ambition of raising economic participation through the Get Britain Working agenda – reinforce this direction of travel. Crucially, prevention is now framed not only as a public health priority but also as an economic necessity, underpinning productivity and growth.

For our new authorities, this provides the mandate and opportunity to place prevention at the centre of local growth plans, with a clear focus on co-producing services with residents focused on improving outcomes and reducing long-term pressures.

A central priority of the four unitary authority model will be to invest in prevention and early intervention, recognising that the most sustainable way to manage long-term service pressures is to stop residents from reaching crisis point in the first place. Lancashire already has a strong foundation to build upon, with many good examples of effective preventative practice already happening in communities, often in collaboration with the NHS and the voluntary and community sector. The challenge to date has been that this work is often fragmented, siloed or invisible within the current system. The move to four unitary authorities provides the opportunity to bring this work into the mainstream, to scale what works, and to embed prevention as a consistent principle across the whole county.

The unitary model will strengthen and expand this type of locally driven innovation. By aligning community delivery with the NHS Long Term Plan's emphasis on neighbourhood working, the new authorities can create a more coherent place-based approach to early intervention.

This could mean developing neighbourhood-level commissioning arrangements where councils, economic and health partners jointly design and purchase preventative services, ensuring resources are used where they are most effective and services have been designed with residents.

The benefits of this shift are wide-ranging. Investing in prevention and early intervention will help reduce reliance on high-cost acute services, from emergency health care and hospital admissions to crisis placements in social care and homelessness support.

It will also improve outcomes for residents, addressing the root causes of need (such as insecure housing, financial hardship and isolation) before they escalate. **Over time, this will empower communities to take a more active role in supporting their own health and wellbeing, backed by responsive local services that feel accessible and relevant.**

Crucially, it will also build resilience into the system, ensuring that Lancashire's public services are more financially sustainable and better able to respond to the pressures of demographic change. The Local Government Association (LGA) state that investing in early, preventative support not only improves lives but also delivers significant financial returns.

Their analysis shows that in the context of adult social care, every £1 invested in preventative interventions (such as housing-related support, supported housing, promoting physical activity, social prescribing, advocacy, and peer support) yields £3.17 in savings to the public purse. Whilst at this stage, specific modelling has not been carried out, we anticipate financial savings can be achieved under the four unitary model through this focus on preventative ways of working.

The focus on prevention is not simply about efficiency; it is about creating a healthier, fairer and more resilient Lancashire. By learning from local best practice, embedding a genuinely place-based approach, and working hand-in-hand with partners across health, housing and the voluntary sector, we will transform the way demand is managed and to deliver lasting, positive change for communities across Lancashire.

6.3.3 Empowering Communities

Communities already exist as strong networks of relationships, support and identity; the challenge is not to create them, but to work with them more effectively. Too often, services have been designed and delivered at a distance from the people they are intended to serve.

The new unitary authorities create an opportunity to embed communities in decision-making, strengthen their influence over the services that matter most to them, and ensure that public services reflect local priorities and local identity.

There is robust evidence from across the health and care system that community engagement is not a “nice to have” but a central

driver of improved outcomes, more equitable services, and higher levels of satisfaction. The Care Quality Commission (CQC), drawing on work with the King’s Fund, has been explicit that systems addressing health inequalities must be designed and delivered with communities, not simply for them. This requires listening to the lived experience of residents and acting on it, creating a culture of co-production and accountability (CQC, Health Inequalities Engagement Framework, 2021).

This emphasis is consistent with the NHS Long Term Plan (2019), which set out a clear ambition to give people greater control over their own health and to strengthen community-based, preventative care. The Plan recognises that lasting improvements in health and wellbeing depend on working in partnership with local communities, not simply on services delivered from above.

This emphasis is reinforced in statutory duties. Under the Health and Care Act 2022, NHS bodies, including Integrated Care Boards (ICBs), are legally required to involve the public, carers and community representatives in shaping decisions. As NHS England guidance makes clear, this approach leads to services that are more responsive, trusted and effective (Working in Partnership with People and Communities: Statutory Guidance, 2022).

91% of respondents said it is important that residents are involved in decision making.

The government has already set a clear direction in support of local area committees, encouraging councils to create mechanisms to empower local people and that brings decision-making closer to residents. The right approach will likely vary to best suit the identity of the communities, but the principle is the same: services work best when they are designed with communities, not simply delivered to them.

Therefore, we will create the space for communities to be active partners in service delivery. We will empower the creation of 42 Neighbourhood Area Committees across Lancashire. Bringing together community groups, neighbourhood forums, town and parish councils, the new authorities can unlock additional capacity and energy, enabling communities themselves to play a direct role in improving their areas. This might involve co-producing local improvement plans, commissioning community-led services, or developing joint initiatives around issues such as the environment, wellbeing, or youth engagement.

The Community Action Networks (CANs) in Lancaster are a great example of how empowering neighbourhoods is already having a real local impact.



Case Study: Community Action Networks (CANs) - Lancaster

Lancaster faces a range of social and economic challenges, from food insecurity and digital exclusion to social isolation and climate pressures. Traditional top-down responses often struggle to address the complexity of these issues or the lived experiences of residents. In response, Community Action Networks (CANs) were established to provide a resident-led, community-driven approach, bringing together residents, local organisations, charities, and statutory bodies to co-create solutions. The guiding principle is simple: communities know best what they need, and when empowered, they can create lasting change.

Operating at the neighbourhood level, CANs ensure initiatives reflect local priorities. Residents shape each network, supported by facilitators who connect them to resources, expertise, and institutional support. The approach emphasises collaboration, empowerment, inclusion of vulnerable voices, and the development of networks of trust that strengthen resilience.

CANs have implemented a wide range of initiatives. Food hubs and delivery schemes provide meals to vulnerable families and reduce waste. Befriending schemes, peer-support groups, and wellbeing walks tackle isolation and improve mental health. Digital inclusion projects, including refurbished devices and training, enable access to online healthcare, learning, and community services. Climate action initiatives, such as community gardens, repair cafés, and energy workshops, foster sustainable living and neighbourhood resilience. Hyper-local projects address priorities from youth services to tenants' rights, giving residents greater agency over local decision-making.

The impact has been significant. Communities have become more inclusive, residents have gained confidence and skills, and projects have evolved into long-term initiatives. During COVID-19, CANs mobilised rapidly to support vulnerable households, demonstrating the power of local networks in crises. Lancaster's CANs show that empowering communities transforms challenges into opportunities, creating healthier, stronger, and more resilient neighbourhoods. They are not just short-term responses but blueprints for sustainable, community-led change.

Case Study:**The Wigan Deal - Putting Assets into Community Hands**

In the face of austerity and rising demands on public services, Wigan Council launched The Wigan Deal, a partnership model that rethinks how public services, assets and responsibilities are shared between the council, its residents, community groups, and other stakeholders. One of the key strands of The Deal is Community Asset Transfer (CAT): moving ownership, leasing, or management of council-owned buildings, playing fields, allotments, libraries and community centres into the hands of local community organisations and social enterprises.

Under this approach, the council works proactively and strategically with communities to identify which assets might be successfully managed locally, what groups are ready to take them on, and how to support those transitions. A dedicated toolkit and diagnostic process helps local organisations assess their readiness, plan for ongoing maintenance, management and sustainability, and understand what commitments and risks are involved.

For example, the Beehive Community Centre in Mosley Common (formerly Lindale Hall Adult Day Centre) was taken over by a newly formed community group under CAT. Underused and offering services only two days a week, the building was transferred to local management, which then expanded its use dramatically: offering a café, luncheon club, children's groups, fitness, arts, advice, room hires with volunteers and securing start-up funding from The Deal for Community Investment.



6.4 Democratic Representation

In reflection of guidance from the Local Government Boundary Commission for England, consideration has been given to three key factors in proposing the number of members and number/configuration of wards:

- Governance and decision-making (ensuring councils have the capacity to manage their business effectively);
- Accountability, scrutiny and partnerships (ensuring decisions are scrutinised and relationships with outside bodies and partners are properly maintained); and
- Representation (making sure councillors can represent residents, reflect community identity, and manage casework effectively).

Lancashire will move from the current 663 councillors to 296 members, providing strong and effective democratic representation. South, Fylde Coast and North will be represented by 72 members, whilst Pennine will be served by 80 due to their greater population size. This will strike the right balance between being local enough to reflect community identity while ensuring each council remains within the statutory range of no fewer than 30 and no more than 99 members.

This approach means wards will be shaped around real local identities - a key priority for residents who responded to the survey. For example, it may bring together areas currently divided across council boundaries such as Rufford and Mawdesley. Importantly, the proposal, although significantly reducing councillor numbers,

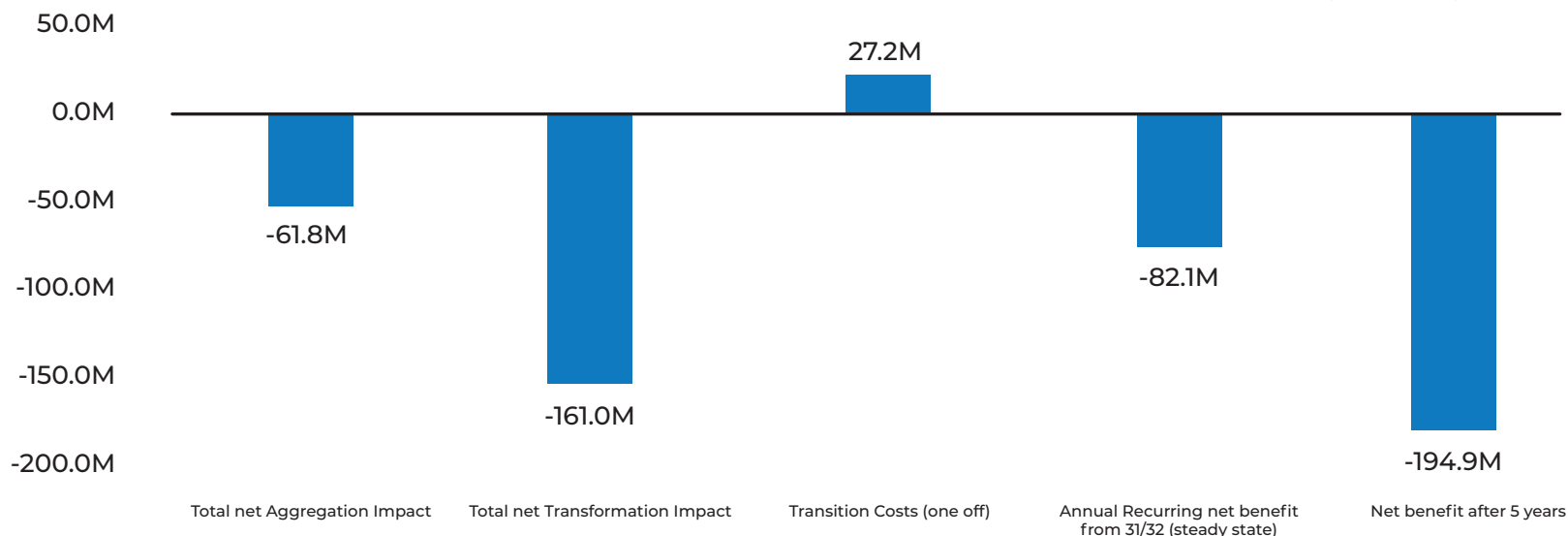
does not reduce numbers to a level that is unsustainable and it will provide enough members to reflect community identity and ensure accountability, while avoiding unnecessary duplication and over-representation.

6.5 Cost and Benefits

Our proposal presents a strong and credible financial case for the future of Lancashire. We have carried out analysis to assess the costs and benefits under the future model as relates to:

- **Aggregation** - The medium-term savings impacts of aggregation, starting from after the Transition is complete and new authorities are up and running.
- **Disaggregation** - 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.
- **Transition** - The one-off costs of establishing the new authorities.
- **Transformation** - Longer term additional impacts from service transformation (additional costs and benefits beyond savings from transforming services in the new Unitary authorities).

Overview of forecast positions (four unitary only)



The full details and analysis are available in Appendix 3, but the diagram shows the outputs of this analysis – and most crucially that over the seven-year appraisal period, the four unitary authority model achieves a cumulative net benefit of £194.9m.

Positively, these net benefits are predicted in the context of improved service delivery – and not due to cost reductions that negatively impact service delivery. The benefits are driven by efficiencies in leadership, back-office consolidation, streamlined service delivery, and reduced third-party spend (and focus on quality services). Beyond the efficiencies, further benefits come from opportunities to transform services, particularly through delivery that is more closely connected to communities and focused

on early intervention. The cost modelling also includes a specific investment in adult social care leadership for the unitary authority, which currently has no adult social care footprint, to ensure high-quality service provision in this area.

Our proposal balances achieving net financial benefits over seven-years, while maintaining councils at a size that ensures strong local oversight, closer connections to communities, more early intervention and prevention in service delivery and resilience to financial pressures. The smaller size of the unitaries also enables them to be strong platforms for economic growth driven by a closer understanding of the local context. Comparative analysis against the three unitary authority model suggests that the more agile unitary

authorities of the four unitary authority model could drive a similar scale of financial benefit as the three unitary authority model. Further details are in Appendix 3 – Shortlist Appraisal – Financial Analysis

6.6 Council Tax, Borrowing and SEND

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 for residents under the four unitary authority model range from a 1.0% to 10.9% change in rates paid by households in the existing district and unitary areas. It should be noted that a similar spread in the rate of change in Council Tax is seen with all other options taking the standard approach to harmonisation set out above. The exact approach to Council Tax harmonisation will be considered and arrived at once the new model of local government is confirmed.

Borrowing

Across Lancashire councils there are currently 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 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 excluded from general budgets. With this, it should be noted that the baseline budget projections outlined for 2028/29 do not include the SEND deficits.

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



SEND Cumulative Deficit (£m)	2025/26	2026/27	2027/28	2028/29
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	144.15	344.75	571.19	825.38

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.




7

**Delivering
our LGR
proposition
successfully**

7 Delivering our LGR proposition successfully

This Business Case has been developed from detailed analysis and engagement - we are confident in our proposal and can move forward with detailed planning, preparing for transition and transformation. This change is not simply about structure — it is a catalyst for our ambition: to reform local government in Lancashire in a way that delivers lasting value and measurable benefits for our residents.

The following sections set out the pathway to implementation, including the intended approach to governance, engagement and transition planning:

- 
- Approach
 - Timeline
 - Roadmap
 - Risks

7.1 Approach

The core, non-negotiable aim of this delivery plan is ensuring a 'safe and legal plus' model of delivery from Vesting date, whilst ensuring continuity of services. The 'plus' aspect of this approach means the changes required for Day 1 have been achieved but the transition also puts the unitary authorities in a strong position to stabilise, improve and transform. Making any changes needed beyond vesting day are then easier and more effectively implemented by utilising this model and framework to build upon and improve future service delivery for residents.

Once this is achieved, the second aim of the delivery plan is to embed new ways of working, focusing on designing authorities with a key set of principles that are:

- Closely connected to communities
- A strong platform for economic prosperity
- Aiming to transform service delivery through investing in prevention and early intervention

We know that to deliver on these principles, gaining buy-in from key stakeholders – namely, officers, councillors and Unions – is essential. As such, we have identified the need for a specific workstream continuously focussing on communications and change management activities during the implementation phase.

The approach and pathway to implementation is proposed to be delivered across four main phases, namely:

Phase 1: Mobilisation

The interim period before the Secretary of State decision will be a phase focusing on high-level transformation planning, establishing governance structures and information gathering.

Aim of Phase:

To create the conditions for success for the transformation to the four unitary authority model.

Phase 2: Design and Planning

Following the formal confirmation of the move to the four unitary authority model, this phase will focus on planning to ensure the transformation can become a successful reality.

Aim of Phase:

To design organisations that will ensure Lancashire delivers on its aim for LGR and create robust plans to deliver on these designs.

Phase 3: Transformation

This phase is focused on the delivery of the transformation plans from the previous local authorities to the new unitary authorities under the Shadow Authorities.

Aim of Phase:

For the Shadow Authorities to deliver on the plans that have been developed for successful transformation – whilst managing the interim transitional period.

Phase 4: Delivery

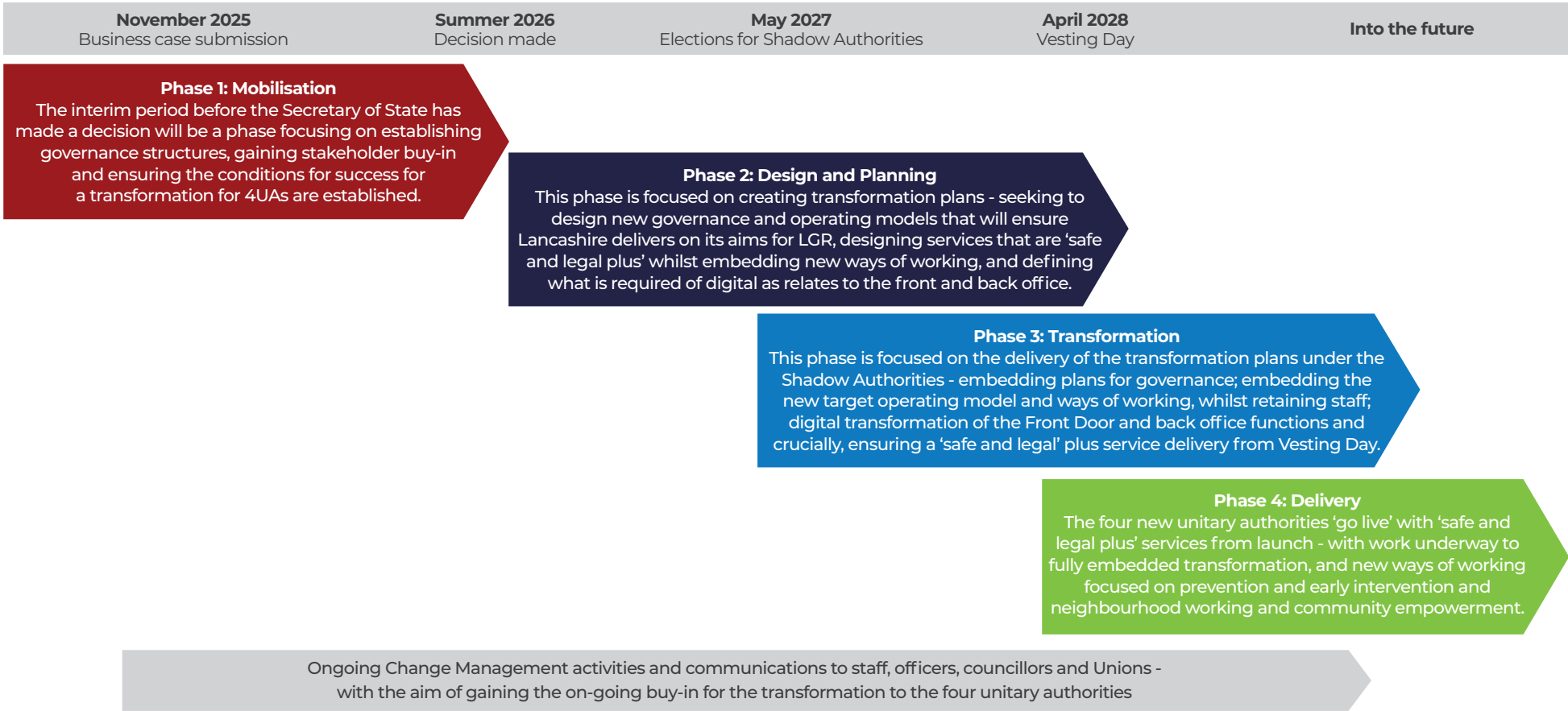
The four new unitary authorities ‘go live’ with ‘safe and legal plus’ services from Vesting Day – with new ways of working focused on prevention and early intervention and neighbourhood working and community empowerment.

By this stage the governance, digital and workforce plans will have been implemented, and key stakeholders will have been taken on a change journey.

This high level plan is generic across the four unitary authorities, but during Phase 2, specific work will be carried out to nuance the plan to the local contexts of each new unitary area and the relevant historic authorities with the production of a detailed plan, per Unitary Authority.

7.2 Timeline

The following timeline sets out the plans for delivery of the reorganisation, organised into the four key phases:

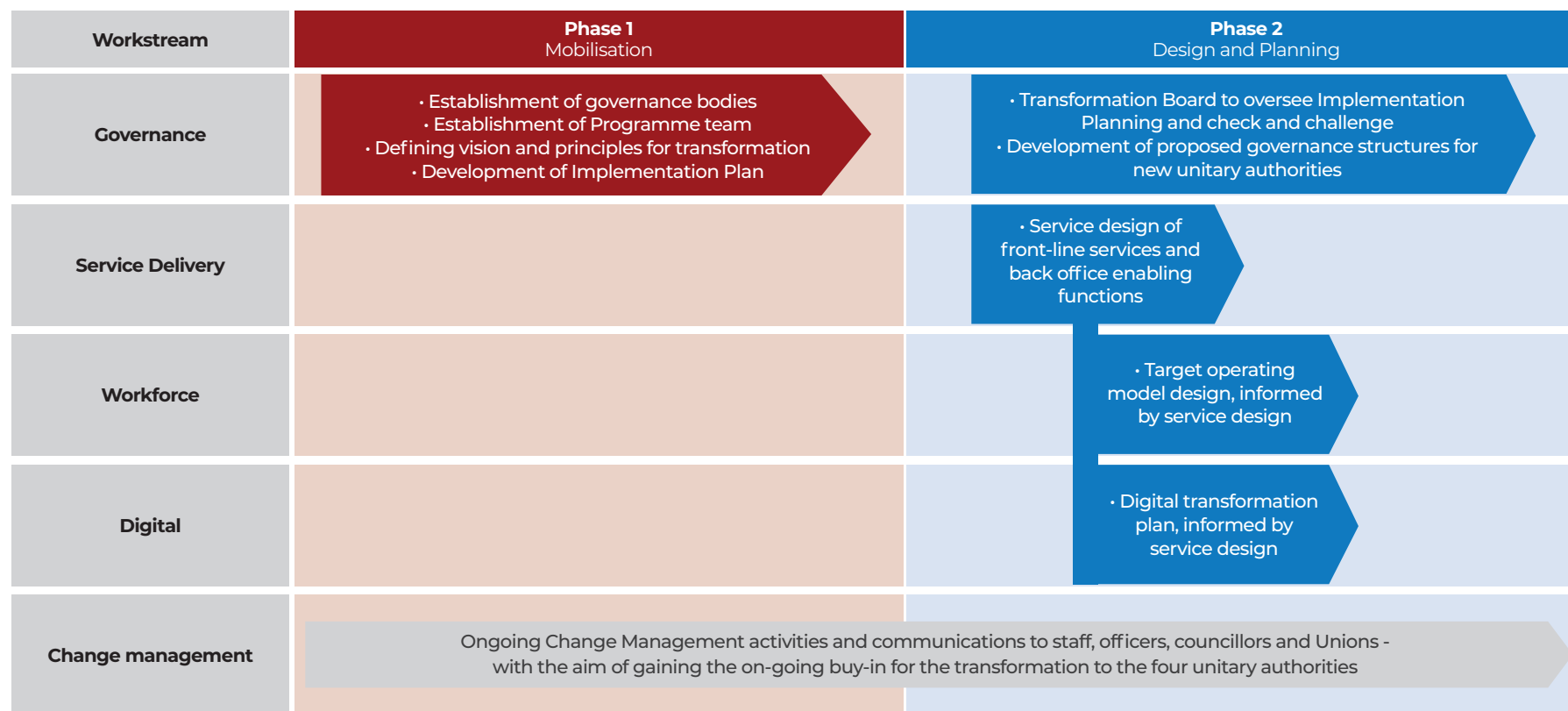


The key dates associated with the phases and timeline are as follows:

- **Phase 1: Mobilisation** (Nov 2025 – Summer 2026)
- **Phase 2: Design and Planning** (Summer 2026 – April 2028)
- **Phase 3: Transformation** (May 2027 – onwards)
- **Phase 4: Delivery** (April 2028 – onwards)

7.3 Roadmap

The following diagram sets out the roadmap to change and provides a high-level detail of the key activities to be undertaken at each phase. This will be developed into a full implementation programme plan and as per Phase 2, a more detailed plan will be developed per Unitary Authority taking into consideration local needs and requirements.



Workstream	Phase 3 Transformation	Phase 4 Delivery
Governance	<ul style="list-style-type: none"> Transformation Board to oversee implementation Implementation of proposed governance structures for new unitary authorities 	<ul style="list-style-type: none"> Transformation Board shifts to Performance Board - focusing on ensuring continuous service improvement and final phases of embedding of Transformation
Service Delivery	<ul style="list-style-type: none"> Implementation of new service models Embedding new ways of working 	<ul style="list-style-type: none"> Service delivery in line with new ways of working Benefits realisation BAU service improvement
Workforce	<ul style="list-style-type: none"> Implementation of target operating model HR-lead activates to support getting staff in place Culture change and training 	<ul style="list-style-type: none"> Service delivery in line with new ways of working and culture Benefits realisation BAU
Digital	<ul style="list-style-type: none"> Implementation of digital transformation plan Procurement and migration to new systems Training of staff 	<ul style="list-style-type: none"> Digitally enabled service delivery Benefits realisation BAU improvement of digital systems
Change management	Ongoing Change Management activities and communications to staff, officers, councillors and Unions - with the aim of gaining the on-going buy-in for the transformation to the four unitary authorities	

Further detail on the activities to be undertaken in each phase and the timings are as follows:

Phase 1: Mobilisation (Nov 2025 – Summer 2026)

The interim period before the Secretary of State decision will be a Phase focusing on high-level transformation planning, establishing governance structures and information gathering.

Aim of Phase: To create the conditions for success for the transformation to the four unitary authorities.

» **Governance**

- o **Establish core Transformation Boards** – with representatives from across the historic authorities, that can be continued under the new Shadow Authorities.
- o **Development of transformation principles and developing a vision** – with the ultimate approval of the governance bodies, we will develop core principles to guide the transformation programme – and a vision for a clear sense of what ‘good’ looks like in Lancashire local government reorganisation.
- o **Planning for Shadow Authority** – work will be carried out to ensure the Shadow Authorities are set up for success from the point of the Secretary of State decision, with plans made for their governance and provision.
- o **Establishment of Programme Team** – this team will be recruited during the pre-mobilisation phase to ensure they are able to mobilise from the Secretary of State decision. This team will have ultimate responsibility for successful aggregation, disaggregation and transition under the Shadow Authorities following their election.
- o **Implementation Plan** – a more detailed implementation plan will be developed, taking into account the specific nuances of each local context.

» **Information gathering to inform next phase** – a significant amount of information and data from each of the existing 15 authorities will be required to inform Phase 2. In order to ensure we can start Implementation Planning from Day 1, we will frontload this exercise to ensure that we can hit the ground running. This might look like additional detailed work to map current operating models, understanding current service performance and delivery, and mapping the digital existing infrastructure.

» **Change management** – to ensure that the benefits of LGR are realised in Lancs, we will embed change management activity from the start – to ensure that both residents and the workforce are engaged and fully bought into the change journey they are about to go on. This phase will focus on communications of the upcoming changes and key activities.

Phase 2: Design and Planning (Summer 2026 – April 2028)

From Secretary of State decision to Shadow Authority elections

Following the formal confirmation of the move to four unitaries, this Phase will focus on planning, under the Transformation Board, to ensure the transformation can become a successful reality. Workstreams will be established to design new governance and operating models that set up each new unitary authority for success, designing services that are ‘safe and legal plus’ whilst embedding new ways of working, and defining what is required of digital as relates to the front and back offices. Implementation Plans with further details on the aggregation, disaggregation and transition activities for each workstream within each authority will then be created - at first focusing on priority areas then across all services.

Aim of Phase: To design organisations that will ensure Lancashire delivers on its aim for LGR and create robust plans to deliver on these designs under the Shadow Authorities.

» **Governance**

- o **Continuation of Transformation Boards** - to provide scrutiny of implementation plans for each workstream and overall authority for any decisions made.

- **Design of new governance structures** – identifying the appropriate forums of governance for each of the new authorities, informed by best practice, historic models and nuanced for the context of each new authority – and creating plans for the delivery of the design.
- **Service delivery**
- **Service design of front-line services and supporting back-office functions** – working to design new service blueprints, informed by the vision for the transformation and in line with the design principles – but nuanced to each specific authority's context and informed by operational insights. This creates a clear sense of what the future unitary authorities need to 'look' like. From here, work will be carried out to understand the aggregation and disaggregation changes required to deliver these services and an associated implementation plan developed – including as relates to workforce and digital, and currently commissioned services.
- **Workforce**
- **Target operating model designs** – informed by the service blueprints, work will be carried out to create an assessment of the workforce needs, as relates to size, skills and culture – with the ultimate output being a target operating model design and supporting HR and workforce transition plan, that supports the workforce through aggregation, disaggregation and the transitional phase and into the new four unitary model.
- **Digital**
- **Digital transformation plans** – creating a plan to move from the current digital architecture and skills to an architecture that meets the future needs of digital, informed by the service design

workstreams. Given that full digital transformation will involve a long-term programme of change, we will start to deliver some transformation activities from Phase 2 to better understand the degree of change required. This could include scoping the work required to establish a data warehouse, scoping the work required for data migration to new systems, starting to define the functional requirements for systems required under new models, or developing procurement processes for systems, as required.

➤ **Change management**

- As throughout the transformation programme, change management communications will be key to support staff buy-in. We will seek to work with staff from across the breadth of historic authorities across all design activities, to gain their insights around how to improve the historic models and to help create a sense of collective ownership over the future services.

Phase 3: Transformation (May 2027 – onwards)

This phase is focused on the delivery of the transformation plans from the previous local authorities to the new unitary authorities under the newly elected Shadow Authorities. This will look like delivering on plans for governance; embedding the new target operating model and ways of working, whilst retaining staff; digital transformation of the Front Door and back-office functions and crucially, ensuring a 'safe and legal' plus service delivery from Vesting Day. At the end of this phase, the implementation should have been fully delivered, ready for the launch of the new unitary authorities.

Aim of Phase: For the Shadow Authorities to deliver on the plans that have been developed for successful transformation – whilst managing the interim transitional period.

» Governance

- o **Transformation Boards move under each Shadow Authority** - to oversee the successful implementation of the transformation focusing on risk management, including timelines.
- o **Implementing new governance bodies** – This phase will focus on creating the supporting tools required to ensure the governance bodies can be established in the new authorities from Vesting Day, including creating terms of reference for the new governance bodies, appointing attendees, creating reporting tools.

» Service delivery

- o **Implementation of new service models** – this phase will be focused on ensuring staff can deliver the new service models from Vesting date, Work will included developing policies and procedures, considering the staffing and digital requirements, developing performance management frameworks, identifying where services may need to be commissioned and developing and delivering training.

» Workforce

- o **Delivery of target operating models** – carrying out the activities required to implement the aggregation and disaggregation and ultimately embed the new operating models. This phase will initially be driven by HR-led activities including defining role profiles, job evaluation and sizing of roles, defining terms and conditions, and will also involve significant engagement with unions to support any TUPE process. With the design of the new operating model, recruitment and selection processes will commence for the senior management roles taking into consideration the recruitment lead in times. Once the workforce

is identified, work will be carried out to develop a workforce strategy which is supported with the delivery of culture change activities and training on new ways of working, so staff are ready to work to new ways of working from Vesting Day.

» Digital

- o **Implementation of digital transformation plans** - work will be carried out to procure and implement new digital systems, where necessary, to establish a data warehouse or to migrate all data across to systems used in the historic authorities. Work will also be undertaken to disaggregate systems as required and to update the Front Doors to the Councils to reflect the new authorities. Training and upskilling of staff will also be delivered – to ensure that staff can use the new systems from Vesting Day.

» Change Management

- o This phase of change management will focus on culture - starting to bring staff from the different authorities together so they become familiar with those who they will be working with when the four unitary authority model is implemented.

Phase 4: Delivery (April 2028 – onwards)

The four new unitary authorities 'go live' with 'safe and legal plus' services from Vesting Day – with new ways of working focused on prevention and early intervention and neighbourhood working and community empowerment. By this stage the governance, digital and workforce plans will have been implemented, and key stakeholders will have been taken on a change journey. However, to ensure that the aims of local government reorganisation in Lancashire are realised, the Transformation Programme will be

managed into the future until the new ways of working become business as usual.

From Vesting Day, the benefits of the newly designed unitary authorities will start to be realised, and the previous Transformation Board will be disbanded, and a Performance Board will be established to oversee the transformed organisations into business as usual, seeking to monitor the success of the implementation and to commission further work to support with benefits realisation, as appropriate. Of note, services will be closely monitored to ensure they are being delivered to high quality and with the principles of early intervention and prevention and neighbourhood working and community empowerment.

Change management will continue into this final phase to ensure continued engagement of key stakeholders including workforce and residents as the new unitary authorities are established as the norm. Public-facing communications and services will begin to be delivered by the new authorities, even where this may be in advance of full back-office transformation.

7.4 Key Risks

The table below outlines key risks to delivering reform successfully, and the proposed mitigations:

Risk description	Mitigation
<p>Governance</p> <p>The transformation programme needs clear ownership with named individuals having accountability for its success and for its work to be scrutinised closely. In the absence of this, there is a risk that the programme will not have the legitimacy required to be delivered successfully or may not lead to a transformation that delivers the aims for Lancashire.</p>	<p>Governance bodies will be established from the first phase of delivery, designed by stakeholders from all of the historic authorities to give them legitimacy. These bodies will have decision-making responsibility over the programme and will closely scrutinise the work associated with the creation of the transformation plans and implementation.</p>
<p>Service delivery</p> <p>This transformation programme will lead to significant changes within the operating models of services. This change could lead to service delivery risk, where by the quality of services decreases – or in a worst-case scenario, disrupts the continuity of services.</p>	<p>A non-negotiable of the Lancs Transformation programme is to ensure the continuity of services for residents. At the start of the transition period, up-to-date performance reports including volumes, metrics and KPIs will be produced by each service area, where they do not currently exist. Performance monitoring will be carried out by service areas and high-level performance reports will be shared with the transformation programme where escalation is required. Backup plans will be developed for any services that are performing poorly or have a risk of disruption.</p>



Risk description	Mitigation
<p>Workforce</p> <p>Staff may experience change fatigue that manifests in lack of engagement and ultimately, increased turnover. A lack of engagement may create challenges in embedding new ways of working, and a loss of the existing workforce may impact the quality or continuity of service delivery.</p>	<p>A workforce strategy will be in place for Day 1, supported and driven by proactive change management communications starting from Phase 1 to ensure staff are bought into the transformation. New services will be co-designed with staff to build engagement and ownership. A broad recruitment campaign and upskilling programme will ensure the new authorities have the workforce they need. A new senior management structure, transitioned from the Shadow Authority, will be in place for Vesting Day, ensuring clear leadership from Day 1.</p>
<p>Digital</p> <p>Digital transformation is a core enabler of a successful transformation to the four new unitary authorities. However, migrating from multiple legacy systems with different contracts into new systems for each unitary authority may involve a lengthy procurement and implementation process.</p>	<p>The Digital Transformation programme will start from Phase 2, with acknowledgement that it may not be complete by Vesting Day. In this instance, workarounds for operating across legacy systems will be developed to maintain continuity and integration.</p>
<p>Change management</p> <p>In order for LGR to be a success for Lancashire, it will require buy-in from all the relevant authorities – as well as the wider communities. These stakeholders may have differing priorities or goals that may even be in contradiction with each other.</p>	<p>Proactive communications will be delivered from Phase 1 to communicate the benefits of the four unitary model to stakeholders across Lancashire – including the publication of this business case and supporting communications. The design and implementation of new services, operating models and digital infrastructure will be a collaborative effort with representatives from each historic authority to create a sense of ownership.</p>

In addition to these programme-wide risks, a number of model-specific risks have been identified for the proposed four unitary structure. These are set out below, alongside their mitigations.

Risk description	Mitigation
Disaggregation of complex county-wide services (e.g. Adult Social Care, Children's Services, and Public Health)	A dedicated Service Disaggregation Board will oversee the separation of county-wide functions, supported by joint transition teams drawn from existing service leads across authorities. Phased transition plan will ensure continuity of care, safeguarding, and statutory compliance, with clear interim arrangements for shared services where required.
Political inconsistency in service standards and policy approaches between new unitary authorities	Common service frameworks and shared commissioning principles will be developed during the design phase to ensure consistency in key statutory areas such as social care thresholds, waste policies, and regulatory standards.
Loss of economies of scale and specialist capacity	Where scale or expertise is critical, joint arrangements (e.g. shared services or joint procurement) will be explored between the new unitaries to retain efficiency and specialist expertise while ensuring local responsiveness.
Public and stakeholder confusion during transition (e.g. boundaries, responsibilities, and service access)	A unified communications and branding approach will be established during the shadow period, providing residents and partners with clear information about new structures, contact routes and responsibilities.

While no large-scale reform is without challenge, the identification of these risks at an early stage allows us to plan proactively and put in place measures that reduce the likelihood of issues arising and minimise their impact if they do.

Taken together, these mitigations provide confidence that the risks can be effectively managed, ensuring the delivery of a four unitary Lancashire remains on track and achieves the outcomes we are seeking for residents, communities, and businesses.



8

Summary

8. Summary: Why are four councils the right answer for Lancashire?

Four Lancashire – connected to communities, kickstarting economic growth

We have developed a clear vision for Lancashire under a four unitary model — a vision for transformed local government with simpler, more accountable structures that unlock Lancashire's full potential. This model will drive inclusive economic growth and deliver a step change in public services so that residents and communities are well served by high-quality, responsive, and prevention-focused support.



To achieve this transformative change, we must implement the right model of local government reorganisation. Lancashire is large, diverse, and complex — stretching from the Irish Sea to the Pennines, and from the city conurbations of Liverpool and Manchester to the Lake District and Yorkshire Dales. Its scale and variety demand a model of governance that strikes the right balance: big enough to be financially resilient and efficient, yet locally responsive, accountable, and closely connected to communities.

The proposal for four unitary councils in Lancashire, working locally through 42 Neighbourhood Area Committees and together through a Mayoral Strategic Authority, achieves that balance. It is also the most widely supported option being considered, with six of Lancashire's 15 councils working together on its development. This makes it not only the most credible proposal, but also the most deliverable.

The four councils are of comparable size to other unitaries across England with similar sized economies. They would be larger than the vast majority of existing unitaries in Greater Manchester and Liverpool City Region with only the city councils of Liverpool and Manchester being larger. This ensures councils are large enough to be financially secure and stable, while still making sense to local communities, which is vital if services are to be truly transformed.

The configuration of the new councils reflects Lancashire's geography and identity. Using district boundaries as the building blocks, the model groups together areas with connected communities that are not overly large. This recognises what residents have told us matters to them: 75% of people identify their home as a "town" or "village," compared to just 3% who say "Lancashire." These local communities are at the heart of the four unitary model.

Financially, the case is equally compelling. Our modelling shows that, even with a prudent approach, the new model can deliver it achieves a cumulative net benefit of £194.9m, with recurring annual benefits of £82.1m from 2032/33.

Importantly, this includes allocating resources to manage the transition safely, particularly for adults' and children's social care, ensuring that services are not only protected but improved through reorganisation.

The outcomes we are seeking go far beyond efficiency gains. They aim to build councils that are **closely rooted in their communities, create a strong and sustainable platform for inclusive economic growth and prosperity, and transform public services through prevention and early intervention.**

We firmly believe the four unitary authority model is the most balanced, sustainable, and future-ready solution for Lancashire. It is the option that delivers the most acceptable change for residents while also establishing safe, stable, and financially resilient councils. By combining scale with local responsiveness, it ensures that communities are represented, services are integrated, and decision-making is accountable.

Our proposal will encourage stronger regional growth, foster closer working with neighbouring areas, and enable more effective collaboration through a Mayoral Strategic Authority. By adopting this model, Lancashire will strengthen its voice regionally and nationally, attract investment, drive economic growth, and deliver public services that are fairer, more effective, and designed around the needs of residents. It also provides a clear platform for innovation, collaboration, and long-term sustainability — positioning Lancashire as a leader in regional development and public sector reform.

We recognise that realising this vision requires a clear, strategic, and well-managed Transition Plan — one that not only prepares us for go-live but also lays the foundations for long-term success and sustainability.

This is more than a structural change. It is a bold, strategic opportunity to create councils that are financially resilient, locally rooted, and ready for the future. The four unitary authority model offers Lancashire residents, communities, and businesses a governance model that is stronger, simpler, and designed to deliver lasting benefits for decades to come.

Local Government Reorganisation is about making Lancashire stronger, fairer and ready for the future

That includes Lancashire, where the 12 district, county council and two unitary councils will cease to exist and will be replaced by new councils

Four Lancashire is a proposal for four unitary councils that will be strong and financially sustainable while they kickstart economic growth and transform public services

This model delivers simpler, stronger, accountable councils, designed to be closely connected to communities

It aligns with Lancashire's four economic corridors, strengthening links with neighbouring regions, unlocking investment, and driving growth

Four strong councils will work together through a strong Mayoral Strategic Authority that brings decision making, powers and funding to Lancashire

The new councils will be large enough to deliver financial resilience, but small enough to stay rooted in local communities

With six councils already backing this proposal, Four Lancashire is the most balanced, widely supported and future ready approach

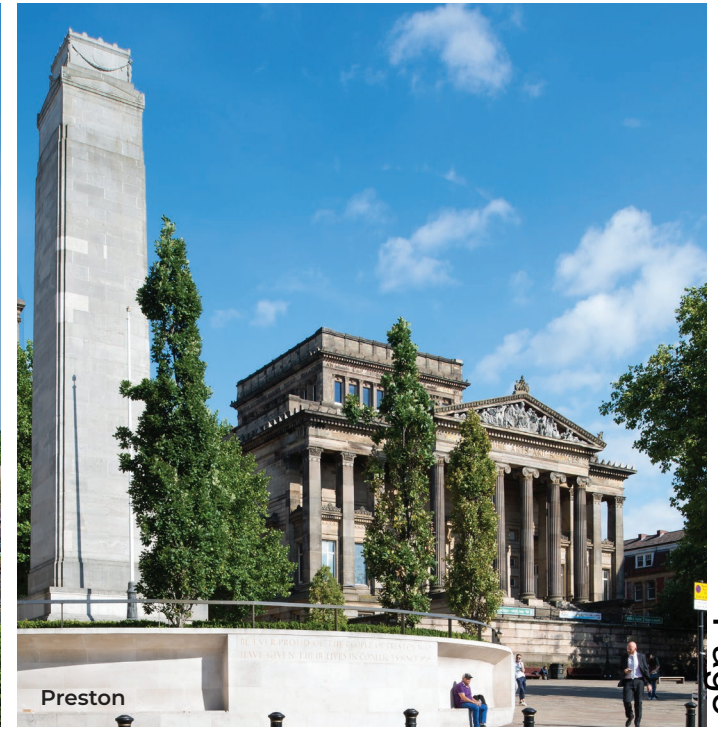
It is a strong platform for economic prosperity and is ambitious in reshaping public services



Chorley



Lancaster



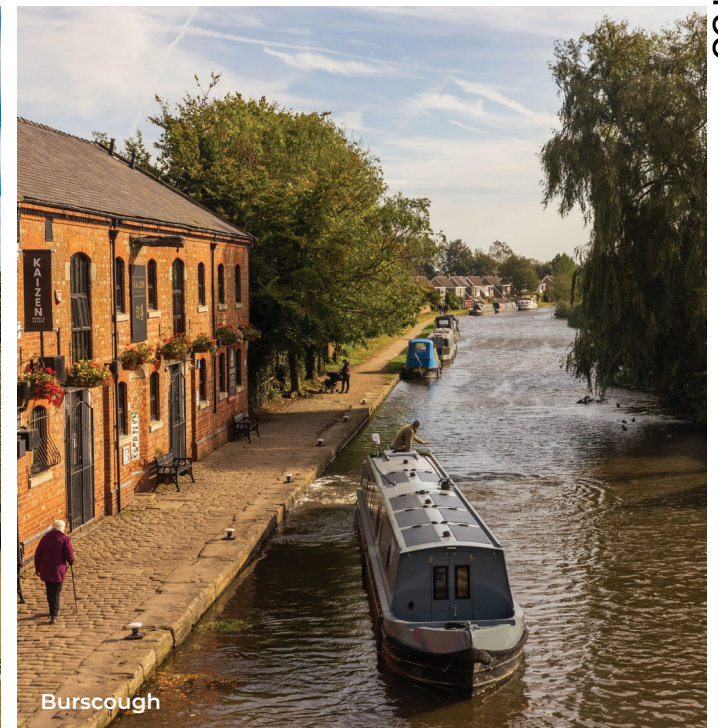
Preston



Clitheroe



Leyland



Burscough



Appendices

Appendix 1 – Detailed Current Services Delivered

Adult Social Care

Adult social care is currently delivered by three upper-tier authorities, with a combined gross annual spend of more than £1.3bn. Each was assessed by the Care Quality Commission’s new local authority inspections in 2025, with the following outcomes:

- **Blackburn with Darwen Borough Council:** “Good”
- **Lancashire County Council:** “Requires Improvement”
- **Blackpool Council:** “Inadequate”

Local Authority	CQC LA Assessment 2025	Assessing needs	Healthier lives	Equity	Care provision	Partnership	Pathways	Safeguarding	Governance	Learning & Innovation
LCC	Requires Improvement	2	2	2	2	2	2	2	2	2
BwD	Good	2	3	3	2	3	3	2	3	3
B'pool	Inadequate	1	1	1	2	2	2	1	1	1

The CQC also highlighted variations in workforce, market sustainability, and governance grip: Blackburn demonstrated strong oversight and performance; Lancashire showed mixed performance; and Blackpool displayed material weaknesses requiring urgent improvement.

In the Lancashire area, 21% of residents are aged 65+, with the highest proportions in Wyre and Fylde (28%) and Ribble Valley (24%). This ageing population is driving increased demand for care and support, putting pressure on home care and step-down capacity in rural areas. These locations often face unstable care markets, with challenges around recruiting carers, managing long travel distances, and competing offers in the labour market.

Alongside the shift in age profile, around 1.5% of Lancashire’s population live with psychotic disorders, up from 0.9% in 2013/14. New diagnoses of depression have also risen sharply, almost doubling from 10,950 in 2013/14 to 22,230 in 2023/24.

Additionally, an estimated 22,725 adults (18+) in the Lancashire area had a learning disability in 2020, a figure projected to rise to 24,420 by 2035. Within this were 4,671 adults with moderate or severe learning disabilities, a number that is expected to reach 4,924 by 2035 (4,004 aged 18–64 and 920 aged 65+).

ASC Demand Profile:	BwD	BPL	Bur	Cho	Fyl	Hyn	Lan	Pen	Pre	RVa	Ros	SRI	WLa	Wyr
Number of referrals	8,436	10,087	6,055	8,815	6,605	5,099	9,416	5,043	10,706	3,212	3,743	7,522	6,427	8,722
Total Social Care Assessments	2,197	3,718	2,536	2,896	2,292	2,016	3,934	2,133	3,486	1,214	1,445	2,250	2,392	3,081
Number of open cases (includes carers direct payments, respite)	2,580	3,629	2,259	2,991	2,470	2,093	3,881	2,320	3,880	1,028	1,438	2,849	2,872	3,496

LGR Opportunity

Adult social care in Lancashire faces rising demand from an ageing population, workforce shortages, challenging local care markets, and variable quality highlighted by CQC assessments. Mental health needs are growing at a pace above national averages, creating further complexity in the interface

between ASC and NHS services. Learning disability needs are also projected to increase, adding pressure to supported living and respite provision.

Local government reorganisation provides an opportunity to address these pressures through market-shaping, integrated commissioning, large-scale workforce planning, and clearer governance. A four unitary model would create footprints that are both large enough to build resilient markets and engage strategically with the NHS, while being close enough to communities and partners to stay locally responsive.

4UA ASC demand profile:	North Lancashire	South Lancashire	Pennine Lancashire	Fylde Coast
Number of referrals	23,334	22,764	28,376	25,414
Total Social Care Assessments	8,634	7,538	10,327	9,091
Number of open cases (includes carers direct payments, respite)	8,789	8,712	10,690	9,595
<i>Population aged 65+</i>	<i>70,157</i>	<i>78,295</i>	<i>89,055</i>	<i>88,493</i>

Through this model, adult social care could achieve greater consistency by aligning standards and practice across authorities, reducing the variations in quality and outcomes highlighted by CQC. The four footprints would be of a scale that allows achievable consistency, building on Blackburn's strong foundations while staying sensitive to local needs. They would also enable more sustainable care markets, using co-ordinated contracting to stabilise providers, particularly in rural and coastal areas where fragility is greatest.

A four unitary structure would provide clearer interfaces with the Lancashire & South Cumbria Integrated Care Board, strengthening opportunities for pooled budgets, shared outcomes frameworks, and joint workforce planning. It would also support more effective investment in prevention and early intervention, including community-based services, digital tools, reablement and early help, helping to reduce reliance on residential care and unplanned hospital admissions. In addition, co-ordinated planning for learning disability, autism, and mental health services would ensure rising need is met consistently and that scarce resources are used more efficiently.

Children's services across Lancashire are currently delivered by three upper-tier authorities. In 2025, each was inspected by Ofsted, with the following outcomes:

- **Blackburn with Darwen Borough Council:** "Good"
- **Lancashire County Council:** "Requires Improvement"
- **Blackpool Council:** "Inadequate"

The Ofsted inspection highlighted variation, with Blackburn showing strengths in early help and edge-of-care practice, while Blackpool continues to face longstanding systemic concerns. This variation is reflected in various areas:

Rates of looked after children (LAC):

Blackburn with Darwen Borough Council	Lancashire County Council	Blackpool
84 per 10,000 in 2024	68 per 10,000 in 2024	181 per 10,000 in 2024
A reduction from previous years (97 in 2022 and 85 in 2023) reflecting targeted prevention and family safeguarding approaches, though the rate remains above the national average (70).	Closer to the England average (70) but rates vary significantly within the county: urban districts such as Preston and Burnley remain well above more rural areas.	The highest in England, down slightly from 191 the previous year but still more than three times the national average (70).

Care leaver education, employment and training (EET) outcomes:

Outcomes in Blackburn are consistently above national averages, while Blackpool records some of the lowest results nationally. Child protection plan numbers have stabilised in Blackburn but continue to rise in parts of Lancashire and Blackpool.

Children in Need (CIN) and Child Protection Plans (CPP):

In Blackpool, there were 338 CIN per 10,000 children in 2022/23, almost double the national average of 165, and 109 children per 10,000 were subject to a CPP in 2023/24.

Blackburn with Darwen also exceeds national thresholds, with around 358 CIN per 10,000.

The Lancashire-12 area is closer to, but still above, national averages.

These figures indicate sustained and widespread safeguarding, caseload, and capacity pressures, particularly in urban and coastal areas, rather than isolated spikes at the edge of care.

Social Care –	Blackburn with	Blackpool	Burnley	Chorley	Fylde	Hyndburn	Lancaster	Pendle	Preston	Ribble	Rossendale	South	West	Wyre
---------------	----------------	-----------	---------	---------	-------	----------	-----------	--------	---------	--------	------------	-------	------	------

open cases	Darwen									Vall ey		Ribbles	Lancs	
CIN Plans	386	408	100	90	60	78	135	98	156	26	42	107	106	87
Child Protection Plans	328	249	101	98	29	77	86	75	111	14	53	77	67	64
Children Looked After	374	531	265	123	50	167	172	156	272	26	66	102	95	100
Care leavers	358	283	88	62	27	72	89	76	195	18	30	86	44	37

LGR Opportunity

Currently, Children's services across Lancashire are marked by sharp contrasts, resulting in very different experiences and outcomes for children and families depending on where they live. Local government reorganisation provides the chance to build on good practice, such as Blackburn's demonstrable progress, while harnessing local knowledge, relationships, and systems more effectively.

By consolidating strengths in early help and prevention, approaches like Blackburn's family safeguarding model, which has successfully reduced LAC rates, could be extended into high-demand areas such as Preston and Burnley.

4UA CSC demand profile:	North Lancashire	South Lancashire	Pennine Lancashire	Fylde Coast
Number of contacts	15,910	13,351	31,331	21,321
Number of referrals	2,123	1,926	5,534	3,588
Number of assessments	2,327	2,118	6,280	3,614
Number of S47 enquiries	835	736	2,105	1,179
Children with active Early Help plan	664	652	1,383	1,080
CIN Plans	317	303	704	555

Child Protection Plans	211	242	634	342
Children Looked After	470	320	1,028	681
Care leavers	302	192	624	347

Demand for Early Help and statutory social care services will be highest in Pennine Lancashire. However, given the high numbers of referrals to children's social care services in Blackburn with Darwen, the number of children in receipt of Early Help services is proportionately low (13.2%). There is therefore opportunity to increase the uptake of Early Help in BwD which would ease pressure on statutory services in Pennine Lancashire.

Reorganisation would also strengthen fostering and placement sufficiency: the Foster With Us Regional Fostering Recruitment and Retention Hub has shown the benefits of joint commissioning, and embedding such collaboration at scale would reduce reliance on costly out-of-area placements.

New unitary authorities of greater scale would also be better placed to invest in workforce resilience, establishing structured career pathways, shared training, and retention incentives, reducing turnover and dependence on agency staff.

Similarly, inequalities in outcomes could be addressed more effectively: Blackburn's strong care leaver NEET performance contrasts sharply with Blackpool's, aligning children's services with housing, skills, and health teams under unitary structures would create more integrated post-care pathways.

A four unitary model would provide the scale and stability needed to address Lancashire's most entrenched challenges while keeping services close to communities. It would reduce variability by embedding consistent practice and standards, target investment in high-need areas such as Blackpool and Lancashire's urban centres, and strengthen regional fostering, commissioning, and workforce planning. This would give Lancashire a stronger, more coherent voice in tackling sufficiency, safeguarding, and outcomes.

Education and Special Educational Needs and Disabilities (SEND)

Another area that shows sharp contrasts across Lancashire is educational performance, with the following metrics recorded at Key Stage 4.

Area	Attainment 8 (2024)	Progress 8 (2024)	Notes
Lancashire-12	44.9	-0.11	Comparable with North West (44.3), below England average (46.1)
Blackburn with Darwen	44.2	-0.11	Close to county average
Blackpool	34.8	-0.96	Among the lowest in the country; nearly a full grade behind per subject

Looking into these numbers shows that economic factors play a decisive role. The gap between Children on Free School Meals (FSM) and those that are not is 5.9 points (32.5 vs 48.4), with disparities even wider in Blackpool. Beneath these averages, there is more variation on district-level: Preston (49.7), Chorley (49.4), and Ribble Valley (53.4) perform above both county and national norms, while Burnley (40.3), Pendle (39.6), and Hyndburn (41.2) lag significantly behind.

The school system's structure further shapes outcomes. Lancashire has one of the lowest levels of academisation nationally, with just 52% of secondary schools classified as academies in 2020-21 (England average 64%). This mixed system creates both opportunities and challenges for achieving consistent, county-wide improvement. In parts of Blackpool, structural factors contribute to entrenched underperformance, with both Progress and Attainment scores well below national levels.

High Needs and SEND:

Some of the most significant financial and system-wide pressures on Lancashire are High Needs and SEND services with Lancashire County Council reporting a £40.4m overspend on its High Needs Block in 2024/2025, resulting in a £22.4m cumulative Dedicated Schools Grant (DSG) deficit, which is projected to climb to £69.5m by 2026. Blackpool, which entered a Safety Valve agreement with the Department for Education in 2022 aimed at reducing its high-needs deficit through expanding in-county special school capacity and reducing reliance on out-of-area placements, reported a £2.78m DSG deficit in March 2023, highlighting the long term impact of this challenge.

Finding sufficient local placements remains a challenge too, with Blackpool and Blackburn having spent around £48m on independent and non-maintained special school placements, mostly out-of-area, over the past five years. Lancashire more broadly faces similar pressures, with heavy reliance on costly placements creating financial risk.

LGR Opportunity

The Education and SEND challenges in Lancashire make the case for structural reform clear. A four unitary model would consolidate responsibilities at a scale large enough to consolidate strengths, address weaknesses, manage financial pressures and reshape and strengthen the service while remaining close to local communities.

A four unitary model could facilitate targeted school-to-school support, strategic engagement with academy trusts, and consistent oversight. The model would also allow for more coordinated strategies to tackle structural disadvantages, helping to reduce the attainment gap, improve attendance and inclusion, and create smoother post-16 transitions for disadvantaged pupils. Coordination between children's services, housing, skills, and public health could be embedded, creating integrated support for disadvantaged pupils across the county.

The four unitary model also provides the scale to address SEND pressures more effectively. With high-cost out-of-area placements driving financial risk, unitaries of this size could reshape provision, reduce dependency on independent schools, and prioritise inclusive, locally based solutions. This would help ensure children with SEND receive better, more consistent support while containing escalating deficits.

Lancashire's relatively low level of academisation further underscores the opportunity. A four unitary system could maintain strong relationships with maintained schools while working strategically with multi-academy trusts, achieving system leadership and consistent standards without the dilution of focus that smaller units, or a single county-wide authority, might risk.

A four unitary model would allow Lancashire to address entrenched financial and system pressures, embed consistent school improvement approaches, and implement an inclusion-first strategy for SEND. It combines the scale needed for sustainable reform with the local responsiveness required to deliver tangible improvement for children and young people across the county.

Highways & Transport

Strategic co-ordination of transport occurs at the county level through the Local Transport Plan and the Lancashire Enterprise Partnership's Transport for Lancashire committee, which aligns infrastructure projects across the county. However, day-to-day highways maintenance and local transport services are delivered by LCC or by the unitary councils within their respective areas.

LCC is the highways authority for the 12 districts, responsible for over 4,860 miles of footways and cycleways, 4,370 miles of carriageways, bridges, lighting, and drainage assets. According to the council's latest transparency report it currently has a £339m maintenance backlog, with the most significant pressures on bridges and walls (£265m) and footways (£40m). LCC also manages county-wide transport services, including subsidised local bus routes and the NoWcard concessionary travel pass scheme.

Blackpool and Blackburn with Darwen operate as separate highways authorities. Blackpool owns and operates an integrated bus and tram company, Blackpool Transport Services, to deliver its local public transport network.

LGR Opportunity

Currently, the three different highways authorities vary significantly in scope, size, and scale. Managing distinct budgets, programmes, and maintenance priorities creates duplication in planning and limits county-wide resilience in managing shared assets and strategic corridors. Local government reorganisation presents an opportunity not only to streamline these arrangements and introduce greater consistency across Lancashire, but also to modernise public transport through bus reform; creating a more integrated, reliable, and affordable network. A new Mayoral Strategic Authority could adopt a version of the Greater Manchester model, using its powers to coordinate services, improve connectivity, and deliver a truly unified transport system across the county. Working more decisively with the Combined Authority will be key to revitalising Lancashire's transport network and strengthening its economic and social connectivity.

Housing & Homelessness

Housing and homelessness services are currently delivered by the 12 district councils, 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.

Housing stock management approaches are different across district councils and unitary authorities, for example Lancaster, West Lancashire and Blackpool retain ownership or manage council homes, while most others transferred stock to housing associations such as Calico, Progress, Jigsaw or Together Housing.

Total stock Lancashire 12 (2024)	575,790
Owner occupied or privately rented	87.6% (England average 83.3%)
Local Authority owned stock within district/unitary	West Lancashire: 11.1 % Lancaster: 5.5 % Fylde, Preston, Wyre: none Other districts (e.g., Chorley, Burnley, South Ribble, Hyndburn, Rossendale, Ribble Valley, Pendle) collectively had very low numbers.

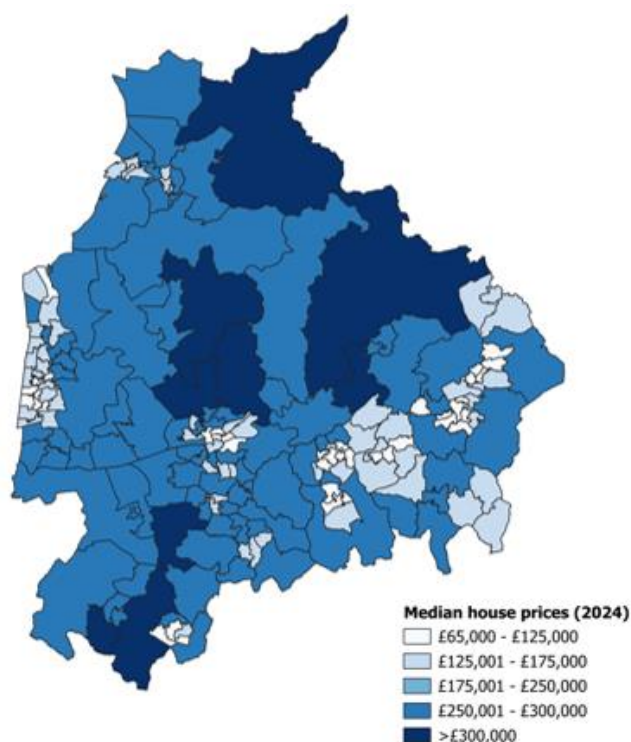
Registered social landlords accounted for over 10% of dwellings in seven Lancashire-12 local authorities and in the county itself. These included Preston where 18.6% of dwellings were of this tenure, which was highest in both the Lancashire-12 and the Lancashire-14 areas.

Demand for affordable housing continues to outstrip supply. Around 27,509 households were on local housing registers in 2023/24: equivalent to 51.6 per 1,000 households, well above the CIPFA nearest neighbour average of 38.5. Temporary accommodation use is comparatively low across Lancashire-12, with approximately 340 households placed during 2023/24, representing under 0.3% of England's total. Most districts report only 20–30 households in temporary accommodation at a time, although pressures are more acute in Preston (64) and South Ribble (50).

Current demand profile	Blackburn with Darwen	Blackpool	Burnley	Chorley	Fylde	Hyndburn	Lancaster	Pendle	Preston	Ribble Valley	Rossendale	South Ribble	West Lancs	Wyre
Households on housing waiting list**	4,689	8,893	2,657	2,079	854	1,975	3,028	2,095	3,875	847	1,784	2,197	1,297	4,821

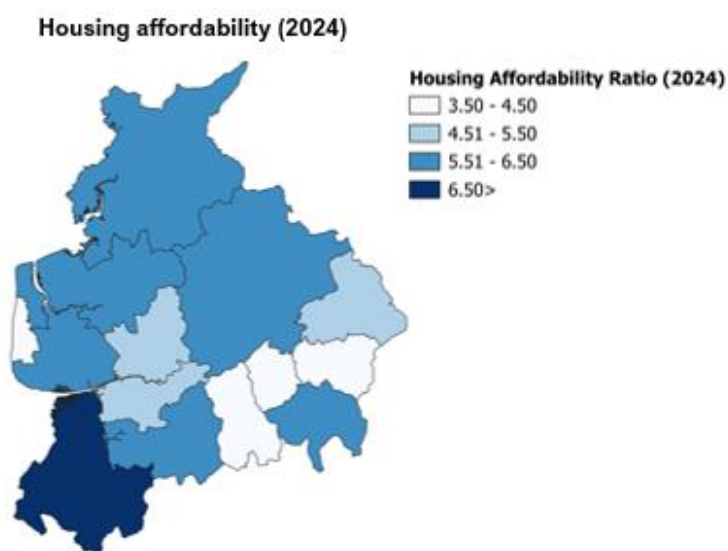
Median house prices in Lancashire are £185,000, 10% below the North West average and £100,000 below the national average but there is wide variation of over £300,000 in house prices within Lancashire.

In some areas house prices are below £100,000 including Blackpool, Fleetwood, Preston, Blackburn, and Darwen, Accrington, Colne, Burnley, and Nelson – showing strong correlation with areas of high deprivation in the Index of Multiple Deprivation.



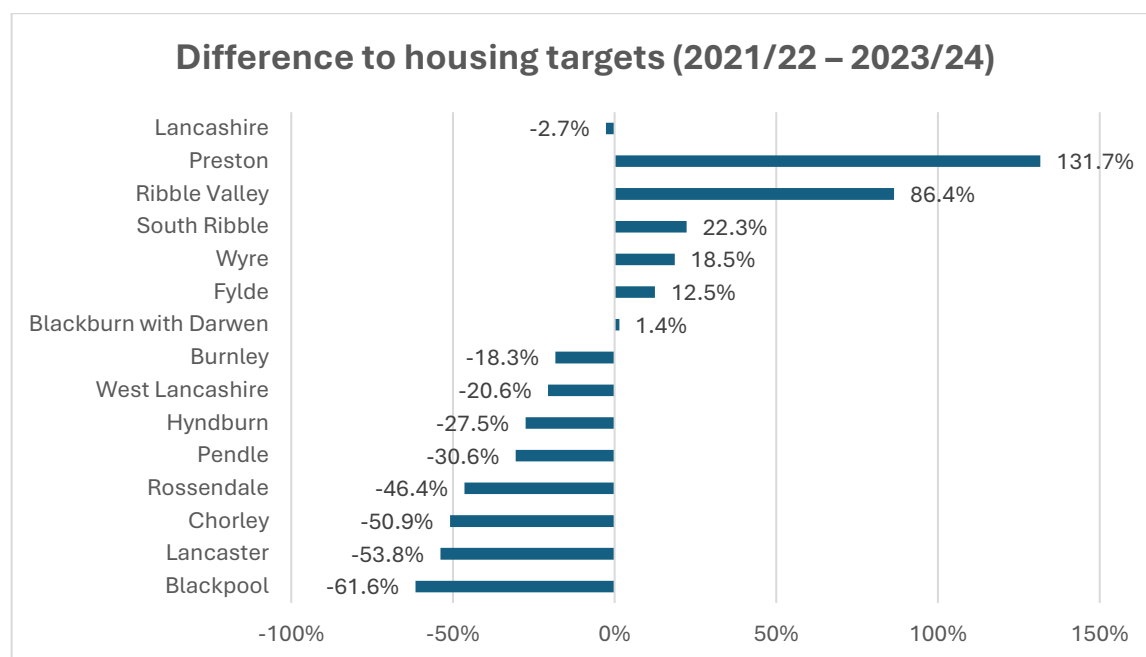
Two thirds of Middle-layer Super Output Areas (MSOAs) in Lancashire have house prices below the £206,000 average across the North West, but much of Ribble Valley, West Lancashire (apart from Skelmersdale, Ormskirk and Burscough), North East of Lancaster, South Ribble and Chorley (Higher Penwortham, Longton, Bretherton, Croston, Mawdesley, Eccleston), Fylde (Lytham St Annes, Singleton, and Higer Ballam), South of Blackburn (Belmont and Edgworth) and Wyre (Eagland Hill and Calder Vale) have higher prices than £206,000.

This translates into a mixed picture on housing affordability relative to residents' income. In 2024, eight of the districts had a lower housing affordability ratio compared to the 5.86 regional ratio – only West Lancashire, Chorley, Ribble Valley, and Wyre have a higher affordability ratio (Rossendale and Lancaster are around the 5.80 regional average).

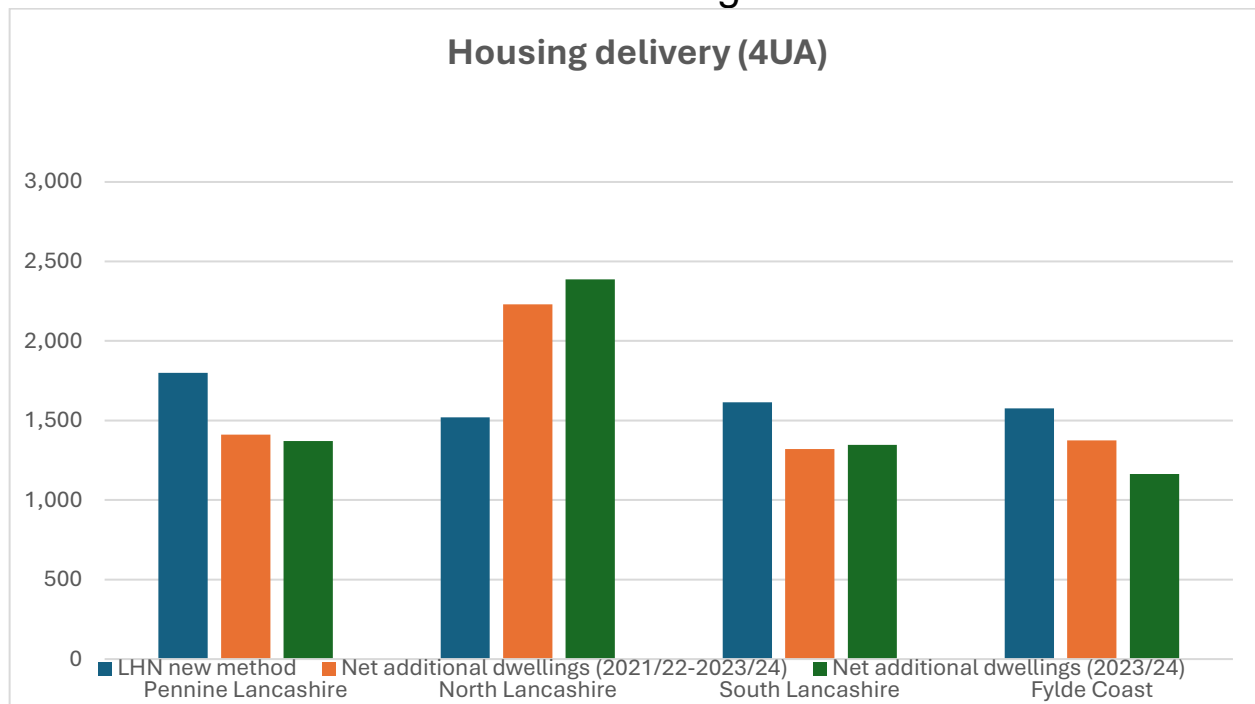


Although housing delivery in most districts are below target levels, across Lancashire, delivery has been within 3% of the new standard method for calculating Local Housing Need (LHN) set out by MHCLG between 2021/22 – 2023/24 – strong compared to 21% below new standard method levels across the North West and 38% below nationally. Delivery at the Lancashire level has also been strong and close to new standard method levels for the most recent full year of delivery (2023/24).

Central Lancashire is a strong source of housing delivery including Preston where housing delivery has been over double new LHN calculations, Ribble Valley where it has been almost double, and almost a quarter above in South Ribble. Wyre and Fylde are also above respective new LHN levels. However, housing delivery in some areas is considerably below new LHN levels with Blackpool, Lancaster, Chorley, and Rossendale further away when compared to delivery targets at the national level. Delivery in Pendle, Blackpool, Lancaster, Burnley, and Fylde was relatively low in the most recent year of full data.



Considered against the four unitary option, housing delivery is strong in the North Lancashire unitary, primarily driven by the strength of Preston on new building, as well as Ribble Valley. Whereas delivery for the other proposed authorities is lower than respective LHN levels by between 13% in the Fylde Coast to 22% in Pennine Lancashire between 2021/22 – 2023/24. Delivery in Fylde Coast has fallen to a quarter below LHN levels in 2023/24.



The LGR opportunity:

The move to four unitary authorities provides a unique opportunity to reshape housing delivery.

Under the new model, Lancashire can:

- Take a fresh, place-based approach to housing, planning, and major development schemes across a wider geography.
- Invest more effectively across larger areas and explore innovative ways to **increase housing supply**, including strategic acquisitions.

In addition, local government reform enables the opportunity to:

- **Integrate housing and planning functions** to ensure new homes are aligned with employment, transport, and key services. This supports county-wide planning around functional economic areas and travel-to-work zones.
- **Strengthen strategic partnerships** with registered providers, Homes England, and developers by creating a single, consistent housing voice for Lancashire—enhancing influence, leverage, and access to investment.
- **Implement a shared homelessness and housing options model**, reducing duplication, improving consistency, and enabling more effective prevention and early intervention across the county.
- **Align housing with health and care geographies**, working more closely with the NHS and social care to address health inequalities, support independent living, and reduce long-term demand on care services.

Local Planning

There are 14 separate local planning authorities (LPAs) across Lancashire, each of the 12 districts and two unitaries functions are responsible for local plan development, planning approvals, and enforcement. There are some examples of joint working, including the Central Lancashire Local Plan, currently at Regulation 19 stage (2025 publication) covering Preston, Chorley, and South Ribble. Wyre and Fylde have signalled an intention to develop a shared building control service.

LGR Opportunity

Reducing the number of authorities could strengthen alignment between planning and infrastructure investment, reduce duplication, and deliver more consistent outcomes across the county by using strategic land use planning for housing, economic development, and climate resilience.

Waste Disposal

Lancashire County Council, Blackpool, and Blackburn with Darwen each operate as waste disposal authorities, managing their own infrastructure and contracts. LCC delivers treatment through its majority-owned company, Lancashire Renewables Ltd, and operates 15 household waste recycling centres (HWRCs). Blackpool provides services via its wholly owned company, Enveco NW Environmental Services, while Blackburn with Darwen manages two HWRCs directly.

LGR Opportunity

Separate arrangements limit the ability to plan and commission waste infrastructure at scale, contributing to variation in performance; in 2022/23, household recycling rates were 41.8% in Lancashire, 33.7% in Blackpool, and 29.6% in Blackburn with Darwen. Local government reform offers the opportunity to take a more strategic and cohesive approach, improving efficiency and consistency in waste disposal services across Lancashire.

Waste Collection

Waste collection models differ across the 12 districts and two unitaries. Some districts manage services in-house, while others operate contracted models, such as Wyre with Veolia.

LGR Opportunity

Separate approaches can complicate disposal logistics, public communications, and limit economies of scale. Reform could align collection practices across the county, enhancing operational efficiency, encouraging higher rates of diversion from landfill and reducing confusion for residents.

Appendix 2 – Detailed Longlist Appraisal

2UA Long List 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.		The two unitary authority model 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)		<p>Both UAs within this option have a population size well above the 500,000 recommended by MHCLG. The size of the authorities means there is a clear risk of encountering diseconomies of scale where the complexity of managing services across a large and diverse population leads to inefficiencies, increased costs, and slower decision-making. Furthermore, the large unitary may struggle to maintain the agility required to respond to local needs, particularly in areas with distinct socio-economic profiles or service demands.</p> <p>While concerns exist about the large size of the proposed unitary authorities (UAs), it could also be argued that their scale may offer advantages, particularly in terms of officer capacity and strategic capability. Larger authorities are likely to have more resources and expertise, which could enhance their ability to identify and deliver major economic development initiatives, such as housing and infrastructure projects. One of the core motivations for local government reorganisation is the limited capacity of smaller district councils. These councils often struggle to develop investable propositions and to engage effectively with Central Government and Arms-Length Bodies to accelerate delivery in key areas. In contrast, the size and scale of the two unitary model may enable stronger strategic planning and more effective collaboration with national partners. However, it's important to note that there is limited evidence to suggest that such benefits cannot also be achieved through smaller, well-designed unitary authorities.</p> <p>Moreover, the two unitary proposal risks fragmenting local identities, communities, and economic geographies by imposing large administrative boundaries that do not reflect how people live and work.</p>

2UA Long List Appraisal			
Criteria	Success Measures	RAG	Evaluation
			This misalignment could undermine the effectiveness of place-based economic development strategies, which rely on coherent and connected localities. Specifically, the two unitary model does not align with the established travel-to-work patterns identified in the Lancashire Independent Economic Review (2021). These patterns show a strong north–south commuting flow, with significant economic activity crossing the proposed boundary between the two authorities. As a result, any meaningful economic strategy would require close collaboration between both UAs to support sectors and initiatives that span their shared boundary. While inter-authority collaboration is not inherently problematic, it introduces additional layers of political, managerial, and organisational complexity. This could slow down decision-making, dilute accountability, and increase the risk of misaligned priorities, ultimately making it harder to deliver coherent and impactful economic development policies.
High-quality, sustainable services	The model should improve service standards and access, backed by a credible plan to integrate services without overstressing resources or compromising quality.		Both unitary authorities 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 coordination 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.		The scale of the two unitary model 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 authorities presents challenges in building meaningful relationships with local communities. 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, raising questions about wider political buy-in and the legitimacy of the proposal among local stakeholders

2UA Long List 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.		The two unitary authority model 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 UA, 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.		The geography and scale of the two unitary model 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.

3UA Long List 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.		The three unitary model 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)		All three unitary authorities proposed under this option exceed the Government's recommended population threshold of 500,000, 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 broadly align with resident identities, though some community groupings may dilute local affinity. Importantly, the three unitary model reflects the economic geography patterns established in the Lancashire Independent Economic Review (2021). The East unitary authority encompasses key economic corridors, from Clitheroe to Darwen via Blackburn, and Colne to Rawtenstall via Burnley, supporting a focused strategy around East Lancashire's manufacturing strengths and alignment with Industrial Strategy 8 sectors. Similarly, North Lancashire recognises the Fylde Coast Corridor, incorporating Blackpool, Fylde, Wyre, and extending to Lancaster. While the West four unitary option is the only configuration that fully contains Blackpool, Fylde, and Wyre, reflecting the insularity of resident work and travel patterns, the three unitary model still offers a coherent structure that supports economic linkages and reduces the risk of administrative fragmentation. Larger unitary also remain better positioned to absorb budget shocks, enhancing long-term resilience.
High-quality, sustainable services	The model should improve service standards and access, backed by a credible plan to integrate services without overstressing resources or		The three unitary model 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. However, as with all local government reorganisation proposals, the transition to new structures will require careful planning to avoid service disruption. Effective implementation will be critical to ensuring continuity and maintaining public confidence in service quality.

3UA Long List Appraisal			
Criteria	Success Measures	RAG	Evaluation
	compromising quality.		
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.		The three unitary model presents a more locally recognisable structure, which may foster stronger community and stakeholder support. The boundaries are more reflective of existing identities and geographies, increasing the likelihood of public and political buy-in. This is reinforced by support from several councils across Lancashire, including Blackburn, Fylde, Hyndburn, Rossendale, and Wyre. However, the introduction of three separate authorities adds complexity to partnership working arrangements, particularly in coordinating cross-boundary initiatives and aligning strategic priorities. Effective joint-working will require robust governance mechanisms to ensure collaboration does not become fragmented or inefficient.
Supports devolution	Unitary authorities should be sized and structured to meet government expectations for devolved powers, with potential for combined authority or mayoral deals.		The three unitary model presents a 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, providing 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.
Stronger community engagement	Decision-making should stay close to communities. The structure must support public engagement and reflect local identity, avoiding overly large		The three unitary model 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. However, while the geography is moderate in scale, some economic and community identities are grouped within single authorities, which may limit the extent to which decision-making feels close to residents. As with all larger unitary, there remains a risk that the authorities could feel distant from local communities, potentially weakening democratic accountability.

3UA Long List Appraisal			
Criteria	Success Measures	RAG	Evaluation
	authorities that feel disconnected.		

4UA Long List 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.		The four unitary model 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)		<p>The four unitary model presents a balanced approach to scale and identity. While three of the four proposed unitary authorities fall below 500,000 residents, each sits broadly within the range advised for efficient service delivery and retains sufficient mass to support resilient corporate capacity. Crucially, government guidance treats 500,000 as a guiding principle, not a target, with explicit flexibility where this better supports coherent devolution arrangements and strong place leadership. This aligns with the wider academic literature, which does not find consistent or conclusive evidence that larger councils are inherently more efficient, effective or lower cost than smaller units; studies report mixed and contradictory results, underscoring that scale alone does not determine performance.</p> <p>Within that policy and evidence context, the four unitary configuration strikes a pragmatic trade-off for Lancashire's large, diverse geography: it is closer to real communities and functional economic areas, strengthening local responsiveness without losing economies of scale. The model achieves broadly</p>

4UA Long List Appraisal			
Criteria	Success Measures	RAG	Evaluation
			equal economic footprints, around £10.5bn GVA per unitary authority with the second most even spread of economic strength across all LGR options assessed, providing a strong foundation for place-based growth, equitable access to resources, and collaborative regional strategies without disproportionate dominance or lagging areas. Alignment with Lancashire's economic geography, including full containment of the Fylde Coast corridor in the West unitary authority and effective grouping of labour-market corridors in the East unitary authority, supports coherent infrastructure planning, transport integration, and skills and housing delivery at the right spatial scale. On balance, the benefits of being closer to communities and functional economies in Lancashire outweigh the marginal proximity to an indicative 500,000 threshold and are fully consistent with both the government's flexible guidance and the academic evidence on scale and performance.
High-quality, sustainable services	The model should improve service standards and access, backed by a credible plan to integrate services without overstressing resources or compromising quality.		The four unitary model 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 supports shared service collaboration and provides a foundation for radical improvements in public services, with the potential to unlock economic growth through more integrated and responsive delivery models. 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.		The four unitary model 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, particularly as the proposal is supported by a significant number of councils across the Lancashire geography including Lancaster, West Lancashire, Preston, Ribble Valley, and Chorley—indicating broader political support. 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.

4UA Long List 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.		The four unitary model presents a strong 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. Crucially, the alignment between UA boundaries, functioning economic geographies, sectoral complementarity, and people-based challenges creates the conditions for a potential Mayoral Combined Authority to deliver purposeful, place-centred interventions. This includes targeted strategies around skills, investment, entrepreneurship, and infrastructure, developed in close collaboration with the constituent unitary authorities.
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.		The four unitary model offers strong 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 unitary authority 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.

Alternative 4UA Long List 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.		The alternative four unitary option fails to meet the Government's criterion for logical, self-contained unitary boundaries with a single council delivering all local services without overlap or confusion. While it covers the whole of Lancashire, it relies on splitting the existing districts of Wyre and Ribble Valley, which runs counter to the principle that current district areas should be the building blocks for proposals. Splitting districts would fracture communities of identity and service footprints, create administrative complexity at new internal boundaries, and increase the risk of public confusion over accountability for local services. Absent a compelling, evidence-based justification for such complex boundary changes, the four unitary proposal cannot be considered compliant with the Government's preferred approach.
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)		The alternative four unitary model does not satisfy the MHCLG scale guidance that <i>each</i> unitary should be around 500,000 people to ensure efficient service delivery without compromising local identity. In this configuration, only East Lancashire exceeds the benchmark (~545,000), while West (~456,000), South (~350,000) and especially North (~199,000) fall well short leaving three authorities below the guidance and one very small outlier. This pronounced size imbalance risks undermining economies of scale and consistent service standards across the county, with the particularly small North unitary least able to sustain efficiency relative to peers.
High-quality, sustainable services	The model should improve service standards and access, backed by a credible plan to integrate services without overstressing resources or compromising quality.		The alternative four unitary option can only partially demonstrate that it would <i>improve</i> service standards and access, because its units start from very different baselines, most notably a small North authority (~199k people) and large variations in population density (~158 vs. ~1,211 people per sq km), which make consistent service coverage and economies of scale hard to guarantee. Concentrated deprivation in the East and West further skews demand, implying uneven caseloads and access pressures that any integration plan would need to resource carefully to avoid quality being stretched. In addition, key operational indicators (jobs, unemployment, economic activity) are derived from proxies and high-level diagnostics rather than service integration modelling, which introduces uncertainty about how services would be combined in practice without overstressing staff and budgets.

Alternative 4UA Long List 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.		Because the alternative four unitary proposal is not aligned to existing district boundaries it starts with fewer existing, place-based institutional co-delivery arrangements that map cleanly onto each proposed unitary footprint. As a result, councils would need to build new governance and engagement structures from scratch across multiple communities, increasing the risk that the approach feels less locally led and has weaker, uneven support from residents and partners.
Supports devolution	Unitary authorities should be sized and structured to meet government expectations for devolved powers, with potential for combined authority or mayoral deals.		The alternative four unitary is weakly positioned for devolution deals because its units differ sharply in population, economic weight, and needs, from North at about 199k to East at about 545k, concentrating GVA and deprivation in West and East and creating a large versus small partner dynamic that would strain governance and resource sharing within a Strategic or Combined Authority. In addition, the proposed West unitary authority does not align with travel to work patterns, mixing the self-contained Fylde Coast with the Preston and M6 corridor, so a Strategic Authority would struggle to run an agglomeration focused economic strategy that follows commuting and supply chains.
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.		There is uncertainty over whether the alternative four unitary authority would effectively keep decisions close to communities. The large range in population size per unitary authority, and the split of existing Wyre and Ribble Valley boundaries risks diluting local identity and weakening engagement structures that are built around today's districts. The proposed units also cut across functional corridors so residents would not see a coherent place reflected in the authority they engage with. Together, the combination of one very large authority and much smaller neighbours increases the risk that some places feel remote from decisions while others struggle for influence in county wide arrangements.

5UA Long List 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.		The five unitary 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)		The five unitary model 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.
High-quality, sustainable services	The model should improve service standards and access, backed by a credible plan to integrate services without overstressing resources or compromising quality.		The five unitary model 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. 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.

5UA Long List 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.		The five unitary model 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 UA 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 unitary authority, 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.		The five unitary authority model 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.		The five unitary model 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.

Appendix 3 – Shortlist Appraisal – Financial Analysis

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

Methodology

Approach to Financial Analysis

The financial analysis to support the development of this business case and support the assessment of options is formed of two key aspects:

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.

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

The financial impact analysis (part 2) has been carried out to determine the costs and benefits associated with reorganisation and transformation that have been identified for each of the options.

The approaches and assumptions underpinning the two sets of analysis are set out in detail below.

1. Baseline Budget Projections

Overview

To support the Lancashire authorities with Local Government Re-organisation (LGR), LGFutures 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 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 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

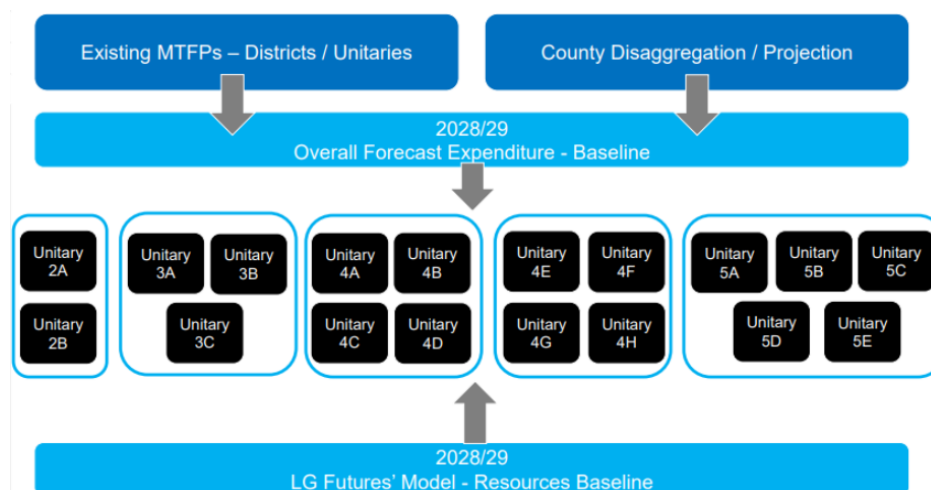
Resources:

- 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

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.



Inputs	Description	Approach
Expenditure	Expenditure net of service-specific grants received directly by services.	<p>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).</p> <p>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).</p> <p>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.</p>
Resources	Core spending power based on Fair Funding 2.0, SR2024 control totals and business rates, and Council Tax projections.	<p>Based upon the June Fair Funding 2.0 consultation document and LG Futures' understanding of the SR2024 control totals.</p> <p>Projection assumes a 5% average increase in Council Tax in each area.</p> <p>This has been reviewed by MHCLG, with no suggested changes.</p> <p>Produce a forecast resources position for each of the potential new unitary authorities for 2028/29.</p>

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 all by district. The methodology for disaggregation was reviewed by LGFutures 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).

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 LGFutures' 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.

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).

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 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.

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 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 in April 2028 is £36.9m for the purposes of forecasting the starting budget positions of the prospective unitary authorities for each of the options.

2. Financial Impacts Modelling

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

The financial impacts analysis has been carried out to identify the associated costs and savings that could be delivered from reorganisation for the three and four unitary models, along with the costs of transitioning from the current system of local government.

Methodology

The financial impacts of implementing and delivering the proposed models for the three unitary and four unitary options have been modelled across three categories:

- Aggregation and disaggregation impacts (the financial effect of consolidating existing organisations into new entities)
- Transition costs (the one-off costs required to establish the new arrangements)
- Transformation benefits (the longer-term efficiencies from service redesign and demand management)

This approach ensures that both the costs of change and the opportunities for future efficiency are transparently accounted for.

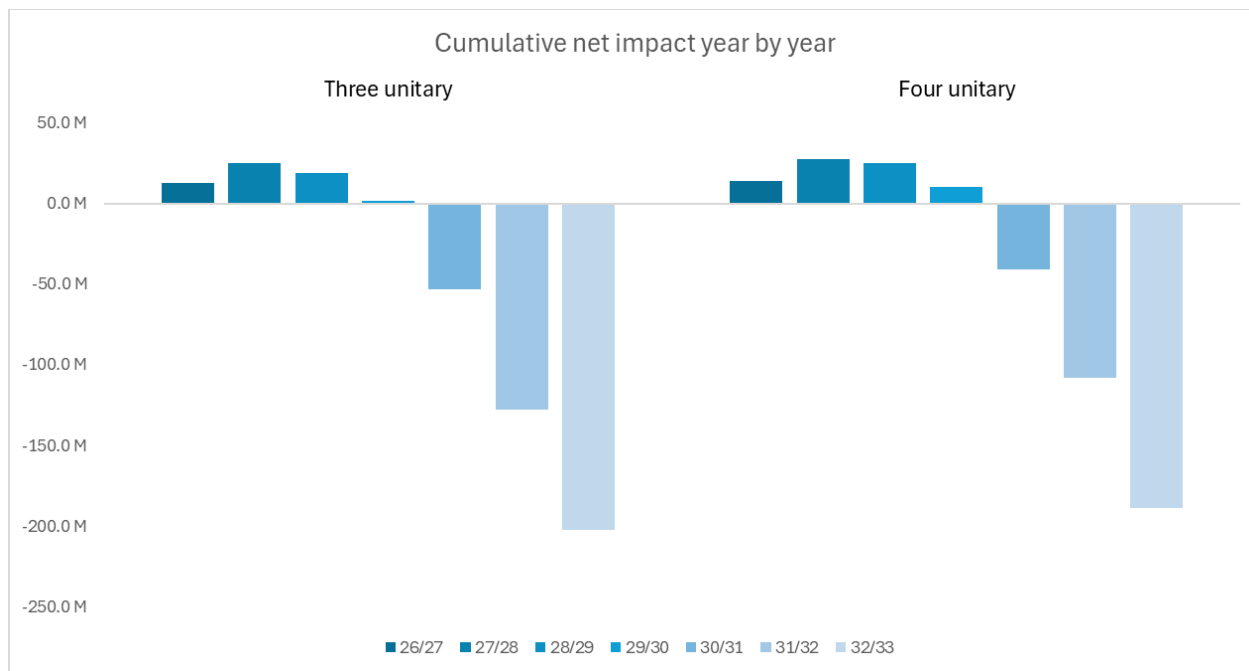
The modelling approach is comparative across all potential UA options, with a consistent methodology applied to ensure results were robust and comparable. Where more granular local data was available (for example, leadership cost structures or unit costs of social care), this was used to shape the model. Where such data was not available, high-level benchmark assumptions were applied using a consistent approach to ensure a fair basis of comparison.

Key aspects of our approach

The following principles were applied consistently in the modelling of the options:

- **Baseline dataset** – all modelling started from the same baseline financial and service data to ensure comparability across options.
- **Inflationary uplift** – applied to all relevant costs to reflect future price pressures.
- **Redundancy cost multipliers** – applied as a percentage of salary to estimate workforce exit costs, based on standard benchmarks and previous LGR cases.
- **Phasing of impacts** – costs and savings were modelled as phased in over a realistic time horizon, reflecting both implementation capacity and experience from previous reorganisations.
- **Leadership cost modelling** – detailed modelling of senior officer structures was used to estimate aggregation savings, drawing on benchmarks for executive, assistant director and head of service roles.
- **Use of high-level benchmark assumptions** – these were applied consistently across all options to ensure comparability and avoid bias. These are based on a review of other comparable examples of local government reorganisation that have taken place in recent years.

Summary of analysis



The above shows the year-on-year net impact of the four unitary and three unitary models. The figure shows the relatively similar expected financial impact positions over the period modelled. The breakeven point of the two models is between 29/30 and 30/31.

Aggregation and Disaggregation Impacts:

The financial assessment highlights that the net benefit of aggregation and disaggregation are lower in the four unitary authority model, at a net benefit of £61.1m compared to £87.5m in the three unitary authority model. This reflects the greater complexity of setting up and aligning four organisations, which drives additional cost. The higher cost of aggregation within the four unitary authority model also accounts for the intention to invest significantly in social care leadership and specialist posts in the transition and aggregation phases ensuring greater benefit can be realised in setting up social care services for success in the long term.

Transition costs:

Transition costs are also slightly higher under the four unitary authority model, at £27.2m compared to £24.8m in the three unitary authority model. This difference is modest and reflects that whilst establishing an additional authority will be resource intensive, the wider LGR transition will require significant pooled resources for however many new authorities are established.

Transformation Impacts:

On transformation, however, the four unitary authority model sees a greater net benefit of £161m compared to £138.3m under the three unitary authority model – reflecting the greater potential to deliver recurring benefits through service transformation and efficiency improvements. The base case presented above reflects that a four unitary authority option could deliver transformation benefits in line with the benefits a three unitary

authority option is able to deliver. Stretch targets have also been modelled to reflect the scale of the ambition for transformation within the four unitary authority option. When considering the impact of these stretch targets, the four unitary option significantly outperforms the three unitary authority option over the modelling period.

Net financial impact:

Taken together, the financial position of the four unitary authority model is broadly comparable to the three unitary authority option, with both delivering substantial long-term benefits relative to overall gross expenditure. While the four unitary authority model incurs slightly higher upfront aggregation and transition costs, these reflect both the additional complexity of establishing an additional authority as well as deliberate investment choices that strengthen leadership and operational capacity from day one. Given the complexity of Lancashire's current system, both options would require significant aggregation and disaggregation of social care functions, generating cost across both of the models. However, the four unitary authority model has explicitly accounted for these costs within our financial projections and is designed to deliver a more ambitious and sustainable transformation programme over time. The scale of the four unitary authority model provides the best platform for implementing transformative structural change delivering lasting improvements in efficiency, resilience, and outcomes for residents.

Four Unitary Authority annual impacts

Aggregation Benefit	0.0 M	0.0 M	-12.7 M	-19.1 M	-25.4 M	-25.4 M	-25.4 M
Aggregation Cost	0.0 M	0.0 M	16.2 M	16.2 M	4.8 M	4.8 M	4.8 M
Transition Costs	13.6 M	13.6 M	0.0 M	0.0 M	0.0 M	0.0 M	0.0 M
Annual benefit before Transformation	13.6 M	13.6 M	3.5 M	-2.8 M	-20.6 M	-20.6 M	-20.6 M
Cumulative benefit before Transformation	13.6 M	27.2 M	30.8 M	27.9 M	7.3 M	-13.3 M	-33.9 M
Transformation Impacts (net)	0.0 M	0.0 M	-6.4 M	-12.9 M	-32.2 M	-48.2 M	-61.3 M
Total annual benefits after Transformation	13.6 M	13.6 M	-2.9 M	-15.7 M	-52.8 M	-68.8 M	-81.9 M
Total Cumulative Benefit after transition and transformation	13.6 M	27.2 M	24.3 M	8.6 M	-44.2 M	-113.0 M	-194.9 M
<i>Stretch transformation impacts</i>	0.0 M	0.0 M	-8.8 M	-17.7 M	-44.1 M	-65.9 M	-84.7 M
Total annual benefits after Transformation	13.6 M	13.6 M	-5.3 M	-20.5 M	-64.7 M	-86.5 M	-105.3 M
Total Cumulative Benefit after transition and transformation	13.6 M	27.2 M	21.9 M	1.4 M	-63.4 M	-149.9 M	-255.2 M

In the early years (2026/27–2027/28), the four unitary model incurs upfront costs of £13.6m per year, reflecting transition activities including programme management, organisational set up and the cost of redundancy payments.

Additional costs are incurred through aggregation of services, specifically IT and social care. IT aggregation costs are expected to be incurred in the period post Vesting Day to reflect that during the transition period running to April 2028, the volume of work and activity to deliver the transition to LGR will not enable full IT aggregation.

From 2028/29 onwards, benefits from aggregation begin to emerge, reaching £25.4m per year by 2030/31 as staff and service integration take effect. Transformation benefits start to materialise from 2028/29 and increase substantially in the later years, reaching £61.3m per year by 2031/32–2032/33. Transformation impacts are presented as net of benefits and the costs invested to deliver these savings.

Taken together, these elements result in a **cumulative net benefit of £194.9m by 2032/33**. This profile illustrates a period of upfront investment followed by increasingly significant recurring savings, demonstrating the four unitary authority model’s ability to deliver long-term financial efficiencies across the four authorities.

Four Unitary Authority Stretch Transformation

Stretch transformation targets have been modelled for the four unitary authority option If these stretch transformation targets can be achieved, there are opportunities for greater benefits for the four unitary authority model, climbing to a total £255.2maggregated saving over the modelling period.

Three Unitary Authority 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	-13.0 M	-19.5 M	-26.0 M	-26.0 M	-26.0 M
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	12.4 M	12.4 M	0.0 M	0.0 M	0.0 M	0.0 M	0.0 M
Annual benefit before Transformation	12.4 M	12.4 M	-1.6 M	-8.1 M	-26.0 M	-26.0 M	-26.0 M
Cumulative benefit before Transformation	12.4 M	24.8 M	23.3 M	15.2 M	-10.8 M	-36.7 M	-62.7 M
Transformation Impacts (net)	0.0 M	0.0 M	-4.4 M	-8.7 M	-28.5 M	-48.3 M	-48.3 M
Total annual benefits after Transformation	12.4 M	12.4 M	-5.9 M	-16.8 M	-54.5 M	-74.3 M	-74.3 M
Total Cumulative Benefit after transition and transformation	12.4 M	24.8 M	18.9 M	2.1 M	-52.4 M	-126.7 M	-200.9 M

In 2026/27–2027/28, the three unitary authority model incurs **transition costs of £12.4m per year**, reflecting the investment required to implement new organisational structures and processes.

From 2028/29 onwards, benefits from aggregation are realised, reaching £26.0m per year by 2030/3.1 Transformation benefits begin in 2028/29 and increase over the later years, reaching £48.3m per year by 2031/32–2032/33 - lower than those predicted under the four unitary authority model.

Overall, the three unitary authority model achieves a **cumulative net benefit of £200.9m by 2032/33**. While the three unitary authority delivers slightly higher nominal benefits, the financial opportunities are broadly similar to the four unitary authority model.

Further details on assumptions

Aggregation benefits

The aggregation benefits shown for the four unitary and three unitary models are informed by underlying organisational, operational, and governance factors rather than the number of authorities alone. Savings in senior leadership, back office, service delivery, third-party spend, property, councillors, and elections reflect opportunities created through consolidation, integration, and process standardisation. Savings assumptions are prudent and reflect the reality that significant savings are unlikely to be realised in the first years after Vesting Day. Aggregation benefits are not forecast to be fully realised until 2030/31(as discussed in the Phasing section below).

AGGREGATION BENEFITS	3UA Impact £	4UA Impact £	Notes and basis for assumptions
Senior Leadership	-6.4m	-6.0m	Significant savings are expected through a reduction in the number of senior leadership posts across councils (chief executives, directors, senior managers). The modelling approach was a detailed benchmarking exercise to estimate the number of Tier 1-3 leaders required in each of the new Unitaries. The four unitary model retains slightly more leadership roles than the three unitary model, reflecting the importance of maintaining effective oversight at a local level. Despite this, the four unitary still delivers substantial savings, and assumptions include competitive salaries to attract high-calibre senior leaders capable of driving transformation. It is expected that because the Unitaries in the four unitary model cover smaller populations, fewer leadership roles will be required per authority, with lower salaries compared to the three unitary model. This approach balances financial efficiency with the strategic need for local leadership and organisational resilience.
Back Office	-2.1m	-2.1m	Annual savings are expected in back-office functions, including finance, HR, administration, and other support services, through consolidation and streamlined processes across the four authorities. Both the four and three unitary models are prudently modelled to reduce back-office costs by 1% to reflect that whilst the four unitary options may retain more localised teams than the three unitary, it still achieves efficiencies by reducing duplication and standardising key processes. These savings are informed by the practical opportunities created through integration, rather than by simply reducing the number of authorities.
Service Delivery	-3.3m	-3.3m	Savings in service delivery are realised through the integration of operational teams and the rationalisation of overlapping functions. Both the four unitary and three unitary models are prudently modelled to reduce service delivery staff costs by 1%. The four unitary model maintains more locally embedded teams than the three unitary model, ensuring services remain responsive to communities, while still achieving substantial efficiencies through coordination, process improvement, and shared systems. These savings are informed by operational design and integration opportunities rather than authority count.
Third Party	-6.5m	-6.5m	Reduction in third-party spend arises from the rationalisation of contracts and more effective procurement arrangements. Savings are modelled at 1% of total third party spend for both the four and three unitary models.
Property	-2.2m	-2.2m	Savings from property arise from optimising estate requirements, consolidating buildings, and reducing surplus space. Both four and three unitary models are modelled to reduce property costs by 5%. The four unitary retains a slightly larger local footprint to support service delivery and local presence yet

Page 177			
AGGREGATION BENEFITS	3UA Impact £	4UA Impact £	Notes and basis for assumptions
			could achieve comparable efficiencies to the three unitary through strategic estate management and targeted rationalisation.
Councillors	-1.59m	-1.57m	Fewer councillors are required under the new structures, delivering savings in governance costs. The four unitary model retains slightly more elected members (280) than the three unitary model (276) to ensure robust local representation across four authorities. It is estimated that the three and four unitary models will each have a total of 296 councillors. Savings are modelled based on the expected number of electors per Councillor.
Elections	-0.4m	-0.4m	Savings from elections reflect the reduced number of elections required under the new authority structures, benchmarked against national costs per vote (£3.57). Both models achieve similar efficiencies, with figures informed by the practical consolidation of electoral activity rather than by the total number of councils.
On costs associated with staff savings	-3.5m	-3.4m	Modelled at 30% of staffing salary savings.
TOTAL	-26.0m	25.45m	

Aggregation costs

The four unitary model requires additional investment in social care leadership to ensure high-quality, locally embedded teams are in place across all four authorities. This includes posts such as directors and senior managers of adult and children's services. While the three unitary model assumes no additional cost in this area, the four unitary model reflects the need to create leadership capacity in a newly formed authority where roles are not fully built on existing structures. These costs are essential to maintain effective service oversight and to support transformation of care services.

AGGREGATION COSTS	3UA Impact £	4UA Impact £	Notes and basis for assumptions
Social Care Leadership	0	3.5m	The four unitary model requires additional investment in social care leadership to ensure high-quality, locally embedded teams are in place across all four authorities. Additional cost is modelled for the four unitary model and includes 10 Directors and 10 Assistant Directors. While the three unitary model assumes no additional cost in this area, the four unitary model reflects the need to create leadership capacity in a newly formed authority where roles are not fully built on existing structures.
Additional Roles	0	1.3m	The four unitary model requires additional specialist posts (e.g. safeguarding, commissioning, specialist support functions) that would otherwise be shared or consolidated in a larger unitary structure. It is modelled that 10 additional roles would be required for the four unitary model, as these are not built upon existing district or county provision, recruitment and establishment costs are higher.

IT Aggregation Programme	22.8m	22.8m	For the four and three unitary models require substantial investment in IT to support aggregation of systems and services, including the implementation of new platforms and ensuring operational readiness. The cost (£22.8m) covers system integration, data migration, and security compliance. The saving is modelled as a cost of £500 per user, based on total staffing numbers across all existing authorities. While the IT programme is identical in financial terms between the two models, further detailed work is needed to understand the cost of IT aggregation post vesting day.
TOTAL	£22.8m	£27.6m	

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 four unitary 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 four unitary model due to the complexity of establishing an additional authority.

TRANSITION COSTS	3UA Impact £	4UA Impact £	<i>Notes and basis for assumptions</i>
Redundancy	4.1m	4.0m	While there is likely to be a period of natural high turnover during reorganisation, significant costs are still to be expected from redundancies associated with the consolidation of leadership, back-office, and service delivery roles. Costs are modelled as 35% of total staff savings modelled in the Aggregation Savings section.
Organisational set up	1.8m	2.0m	Establishing four new authorities requires investment in corporate and governance infrastructure. Costs are modelled to include legal, HR, finance costs, as well as costs to create organisational structures to support the transition. The four unitary model incurs slightly higher costs than the three unitary due to the need to establish systems and functions across four authorities.
Closedown cost	2.0m	2.0m	Reflects the administrative and legal process of winding down existing councils. Costs were modelled at £100k per district and £250k per upper-tier council to cover statutory closure requirements, final accounts, HR/legal processes, and other one-off costs.
Comms & Marketing	0.8m	0.9m	Communication and marketing costs are included to ensure residents, staff, and stakeholders are fully informed about the

TRANSITION COSTS	3UA Impact £	4UA Impact £	Page 179 <i>Notes and basis for assumptions</i>
			transition. The four unitary model requires additional engagement across four authorities, including campaigns to explain governance, service changes, and operational impacts. The four unitary model will also incur additional branding costs.
Shadow Authority Election	1.8m	1.9m	Shadow authority election costs are based on the expected cost of elections calculated in the aggregation savings section of the model. The four unitary model requires elections for four authorities, resulting in slightly higher costs than the three unitary. These elections are necessary to establish democratic legitimacy for the new councils and ensure local accountability.
Shadow Authority costs	1.9m	2.3m	Costs are modelled on the expected salaries and posts needed to run shadow authorities during the implementation period. Once elected, shadow authorities incur operational costs for planning and overseeing the transition. The four unitary model requires four separate teams, reflecting the complexity of coordinating multiple authorities.
Programme Management	7.7m	8.7m	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. Modelling assumes a central change team which would work across all models to ensure consistency, with additional specific teams focusing on local issues. The cost for establishing an additional authority is therefore reflected in the modelled resource requirement.
IT Implementation	2.5m	3.0m	IT Implementation costs are calculated based on other LGR submissions. Modelling assumes that these costs are to ensure a safe and legal transition, with additional IT costs captured in the aggregation cost section above.
Contingency	2.3m	2.5m	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 four unitary model.
TOTAL (WITH CONTINGENCY)	24.8m	27.2m	

Transformation Impacts

The transformation programme for the four unitary model represents a significant long-term investment in efficiency, service improvement, and operational resilience. It encompasses back-office functions, service delivery teams, and non-staff areas such as procurement, contracts, and property. While upfront investment is required, the programme is designed to deliver sustained financial benefits by streamlining processes, standardising systems, and enabling more efficient resource allocation.

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.

TRANSFORMATION BENEFITS	3UA Impact £	4UA Impact £	4UA Stretch Impact £	Notes and basis for assumptions																
Back Office	-14.1m	-19.3m	-24.6m	<p>Savings are modelled as a % reduction on overall back office spend. Savings % modelled are shown in the table below.</p> <table><tr><td></td><td>3UA</td><td>4UA</td><td>4UA Stretch</td></tr><tr><td>County</td><td>5%</td><td>7.5%</td><td>10%</td></tr><tr><td>District</td><td>10%</td><td>12.5%</td><td>15%</td></tr><tr><td>Unitary</td><td>5%</td><td>7.5%</td><td>10%</td></tr></table> <p>The four unitary model allows for significant transformation of back-office functions, including finance, HR, procurement, and administration. Investment in modern systems, processes, and organisational redesign will enable more efficient operations across the four authorities. The scale and footprint of the four unitary provide opportunities to standardise and streamline functions while maintaining local responsiveness.</p>		3UA	4UA	4UA Stretch	County	5%	7.5%	10%	District	10%	12.5%	15%	Unitary	5%	7.5%	10%
	3UA	4UA	4UA Stretch																	
County	5%	7.5%	10%																	
District	10%	12.5%	15%																	
Unitary	5%	7.5%	10%																	
Service Delivery	-23.9m	-32.1m	-40.3m	<p>Savings are modelled as a % reduction on overall service delivery spend. Savings % modelled are shown in the table below.</p> <table><tr><td></td><td>3UA</td><td>4UA</td><td>4UA Stretch</td></tr><tr><td>County</td><td>5%</td><td>7.5%</td><td>10%</td></tr><tr><td>District</td><td>10%</td><td>12.5%</td><td>15%</td></tr><tr><td>Unitary</td><td>5%</td><td>7.5%</td><td>10%</td></tr></table> <p>Transformation of service delivery teams is expected to generate substantial long-term savings. The four unitary model maintains locally embedded teams while consolidating and standardising</p>		3UA	4UA	4UA Stretch	County	5%	7.5%	10%	District	10%	12.5%	15%	Unitary	5%	7.5%	10%
	3UA	4UA	4UA Stretch																	
County	5%	7.5%	10%																	
District	10%	12.5%	15%																	
Unitary	5%	7.5%	10%																	

Page 181

TRANSFORMATION BENEFITS	3UA Impact £	4UA Impact £	4UA Stretch Impact £	Notes and basis for assumptions																
				operational practices where possible. Further, the four unitary model enables more close working with communities than is possible under the larger three unitary model authorities, and as such, may see greater opportunity for preventative ways of working and the associated benefits. The scale and structure of the four unitary provide opportunities to improve efficiency in staffing, processes, and delivery models, while retaining local responsiveness.																
Non Staff	-14.5m	-14.5m	-28.9m	<p>Savings are modelled as a % reduction on overall non staff costs. Savings % modelled are shown in the table below.</p> <table><tr><th></th><th>3UA</th><th>4UA</th><th>4UA Stretch</th></tr><tr><td>County</td><td>1.5%</td><td>1.5%</td><td>3%</td></tr><tr><td>District</td><td>3%</td><td>3%</td><td>6%</td></tr><tr><td>Unitary</td><td>1.5%</td><td>1.5%</td><td>3%</td></tr></table> <p>Savings in non-staff areas, such as procurement, contracts, and property, are captured here. The four unitary model allows for rationalisation and optimisation of assets and third-party spend, delivering efficiency while retaining sufficient scale to maintain oversight and local accountability. These efficiencies could be realised through targeted integration and transformation activities.</p>		3UA	4UA	4UA Stretch	County	1.5%	1.5%	3%	District	3%	3%	6%	Unitary	1.5%	1.5%	3%
	3UA	4UA	4UA Stretch																	
County	1.5%	1.5%	3%																	
District	3%	3%	6%																	
Unitary	1.5%	1.5%	3%																	

TRANSFORMATION COSTS	3UA Impact £	4UA Impact £	4UA Stretch Impact £	Notes and basis for assumptions
Redundancy	13.3m	18.0m	22.7m	Redundancy costs are modelled as 35% of the overall transformation staff savings figure. While there is likely to be a period of natural high turnover during reorganisation, costs associated with staff reductions will still be realised as roles are consolidated and duplication removed.
Programme	4.2m	4.6m	9.2m	Programme management costs are based on the assumed number of staff required to deliver the transformation savings

TRANSFORMATION BENEFITS	3UA Impact £	4UA Impact £	4UA Stretch Impact £	Notes and basis for assumptions
				programme. The four unitary stretch transformation team is expected to be much larger than the three or four unitary base case teams to reflect the more ambitious transformation agenda. The four unitary model requires additional coordination to manage multiple authorities simultaneously, ensuring milestones are met, risks are managed, and initiatives are implemented effectively.
IT	17.5m	17.5m	26.6m	IT costs for transformation are calculated as a % of existing IT budgets. Both the three and four unitary models require funding to implement modern systems, ensure interoperability across the four authorities, and enable efficiency improvements. This includes infrastructure, software platforms, data migration, and system integration. These costs are critical to unlocking the efficiency and service benefits projected in the transformation programme.

Phasing

4UA & 4UA Stretch Phasing Assumptions

	26/27	27/28	28/29	29/30	30/31	31/32	32/33
Aggregation	0%	0%	50%	75%	100%	100%	100%
Disaggregation - Staff	0%	0%	100%	100%	100%	100%	100%
Disaggregation - IT	0%	0%	50%	50%	0%	0%	0%
Transition	50%	50%	0%	0%	0%	0%	0%
Transformation Benefits	0%	0%	25%	50%	68%	80%	100%
Transformation Costs	0%	0%	25%	50%	25%	0%	0%
Transformation Staff Costs	0%	0%	25%	50%	75%	100%	100%

3UA Phasing Assumption

	26/27	27/28	28/29	29/30	30/31	31/32	32/33
Aggregation	0%	0%	50%	75%	100%	100%	100%
Disaggregation - Staff	0%	0%	100%	100%	100%	100%	100%
Disaggregation - IT	0%	0%	50%	50%	0%	0%	0%
Transition	50%	50%	0%	0%	0%	0%	0%
Transformation Benefits	0%	0%	25%	50%	75%	100%	100%
Transformation Costs	0%	0%	25%	50%	25%	0%	0%
Transformation Staff Costs	0%	0%	25%	50%	75%	100%	100%

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 28/29 onwards, reaching full realisation by 2030/31, while **disaggregation** occurs partially in 28/29–29/30 before tapering off. **Transformation benefits** are introduced gradually from 29/30, increasing from 25% to full realisation by 32/33, with **transformation costs** following a similar but slightly staggered pattern. The crucial difference in the modelling is transformation benefits are expected to be incurred more slowly in the four unitary model, reflecting the additional time required to implement more radical transformation of services.

This phased approach reflects the practical timing of implementation, integration, and the progressive delivery of long-term efficiencies.

Appendix 4 - Shortlist Appraisal – Service Delivery Analysis

Objectives		3UA	Summary Narrative on 3UA	4UA	Summary Narrative on 4UA	Detailed Commentary on suitability of 4UA
Deliver radical change in creating a new public service landscape	Design and implement a new public service reform model that enables bold and radical approaches to improve public services, strengthens local economies, widens access to high-quality services for underserved communities, and drives targeted regeneration across Lancashire. This will deliver a reduction in long term costs alongside measurable improvements in local prosperity, health outcomes, skills attainment, and resident satisfaction, ensuring that all communities — regardless of location or disadvantage — can thrive.		<p>Some similar benefits to four unitary but with the following considerations:</p> <ul style="list-style-type: none"> • Larger footprints give scale for corporate efficiency but increase distance from neighbourhoods to enable genuine co-production and relational prevention. • Fewer leadership teams reduce the opportunities for exploration of innovative models, but the larger scale strengthens capacity to roll out successful new models. 		<p>Compared to three unitary:</p> <ul style="list-style-type: none"> • Shorter chains of accountability between councils and neighbourhoods make prevention and co-production more feasible. • Place footprints better match NHS neighbourhoods, health footprints (such as ICB place-based partnerships) and VCSE ecosystems, enabling integrated working. • More executive teams create additional opportunities to trial new approaches, increasing the likelihood of innovation and wider adoption. • Supports targeted regeneration and place-specific reform <p>Plus the following:</p> <ul style="list-style-type: none"> • Deliver radical change in the public service landscape. More executive teams, it could be argued, offers more opportunities for bold practice (e.g., pooled community investment funds; neighbourhood outcomes 	<p>Closer democratic proximity to neighbourhoods - A 4-unitary design shortens the chain between council leadership and neighbourhood teams/VCSE partners compared with a larger 3-unitary footprint—making it easier to co-produce, share power, and adapt quickly across diverse places.</p> <p>Better alignment with a ‘neighbourhood health and care’ model - Four unitaries create more manageable “place” footprints over clusters of neighbourhoods and PCNs, supporting multidisciplinary, community-led teams and accountability that doesn’t get diluted across very large geographies.</p> <p>Stronger targeting of inequalities and regeneration across distinct local economies - Four unitaries offer finer-grained “place leadership” to marshal housing, skills, transport and public health around different local growth paths—while a 3-unitary map risks averaging out priorities and slowing targeted regeneration where it’s most needed.</p> <p>More credible delivery of targeted, proactive prevention at scale - The LGA/ADASS coalition show earlier action generates an average £3.17 return for every £1 invested, with multibillion net benefit</p>

Objectives		3UA	Summary Narrative on 3UA	4UA	Summary Narrative on 4UA	Detailed Commentary on suitability of 4UA
					<p>contracts), increasing the chance at least one unitary pioneer a model others can adopt at pace. Demos</p> <ul style="list-style-type: none"> • Widen access for underserved communities. Smaller “place” footprints are better at reaching left-behind neighbourhoods through asset-based approaches and community power—central to DEMOS and NHS Confederation—improving access and trust among groups least served by formal systems. DemosNHS Confederation • Reduce long-term costs & improve outcomes. With prevention lines embedded across four authorities you create resilience and redundancy in delivery. This approach aligns with the NHS Long Term Plan’s focus on prevention and integrated care, making it more likely the system realises the £3.17 per £1 prevention value, alongside improvements in prosperity, health, skills, and resident satisfaction. 	<p>potential if scaled. To realise this, councils need consistent pipelines of neighbourhood-level interventions (falls prevention, community connectors, social prescribing link-ups, supported housing, etc.). Four unitaries provide the scale to embed and protect these prevention lines, while tailoring approaches to the distinct needs of each area (rural, urban or mixed communities). A four unitary model can also have appropriate level of scale for workforce development to support prevention based service delivery. This place-based approach diversifies delivery risk, supports faster spread and scale of effective practice across peer authorities, and still allows collaboration for back-office efficiencies.</p> <p>Keeps scale where it matters, locality where it counts.</p> <p>A 4-unitary pattern can still run <i>shared</i> corporate services (ICT, procurement, revenues & benefits, analytics) via joint committees or companies to preserve purchasing power—while leaving prevention, neighbourhood integration and regeneration firmly place-led. That balance reflects the NHS Confederation warning that top-down re-brands won’t work unless relationships with communities change on the ground.</p>

Objectives		3UA	Summary Narrative on 3UA	4UA	Summary Narrative on 4UA	Detailed Commentary on suitability of 4UA
Achieve the right scale for efficient service delivery, whilst ensuring greater responsiveness to residents	To design a model of unitary authorities that are large enough to deliver high-quality, cost-effective services, but locally rooted, creating the conditions for greater connectedness, stronger relationships, and a system that is accessible and responsive to residents and maintains a strong sense of place, community identity, and civic pride.		<p>Some similar benefits to four unitary but with the following considerations:</p> <ul style="list-style-type: none"> • Larger organisations achieve economies of scale but risk losing civic identity and democratic proximity – there is a lack of evidence of huge efficiencies from other reorganisations so the larger scale benefit may be limited • Responsiveness weakens: councillors and executives cover wider geographies, reducing their connection to residents. • Harder to reflect Lancashire’s diversity (rural, coastal, post-industrial) in service design 		<p>Compared to three unitary:</p> <ul style="list-style-type: none"> • Still achieves efficient scale for corporate functions while retaining manageable footprints. • Strengthens civic identity and resident connectedness — each unitary is close enough to reflect distinct community priorities. • Place boundaries align better with NHS and neighbourhood delivery structures, improving joint commissioning and responsiveness. <p>Plus:</p> <p>Deliver high-quality, cost-effective services at scale</p> <p>Four unitaries are each large enough to achieve efficiencies through shared back-office, commissioning power and workforce pipelines, while retaining resilience across multiple organisations. This meets the efficiency test without creating oversized “super-authorities” that risk higher costs of bureaucracy and weaker resident responsiveness.</p> <p>Maintain strong local roots and civic identity</p>	<p>Right scale for efficiency — without losing local roots</p> <p>Large enough unitary authorities are needed for commissioning power, economies of scale (procurement, digital platforms, specialist teams) and resilient workforce pipelines. A four-way design retains those advantages (each authority reaches a viable threshold) while avoiding the “super-authority” effects of very large footprints (where distance from neighbourhoods increases and responsiveness drops). This aligns with the LGA/ADASS case that prevention requires stable investment and capacity at place, but also that councils need organisational muscle to scale evidence-based interventions. Local Government Association</p> <p>Maintains responsiveness and civic identity</p> <p>Demos’ Preventative State stresses that prevention depends on social foundations — civic networks, trust and local relationships. Smaller place footprints (as four units create compared to three) increase democratic proximity and civic leadership capacity, helping to preserve place identity, local pride and community engagement that underpin responsive services. In short: four gives leaders</p>

Objectives		3UA	Summary Narrative on 3UA	4UA	Summary Narrative on 4UA	Detailed Commentary on suitability of 4UA
					<p>Compared with three very large units, four creates place footprints that better reflect Lancashire's diverse local economies and communities (coastal, rural, post-industrial). This strengthens civic pride and sense of place — key ingredients for accessibility, responsiveness and engagement that Demos and NHS Confederation evidence stress are prerequisites for prevention and trust.</p> <p>Enable neighbourhood-led integration and responsiveness NHS Confederation highlight that effective health and care integration happens at <i>neighbourhood</i> level. A four unitary design maps more naturally to PCN clusters and community networks, creating organisational spans small enough for strong relationships with neighbourhood teams. This makes the system more agile in responding to resident needs.</p> <p>Create organisational redundancy and learning capacity More executive teams, it could be argued, offers more opportunities for innovative bold practice and</p>	<p>manageable spans of control to stay connected to residents. Demos</p> <p>Better fit for neighbourhood-led delivery (health, social care and prevention)</p> <p>NHS Confederation's neighbourhood model argues for hyper-local integration across primary care networks, community services and local government. Four unitary boundaries produce place populations that map more naturally to clusters of neighbourhoods/PCNs and voluntary sector ecosystems than a few very large authorities would — making joint working, multidisciplinary teams and shared neighbourhood outcomes contracts simpler to design and govern. That reduces transaction costs and improves responsiveness. NHS Confederation</p> <p>Economies of scale and organisational redundancy</p> <p>Efficiency is not only about being big — it's also about resilience. With four authorities you can centralise high-cost specialist services (analytics, procurement, IT) via shared arrangements while avoiding single-point failures that can occur with one huge authority. The Future of Prevention programme emphasises enablers (data, workforce, joint commissioning) that are easier to pilot, protect and iterate in multiple medium-scale organisations than across one monolith. Four units mean four</p>

Objectives		3UA	Summary Narrative on 3UA	4UA	Summary Narrative on 4UA	Detailed Commentary on suitability of 4UA
					<p>associated opportunities for shared learning and to adopt new models at pace.</p> <p>Target services to local needs more precisely Lancashire’s challenges vary — coastal deprivation, rural isolation, industrial legacy. Four units provide the scale to run efficient services but small enough footprints to tailor strategies for adult social care prevention, skills, housing and health inequalities. This supports both efficiency and responsiveness by aligning services with real community demand.</p> <p>Enhance accountability and resident connectedness More manageable spans of control mean councillors and officers remain closer to communities, improving accountability and speed of response. The preventative state literature underlines the importance of relational governance and services aligned with local needs, co-produced with local residents — something</p>	<p>operational testbeds and four leadership teams capable of mutual learning and rapid iteration. Future of Prevention Programme Interim Report</p> <p>Targeted service models for diverse local economies and demand Lancashire contains coastal, post-industrial and rural areas with different service demand and economic levers. Four authorities allow more focused local strategies—e.g., targeted adult social care prevention programmes, local housing-linked interventions, and skills-led regeneration—reducing the risk that a single large authority will smooth away place-specific priorities. This is consistent with the LGA economic and prevention modelling showing greater returns when interventions are targeted to local need. Local Government Association+1</p> <p>Simpler governance for neighbourhood outcomes and resident responsiveness Smaller place leaders and scrutiny bodies make it easier for residents to hold local services to account and for councillors to maintain relationships with neighbourhood delivery partners. The evidence repeatedly shows prevention and neighbourhood integration depend on relational governance — something more achievable</p>

Objectives		3UA	Summary Narrative on 3UA	4UA	Summary Narrative on 4UA	Detailed Commentary on suitability of 4UA
					that is far more feasible with four units than with three larger ones.	with four, not three, very large administrative footprints.
Strengthen effective place-based, preventative approaches	To transform local systems, establish integrated place-based delivery models and build upon successful local partnerships that deliver early intervention and prevention, exploring new models of delivery and, where successful, ensuring continuity of integrated working with health, education, police, and voluntary sector partners.		<p>Some similar benefits to four unitary but with the following considerations:</p> <ul style="list-style-type: none"> • Larger footprints complicate alignment with PCNs, schools, and police divisions, risking loss of neighbourhood focus. • Governance more distant from VCSE partners and community groups, reducing continuity of local partnerships. • Fewer organisations reduce the number of innovation testbeds for prevention pilots. 		<p>Compared to three unitary:</p> <ul style="list-style-type: none"> • Creates place footprints that align more naturally with neighbourhood health and care models. • Closer partnerships with local VCSE organisations, improving trust and sustainability of prevention programmes. • Four organisations = four laboratories for piloting integrated place-based delivery models, with rapid cross-learning. • Easier to tailor prevention strategies to local risk drivers (e.g., youth unemployment, coastal health inequalities) <p>Plus:</p> <p>Make neighbourhoods the foundation of delivery</p> <p>Four unitaries create place footprints that can align naturally with Primary Care Networks, schools, police teams, and VCSE networks. This enables neighbourhood teams to deliver</p>	<p>Make neighbourhoods the primary delivery unit</p> <p>A four unitary model creates place footprints that are small and coherent enough to align with neighbourhood teams, Primary Care Network clusters, and VCSE ecosystems. That alignment enables genuine co-production, quicker referral pathways between health, social care, education and police, and locally tailored prevention packages (e.g., social prescribing, early help in schools, community safety interventions). In practice this means neighbourhood-level multidisciplinary teams become the operational norm rather than the exception.</p> <p>Institutionalise integrated commissioning at the right scale</p> <p>Four unitary authorities provide a pragmatic scale for pooled budgets and joint commissioning with NHS partners and other system players while remaining close enough to local partners to co-design services. This supports longer-term pooled arrangements for prevention (e.g., integrated place-based prevention funds, joint investment in housing-linked interventions, and school-based early help)</p>

Objectives		3UA	Summary Narrative on 3UA	4UA	Summary Narrative on 4UA	Detailed Commentary on suitability of 4UA
					<p>early intervention and prevention consistently and responsively.</p> <p>Establish integrated commissioning at the right scale Each unitary is large enough to pool budgets with NHS, police, and education partners, while still being close enough to communities to co-design interventions. This supports long-term, integrated prevention funds and joint commissioning.</p> <p>Protect and sustain successful local partnerships With four authorities, there are more local leaders who can back proven VCSE and community models, ensuring continuity and stability where pilots work, rather than losing them in larger, more distant structures.</p> <p>Create multiple testbeds for innovation Four units mean four learning environments. Each can trial new delivery models — from neighbourhood outcomes contracts to youth prevention hubs — and then spread proven innovations across the others,</p>	<p>and reduces the governance friction that larger, more remote authorities often face.</p> <p>Protect and mainstream successful local partnerships The literature shows prevention succeeds when local relationships and credible local partners are sustained. Four authorities mean more local ‘place leaders’ who can champion proven local models, secure long-term funding for VCSE delivery partners, and ensure continuity where pilots work — rather than having a single mega-authority that may re-prioritise or diffuse successful local initiatives.</p> <p>Build workforce and relational capacity where it matters Place-based prevention depends on relational practice (community connectors, trusted link workers, multidisciplinary clinicians and teachers). Four units make it easier to design locally relevant workforce strategies — targeted recruitment, local training hubs, and rotational posts across partners — increasing retention and embedding preventive skills in the workforce footprint.</p> <p>Improve data flows and local performance accountability Four authorities can agree a common minimal dataset and neighbourhood outcomes framework, making data-sharing with health, schools and police easier to</p>

Objectives		3UA	Summary Narrative on 3UA	4UA	Summary Narrative on 4UA	Detailed Commentary on suitability of 4UA
					<p>speeding up adoption while limiting risks.</p> <p>Build local workforce and relational capacity Prevention relies on trusted, relational practice. Four unitaries allow tailored workforce strategies (training link workers, youth workers, social prescribers) matched to local demand and context, improving recruitment and retention.</p> <p>Improve data-sharing and accountability Smaller, clearer footprints make it easier to agree shared outcome frameworks and data protocols with health, schools, and police. This strengthens early warning systems and accelerates neighbourhood responses.</p> <p>Target prevention to diverse local needs Lancashire's places differ sharply — rural isolation, coastal deprivation, post-industrial towns. Four authorities give enough scale for efficiency but small enough footprints to tailor prevention strategies to these different drivers of demand.</p>	<p>govern and faster to act on. This strengthens early-warning systems (rising demand signals, cohort risk stratification) and focuses attention on prevention metrics rather than short-term reactive outputs.</p>

Objectives		3UA	Summary Narrative on 3UA	4UA	Summary Narrative on 4UA	Detailed Commentary on suitability of 4UA
Reinforce democratic connection and accountability to communities	To create and implement governance and engagement structures that improve the visibility and accessibility of local democratic leadership, ensuring that residents remain connected to decision-making and feel represented by authorities that understand and reflect their communities.		<ul style="list-style-type: none"> • A single tier of local government via a 3UA simplifies accountability, giving residents a clear point of contact and removing confusion between county and district responsibilities. • Larger authorities strengthen corporate and political leadership, supporting consistent standards in governance, scrutiny, and decision-making across wide areas. • Councillors would represent larger populations and geographies than under the four unitary option, which could reduce the immediacy of the democratic link in some communities. • Strategic decision-making benefits from stronger capacity, but risks becoming more distant from neighbourhood-level priorities without 		<ul style="list-style-type: none"> • Four unitaries create a clear single tier of governance, removing the two-tier split and giving residents clarity on who is responsible for local services. • The footprint of four authorities is closer to community scale, allowing councillors to remain accessible and better connected to the residents they represent. • Localised authority structures allow decisions on prevention, regeneration, and place-based services to be shaped by more directly accountable leadership. • With four cabinets and scrutiny bodies, there is greater scope for transparency, democratic oversight, and healthy challenge, supporting more responsive governance. • Balances strategic capacity with stronger local connection, reducing the risk of decision-making feeling too remote from residents. 	Retain democratic connection DEMOS' Preventative State stresses resilience depends on maintaining strong civic relationships. Four unitaries are small enough to preserve proximity to residents, but large enough to enable strategic decision making on significant pressure areas with accountable leadership

Objectives		3UA	Summary Narrative on 3UA	4UA	Summary Narrative on 4UA	Detailed Commentary on suitability of 4UA
			effective engagement mechanisms.			
Build organisational resilience and future delivery capacity	To create unitary authorities with the scale, skills, and structural resilience needed to respond to future challenges and opportunities, adapt to changing demands, and continue delivering high-quality services in the face of economic, social, and environmental pressures		<p>Some similar benefits to four unitary but with the following considerations:</p> <ul style="list-style-type: none"> • Workforce planning can become more generic across larger areas, losing flexibility to local needs. • Fewer leadership teams reduce bandwidth for innovation, national engagement, and attracting investment. • Less scope for tailored resilience strategies 		<p>Compared to three unitary:</p> <ul style="list-style-type: none"> • Four viable organisations each with sufficient scale for resilience, while avoiding over-concentration risks. • Four leadership teams create greater capacity for innovation, adaptation, and investment attraction. • Workforce plans can be tailored to local conditions, while still pooling specialist recruitment county-wide - Four unitaries allow tailored workforce strategies (training link workers, youth workers, social prescribers) matched to local demand and context, improving recruitment and retention. • Allows differentiated resilience strategies matched to Lancashire's varied geographies. <p>Plus</p> <p>Secure scale and stability without over-centralisation Four unitaries are each large enough to deliver strong corporate services and financial sustainability, but not so large</p>	<p>Secure scale and structural resilience without creating fragility Four unitaries are each large enough to run robust corporate functions, specialist teams, and sustainable budgets, but without the risks of over-centralisation.</p> <p>Develop adaptive, preventative service models LGA/ADASS evidence shows prevention reduces long-term costs and strengthens resilience by lowering demand pressures. Four authorities provide the governance and budget cycles to embed prevention lines more consistently, while creating parallel spaces to experiment with new models. This builds capacity to adapt to changing demographic, economic, and health demands.</p> <p>Retain responsiveness while investing in long-term capacity DEMOS' Preventative State stresses resilience depends on maintaining strong civic relationships. Four units are small enough to preserve proximity to residents, but large enough to generate the surpluses and investment power needed to develop digital platforms, green infrastructure, and new workforce pipelines that underpin long-term resilience.</p>

Objectives		3UA	Summary Narrative on 3UA	4UA	Summary Narrative on 4UA	Detailed Commentary on suitability of 4UA
					<p>that they become unwieldy. This creates structural resilience while avoiding the risks of over-concentration.</p> <p>Embed prevention to reduce future demand pressures By mainstreaming early intervention across four organisations, Lancashire can consistently lower long-term costs and pressures on services, strengthening the system's ability to cope with demographic and economic change.</p> <p>Balance long-term investment with local responsiveness Four authorities have the capacity to invest in digital, infrastructure, and workforce pipelines, while keeping close enough to communities to adapt quickly when demands change.</p> <p>Strengthen cross-sector partnerships Four units align more effectively with NHS, schools, police, and VCSE partners, enabling coordinated responses to future shocks such as pandemics, climate risks, or economic restructuring.</p>	<p>Strengthen system-wide partnerships for future challenges Resilience requires cross-sector collaboration. Four authorities align more effectively with NHS footprints, police divisions, school clusters, and VCSE networks than fewer, larger bodies. This makes it easier to co-invest in prevention, share data across agencies, and mobilise joint responses to shocks such as climate events, pandemics, or economic restructuring.</p> <p>Build and sustain a skilled workforce Future resilience hinges on the right workforce. With four units, each can tailor workforce strategies to local demand (social care, community health, youth work, housing) while collaborating at Lancashire scale for specialist recruitment, leadership development, and staff wellbeing. This balance protects frontline capacity while building system-wide resilience.</p> <p>Increase innovation capacity through multiple leadership teams Having four executive and political leadership teams creates more bandwidth to engage with national programmes, attract investment, and pilot innovative service models. This diversity of leadership increases the chance of successfully adapting to emerging challenges and scaling what works across the county.</p>

Objectives		3UA	Summary Narrative on 3UA	4UA	Summary Narrative on 4UA	Detailed Commentary on suitability of 4UA
					<p>Build workforce resilience Each unitary can shape its workforce plan to local needs while collaborating county-wide on specialist recruitment and leadership development, protecting frontline capacity and future delivery skills.</p> <p>Increase innovation capacity With four leadership teams, Lancashire gains multiple centres for piloting, learning, and scaling innovation, enhancing adaptability to future opportunities and challenges.</p> <p>Tailor resilience strategies to diverse local pressures Different parts of Lancashire face different risks — coastal flooding, industrial transition, rural isolation. Four unitaries allow focused local resilience plans while still pooling resources for shared county-wide issues.</p>	<p>Ensure resilience to external shocks and future uncertainty Environmental and economic pressures will hit Lancashire’s places differently. Four authorities mean each can focus on localised adaptation strategies (e.g., flood resilience for coastal areas, economic transition for industrial towns, connectivity for rural areas) while pooling resources where common solutions are needed. This balance is central to long-term system resilience.</p>

Appendix 5 – Shortlist appraisal - Economic

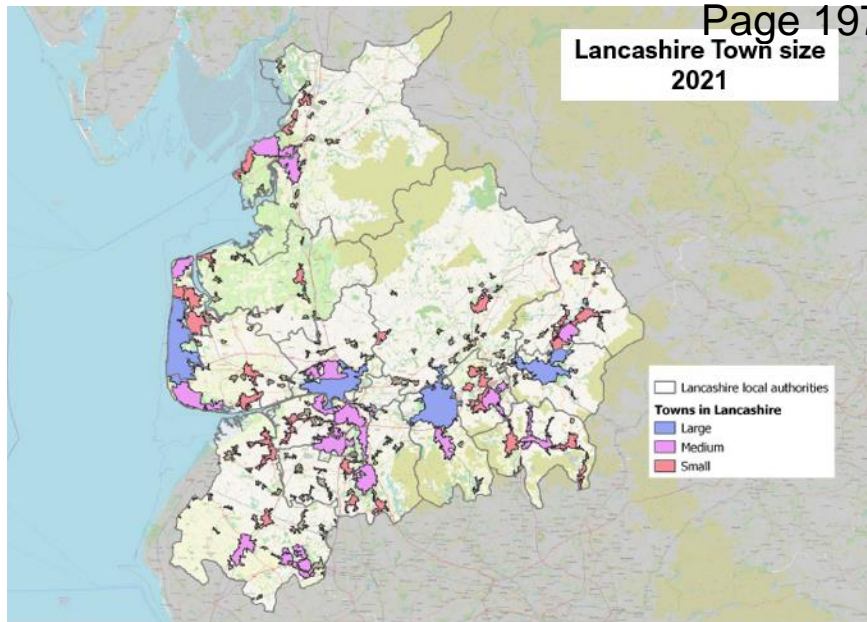
Strategic Objective: *Establish the strongest platform for partnership with a future Lancashire Mayoral Strategic Authority*

Lancashire took its first steps towards devolved government with the creation of the Lancashire Combined County Authority in February 2025, which has a vision to “build upon [Lancashire’s] strengths to become a globally recognised, highly competitive, and sustainable region celebrated for its quality of life, connectivity, and opportunity”. Under this foundation level deal the region’s devolved administration will be pursuing interventions around local transport planning, skills improvements and sectoral development; however, a further evolution into a Mayoral Strategic Authority (MSA) will be required if the region is going to utilise additional powers such as a multi-year integrated transport settlement, development corporations to accelerate site development, or gainshare funding.

The effectiveness of an MSA is dependent on the strength and coherence of its constituent local authorities. While the MSA provides the strategic direction, leverages devolved powers, and coordinates investment across the region, it relies on constituent authorities to deliver interventions on the ground, provide local intelligence, build investable propositions and new ideas for projects, and ensure that strategies are responsive to the unique assets and challenges of each area. In practice, this means that the MSA’s ability to develop and implement Local Growth Plans, skills strategies, and transport frameworks is only as strong as the capacity, economic coherence, and collaborative culture of its member authorities.

Both the three unitary and four unitary options are well positioned to serve as the foundation for a future Lancashire MSA. For an MSA to deliver region-wide economic development, it is essential that its constituent authorities function as coherent economies, each with sufficient scale and a relevant mix of economic and community assets; the evidence base demonstrates that both the three unitary and four unitary models achieve this.

Both options feature unitary authorities which have population and economy sizes equivalent to those seen in existing MSAs such as Greater Manchester and the West Midlands. Each proposed unitary authority contains a diverse mix of large, medium, and small towns, underpinning a polycentric pattern of growth. This structure sees no single area dominate, allowing for both local distinctiveness and collective strength. Each unitary authority in both three unitary and four unitary proposals include a strong education offer, have north-south road and rail connectivity, and generally contain a mix of rural and urban typologies.



In terms of economic geography, evidence from the Lancashire Independent Economic Review (2021) shows that the three unitary and four unitary options best align with the four economic growth corridors reflective of workforce commuting patterns. The three unitary East includes the corridors from Clitheroe to Darwen through Blackburn, and from Colne to Rawtenstall via Burnley, highlighting the potential for a UA centred on manufacturing specialisms. The three unitary South acknowledges commuting patterns via the M6 and West Coast mainline, with Preston identified as a primary destination for workers.

The 4UA option similarly encompasses the corridor between Clitheroe to Darwen through Blackburn, and from Colne to Rawtenstall via Burnley within its East unitary authority; the exclusion of Ribble Valley from this UA means that some small element of work commuting will occur across UA boundaries for Ribble Valley residents. The four unitary authorities North and South also fully recognise the M6 axis stretch from Lancaster to West Lancashire, creating a platform for collaboration between the two unitary authorities and an MSA on advantageous infrastructure plans.

Importantly, the four unitary configuration offers a unique advantage: it is the only proposal that fully contains the Fylde Coast corridor - Blackpool, Fylde, and Wyre - within a single unitary authority. This is significant, as the Fylde Coast is characterised by highly localised labour markets and economic containment; keeping these areas together within one authority enables more coherent planning and delivery of transport, skills, and regeneration initiatives.



Taken together, the economic components, spatial configuration, and asset distribution achieved through both the three unitary authority and four unitary options support the Government's vision for MSAs: to create strategic authorities that are large enough to drive transformational change yet locally attuned enough to deliver place-based interventions. By aligning administrative boundaries with real economic geographies and ensuring each unitary authority is both viable and distinctive, these models provide a robust and future-proof platform for Lancashire's devolution journey.

However, it is important to acknowledge that, on needs-based indicators such as deprivation, earnings, health, and business concentration, both the three unitary and four unitary represent inequality between constituent authorities. For example, the analysis shows that in the four unitary model the East unitary authority has a significantly high level of deprivation, with 59% of the population living in neighbourhoods ranked in the bottom three national deprivation deciles in 2019. This is a level of deprivation concentrated in one single unitary authority that is slightly higher than the three unitary authority East at 52%. The four unitary authority option also features areas of high inequality between authorities on aspects of demography and earnings. Under the four unitary option, the annual earnings gap between UAs is £7,354, which is larger than the three unitary gap.

Whilst the four unitary option has a greater number of indicators where there are high inequalities between UAs, the 3UA has the greatest inequality between unitary authorities for Gross Value Added or economy size. The three unitary option splits Lancashire's economy into a North unitary authority which contributed £11.4bn to the national economy in 2022, East at £12.7bn and a South unitary authority higher at £15.5bn; this means there is a £4.1bn difference between the largest and smallest unitary authority economically. This means that the economic weight and fiscal capacity of each unitary authority would vary considerably, potentially affecting their ability to contribute equally to region-wide initiatives.

Perfect equity between local authorities is rare and arguably not necessary for success. In fact, much of the purpose of MSAs is to enable a place-based and spatially targeted approach that is joined up to a realistic picture of the regional economy. The evidence suggests that spatial inequalities are best addressed through

collaboration with authorities that are attuned to the neighbourhoods and communities facing the greatest challenges. For example, the asset and population cluster analysis shows that both the three unitary and four unitary models are well placed to allow for strategies that are responsive to the specific needs of deprived areas, while also leveraging the strengths of more prosperous areas.

In conclusion, the three unitary and four unitary LGR proposals provide the strongest platform for partnership with a future Lancashire Mayoral Strategic Authority. They align with government criteria for scale, economic coherence, and governance; group local authorities in ways that reflect real economic geographies and sectoral strengths; and distribute assets and opportunities in a way that supports both regional growth and targeted interventions. While both models present challenges in terms of managing inequality and political dynamics, these are outweighed by the opportunities for collaborative, strategic economic development that MSAs are designed to deliver. With effective governance and a commitment to partnership, either the three unitary or four unitary model would provide a robust foundation for Lancashire's future under a Mayoral Strategic Authority.

Strategic Objective	3UA	4UA
Establish the strongest platform for partnership with a future Lancashire Mayoral Strategic Authority		

Strategic Objective: *Ensure Lancashire plays a stronger role in the North's growth*

The *Lancashire Independent Economic Review (2021)* makes clear that closing Lancashire's productivity gap with the rest of the UK is both an economic and social imperative. Lancashire currently faces a structural productivity problem: across almost all sectors, productivity is lower than the English average, and this underperformance is the single biggest contributor to the county's output gap. This is not simply a matter of sectoral mix; it reflects low "in-work" productivity, weak engagement with high-value supply chains, and relatively low levels of innovation adoption and diffusion.

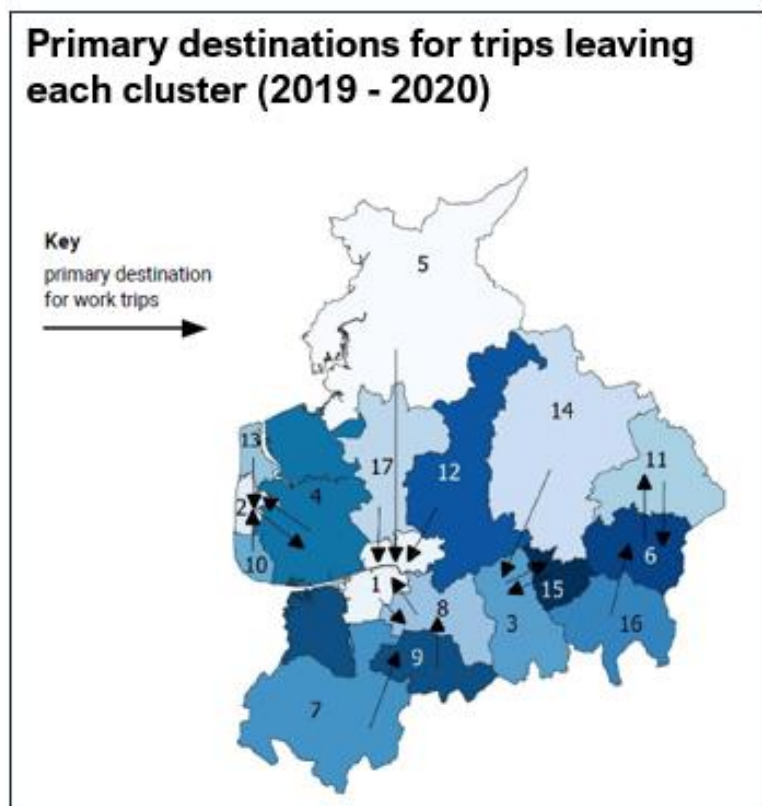
The consequences are profound: a preponderance of low-wage, low-value jobs, reduced spending power, and economic precarity, all of which limit Lancashire's ability to contribute fully to the North's growth and to national GVA. Addressing this gap is essential not only for regional competitiveness but also for improving life chances, as higher productivity underpins better wages, stronger public services, and healthier, more resilient communities. As the LIER argues, productivity must be placed in the service of prosperity, understood broadly to include income, health, wellbeing, and environmental sustainability, so that growth translates into tangible benefits for people and places across Lancashire.

One of the most significant barriers to higher productivity identified by the LIER is Lancashire's relatively low level of innovation adoption and diffusion among its key sectors. While the county benefits from a strong manufacturing base, accounting for 19% of GVA and employing over 86,000 people, innovation performance lags behind national comparators, with Lancashire ranking 23rd out of 36 UK regions for innovation spend. The review highlights that innovation does not occur in isolation; it thrives in ecosystems where businesses interact across sectors and technologies, often in collaboration with research institutions. These networks are currently underdeveloped in Lancashire, limiting the ability of firms to move up the value chain and embed themselves in high-value supply chains. To address this, the LIER recommends that local government take an active role in fostering these connections, for example through "Grand Challenges" that bring together businesses, academia, and investors around shared missions such as industrial decarbonisation or health

innovation. In the context of local government reorganisation, this means that unitary authorities with coherent sectoral profiles and complementary specialisms will be better placed to design targeted interventions that stimulate innovation and drive productivity growth.

Both the three unitary and four unitary options, as established in the short-list options appraisal and the economic evidence base, divide Lancashire's economy into boundaries that pull out distinctive sectoral specialisms in each UA. However, the four unitary option does this most successfully and is, on balance, the most likely to enable Lancashire to play a stronger role in the North's growth.

Rural Lancashire is part of East unitary authority, providing the area with valuable local knowledge, business links, and insight into manufacturing development and investment opportunities. Similarly, the three unitary South is well placed to build on its professional services and administrative specialism, with Preston as a key economic centre. However, the three unitary North brings together the distinct tourism and visitor economy specialism of Blackpool, Fylde, and Wyre with the defence and agricultural specialisms of Lancaster. This amalgamation risks diluting the focus on the visitor economy, making it harder for the North unitary authority to develop interventions that meaningfully promote interaction within sectors that share a value chain.



The challenge is compounded by commuting patterns: the three unitary North encompasses an insular western economy (Blackpool, Fylde, Wyre) and a northern economy (Lancaster) that is more closely linked, in terms of sectoral and commuting synergy, to areas southwards rather than westwards.

In contrast, the four unitary model avoids these potential barriers by drawing boundaries that more accurately reflect Lancashire's economic geography and sectoral strengths. The four unitary East encompasses the manufacturing belt of Pennine Lancashire, putting it in a strong position to foster connections between manufacturing firms and to collaborate with the MSA on targeted interventions. The four unitary North is more coherent, reflecting a distinct rural specialism and more logical southward linkages for professional business services commuting. Most notably, the four unitary West encompasses the self-contained economic geography of Blackpool, Wyre, and Fylde. By keeping these areas together, the four unitary West is better

positioned to be close to the businesses, workers, and local market that drive the visitor economy, and to foster innovation in this specialism; this is particularly important consideration given the West’s higher unemployment and economic inactivity rates.

The evidence shows that the four unitary model’s approach to sectoral clustering and economic geography is more likely to support the kind of cross-sectoral innovation and diffusion that the LIER identifies as critical for closing the productivity gap. By creating unitary authorities with more distinct and internally coherent sectoral profiles, the 4UA model enables local government to develop more targeted, sector-led approaches to business support, skills development, and innovation diffusion. This, in turn, creates the conditions for Lancashire to play a more significant role in the North’s growth, both by raising its own productivity and by contributing more effectively to the wider regional and national economy.

Strategic Objective	3UA	4UA
Ensure Lancashire plays a stronger role in the North’s growth		

Strategic Objective: *To ensure geographical coherence that reflects communities and functional boundaries*

For residents, the success of local government reorganisation (LGR) in Lancashire will depend on whether the chosen configuration of boundaries preserves local affinity with democratic structures while delivering tangible improvements in public services and economic opportunity. People need to feel that their local authority reflects their sense of place and identity, while also being large enough to plan and deliver services effectively. Therefore, a key objective of LGR is to create a geography that is coherent aligned with both community identity and functional economic and social boundaries.

Among all the LGR proposals the three unitary and four unitary models achieve this balance most effectively. However, the evidence suggests that the four unitary option performs better overall because it proposes unitary authorities that are closer in scale to existing communities, minimising disruption during transition, and because its boundaries more accurately reflect Lancashire’s functional economic geography.

The three unitary model proposes population sizes that are significantly larger than residents are accustomed to under the current two-tier system. While these sizes broadly align with the government’s nominal 500,000 population benchmark for efficiency, various research commissioned by the County Council Networks infers a broader population range, and research by the District Councils Network sets out that local democracy and citizen engagement is more likely to be damaged the larger local government becomes.

The four unitary option, with its smaller population units, therefore, offers a compelling alternative: it retains the potential for radical service improvement while remaining closer to communities. This proximity matters. Smaller unitary are likely to foster stronger engagement between residents and local government, enabling councillors and officers to maintain closer relationships with communities and develop deeper local intelligence - factors that are critical for responsive service delivery and effective place-based policy.

Boundary alignment with functional economic areas further strengthens the case for the four unitary model. The LIER highlights Lancashire’s complex economic geography characterised by distinct economic corridors and labour markets rather than a single dominant centre. The four unitary option respects these patterns more faithfully than the three unitary model. For example, the three unitary configuration groups Lancaster with the Fylde Coast, despite evidence that Lancaster’s economic and commuting ties are stronger southwards

towards Preston and eastwards into Ribble Valley and on to the coast, the four unitary creates a distinct West UA encompassing Blackpool, Fylde, and Wyre - an area with a relatively self-contained economy and strong internal labour market linkages. This alignment reflects not only functional economic geography but also local perceptions of identity and community, which the LIER identifies as critical for building legitimacy and trust in governance structures.

Building unitary authorities that are representative of both local identity and functional economic geography provides the strongest foundation for success. It ensures that residents feel connected to their local government, sustaining participation in democratic processes, while enabling authorities to develop a nuanced understanding of the opportunities and challenges facing their areas. In turn, this creates the conditions for more effective, place-based strategies that can improve productivity, tackle deprivation, and enhance quality of life.

Strategic Objective	3UA	4UA
Ensure geographical coherence that reflects communities and functional boundaries		

Appendix 6 - LGR Resident Survey Methodology and Results

Lancashire Local Government Reorganisation engagement Survey and promotion summary Methodology

Overview

All Lancashire councils worked together to produce survey wording. This was designed to discover not only people's preferences for the structure of their local councils, but also what they felt was most important in designing the new councils.

People also had a chance to think more widely about the potential benefits and any concerns relating to the reorganisation.

The survey itself was built using the interactive GiveMyView survey platform, which uses quick, image-focused, enjoyable question formats to encourage respondents to engage.

While primarily promoted as a digital survey, paper copies were available, as was assistance from council staff in filling out the survey online.

Outreach

Promotion of the survey was carried out by each council using existing communications channels, and by paid advertising online.

The Lancashire LGR working group, comprising representatives from councils across the county, provided a toolkit to all councils to help them inform staff and residents, and to promote the survey through their channels, including social media and newsletters.

Paid advertising targeted all age ranges across the whole county on Facebook and Instagram. The advertisements were viewed 719,735 times, and 13,411 clicked through to view the website, with more of a focus on postcodes with lower response rates.

Survey wording

In which capacity are you answering this survey? (choice of up to 3)

- Lancashire resident
- Work in Lancashire
- Councillor
- Business owner
- Charity or community group
- Member of council staff
- Don't live/work in Lancashire
- Other

What is the first half of your postcode? (open text)

How do you identify the place you live? (select one)

- Village
- Town
- City
- District

- Borough
- County
- I do not live here
- Other

How important is access to parks and green spaces? (rating out of 5 stars)

How important is Affordable Housing? (rating out of 5 stars)

How important are benefits, financial advice and support? (rating out of 5 stars)

How important is reliable and accessible transport? (rating out of 5 stars)

How important are good health and care services? (rating out of 5 stars)

How important are schools and opportunities for children and young people? (rating out of 5 stars)

How important is adult education, training, skills and apprenticeships? (rating out of 5 stars)

How important are local job opportunities and support for businesses? (rating out of 5 stars)

How important is a strong sense of community and community support services? (rating out of 5 stars)

How important is leisure and culture (museums, libraries, leisure centres etc.)? (rating out of 5 stars)

How important is access to digital services and connectivity? (rating out of 5 stars)

How important is environmental sustainability and climate action? (rating out of 5 stars)

How important are waste and recycling services? (rating out of 5 stars)

How important is planning (e.g. housing, new developments and infrastructure)? (rating out of 5 stars)

Are there any other aspects of local government that are important to you? (rating out of 5 stars)

How would you rate your experience with council services in your area? (slider rating from very sad to very happy, optional open text for further feedback)

What is your preference?

- New larger unitary councils
- Retain the current councils
- Not sure

How important is easy access to all council services in one place? (rating out of 5 stars)

How important are consistent and reliable services? (rating out of 5 stars)

How important is providing good value for money and efficient use of resources? (rating out of 5 stars)

How important is clear and accountable decision-making? (rating out of 5 stars)

How important is a visible and active presence in local communities? (rating out of 5 stars)

How important is having a variety of ways to contact the council? (rating out of 5 stars)

How important is involving residents in decision-making? (rating out of 5 stars)

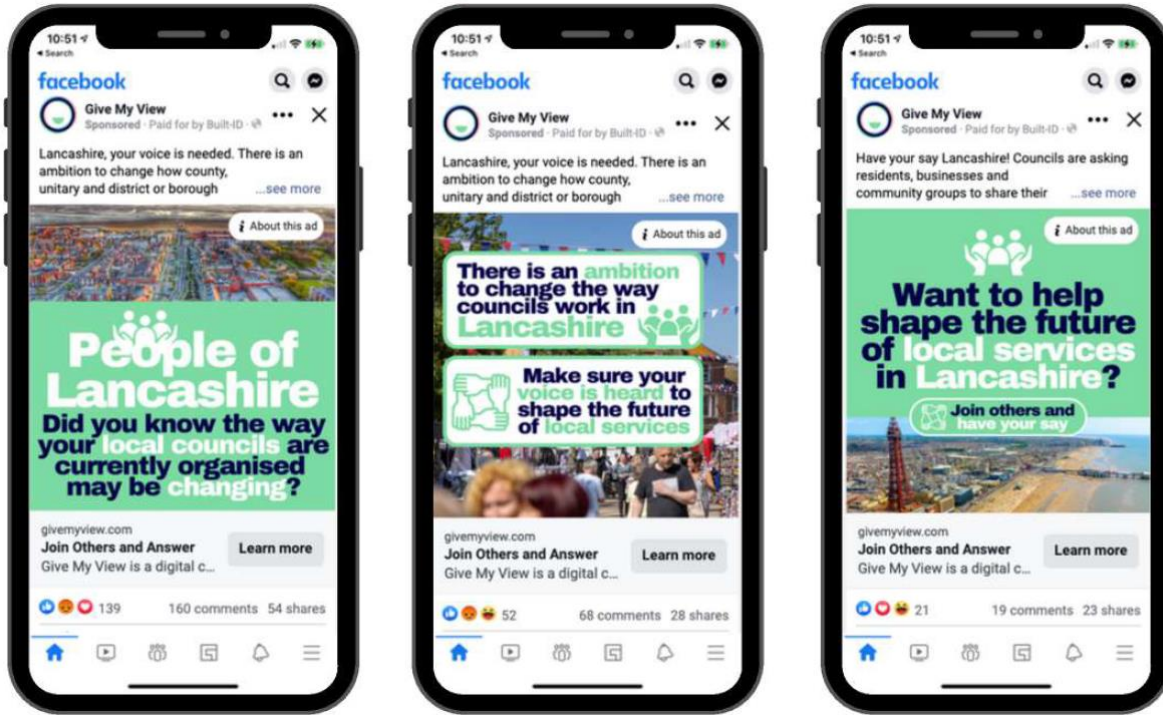
How important is working closely with other public services (e.g. NHS, police)? (rating out of 5 stars)

How important is using technology and innovation to improve services? (rating out of 5 stars)

What benefits, opportunities and improvements, if any, do you feel new larger unitary councils will offer? (open text)

What concerns, if any, do you have with creating new larger unitary councils? (open text)

Marketing examples



Cratus | Lancashire LGR

Give My View - Executive Summary

02.09.2025 - 29.09.2025



Overview results

346,255
Votes

13,414
Voters

67,784
Qualitative
responses

Survey results

In which capacity are you answering this survey?

13,410 respondents answered this question



If you selected 'other', what is your main relationship with Lancashire?
405 answers

Common themes:

Living in Lancashire / Being a Resident

Working in Lancashire

Community, Family & Service Links

Long-Term Commitment & Local Concerns

Community feedback:

Born and bred here, lifelong residents, families live locally, strong local identity

Live and work here, public sector jobs, local businesses /employers, tied to livelihoods

Parish councils, volunteering roles, care and support work, family/community focus

Decades in Lancashire, retired locals, proud of heritage, some fear neglect

Postcode data



What is the first part of your postcode for your home / business / organisation?

Out of 11,989 respondents who answered this question, the most frequent postcodes provided you can see to the right. We received the highest response from the FY8 postcode and the lowest from BB18.



52%

...of people described the place they live as a town in response to the question 'How do you identify the place you live?'

23% of people said that they consider it a village.

1% of respondents selected the option 'other' which allowed them to write how they identify the place they live. The most frequently used word was 'town' followed by 'village', other responses highlight a mix of urban, rural, suburban identities, with some taking this opportunity to share concerns.





Survey results

The following questions were asked in the format of a 5 star rating, respondents were asked to rate the importance of the following council services and offerings:



The data showcases to us that good health & care services is considered the most important amongst this community. Benefits, financial advice & support was given the lowest rating, although still not considered a negative score it indicates that this is still of importance amongst community members.



Survey results

Are there any other aspects of local government that are important to you?

8,036 respondents answered this question with a written response, the most common themes that we can see from the answers are showcased below:

Local identity & representation

(3,601 comments)

People are strongly protective of their local identity and want decision-making to stay close to home. The respondents are often emotional, with themes of pride, belonging and fear of being overlooked in larger systems.

Roads, transport & infrastructure

(2,115 comments)

Daily frustrations dominate here such as road quality, parking, congestion and public transport reliability. People want practical improvements that make day-to-day life easier.

Public services & accessibility

(1,496 comments)

There's worry about losing access of face-to-face services and concerns around digital-only solutions. Residents want services to remain local, fair and broadly, easily accessible.

Social care & health

(1,187 comments)

This is a key emotive theme with concern for elderly care, NHS links and vulnerable groups. The respondents here seem anxious about stretched provision and the need for more compassion for the locals.

Housing & planning

(1,017 comments)

There is some support here for affordable housing but it is matched with resistance to overdevelopment and loss of cherished countryside. People want options that balance growth with preserving heritage and key infrastructure.

Cleanliness & environment

(908 comments)

A blend of frustration and aspiration surrounding the topics of clean streets, green spaces and recycling are linked to pride of place and general wellbeing.

Policing & safety

(801 comments)

Crime, antisocial behaviour and lack of visible policing drive a sense of insecurity in the local area. There is a sense of urgency and calls for stronger community policing.

Council tax & value for money

(743 comments)

Residents feel they pay too much for too little, with calls for transparency and less monetary waste has the potential to foster a less negative view towards council spending.



Survey results

How would you rate your experience with council services in your area?

This question was posed as a slider, therefore all respondents were asked to move the slider up or down the scale to indicate how they feel about the council services in their area. The value on the slider determined the emoji face that was seen, for example, the highest value being love-heart eyes and the lowest being a red angry face. The overall average slider value was:

63%

To the left you can see how the slider value changes based on the postcodes given.

The postcode that gave the highest slider value and therefore has had the best experience with the council services was FY8, the postcode with the lowest average slider value was PR2, indicating that they have had on average the worst experience.



After the respondents gave their slider feedback score, they were asked to explain why they felt that way. 7,000 written responses were left, here is a snapshot of what was said:

Positive slider values

(4,350 comments)

Service quality & responsiveness (1,662)

Infrastructure & facilities (964)

Community & activities (626)

Residents in this group are generally satisfied, highlighting reliable services, decent infrastructure, and strong community activities as reasons for their higher scores. While broadly positive, some still mention concerns about fairness or waste, showing that trust is not universal even among the satisfied.

Neutral slider values

(1,361 comments)

Service quality & responsiveness (404)

Infrastructure & facilities (299)

Negative perceptions / distrust (135)

This group shares inconsistent experiences, with some services working well while others don't. Their feedback often notes patchy infrastructure and uneven support.

Negative slider values

(1,187 comments)

Infrastructure & facilities (363)

Service quality & responsiveness (358)

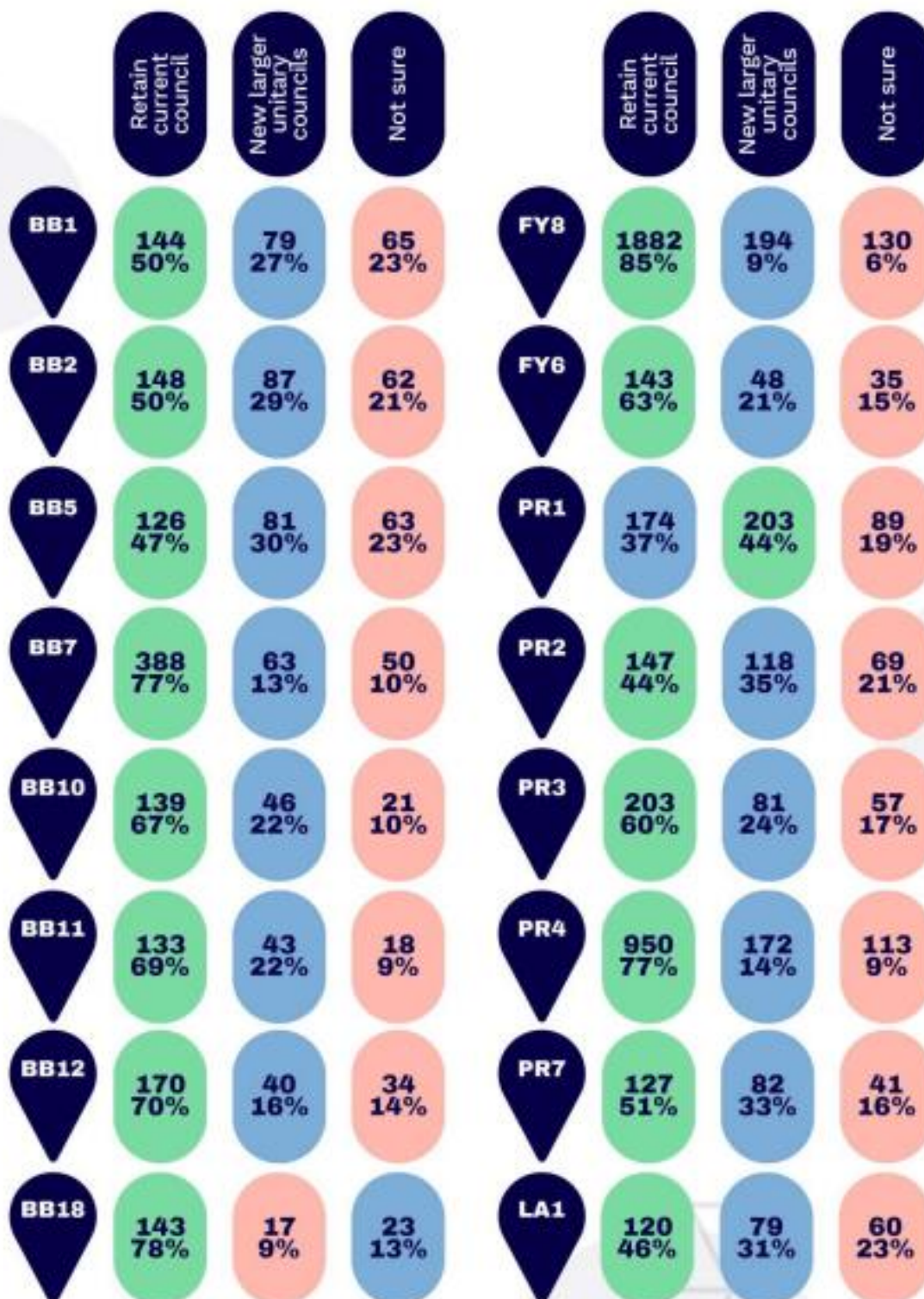
Negative perceptions / distrust (236)

Respondents here feel let down, especially on infrastructure, service quality, and trust, which dominate their concerns. The tone is one of frustration and disconnection, with a strong sense that the council is not meeting their needs.



Survey results

The respondents here were asked to select one option out of 3 in response to the question "What is your preference?" regarding local council reorganisation options. You can see below the highest selected options per each postcode.





Survey results

The following questions were asked in the format of a 5 star rating, respondents were asked to rate the importance of the following council operating elements:



The data showcases a consistent and reliable service is considered the most important element that the council can deliver. The use of tech and innovative solutions was given the lowest rating, although still not considered a negative score it indicates that this is still of importance to the community.



Survey results



What benefits, opportunities and improvements, if any, do you feel new, larger, unitary councils will offer?

7,728 people answered this question, here is a snapshot of what they said:

Scepticism / No Benefit (3,308 comments)

Most people believe larger councils will bring no real advantages, with many expressing cynicism and frustration. The prevailing view is that this change is unnecessary and unlikely to improve local life.

Quality of Services & Delivery (1,689 comments)

Some respondents hope for streamlined, joint services, while others fear that service quality will decline, especially in smaller or more remote areas. Concerns centre on consistency and accessibility.

Service Efficiency & Cost Savings (1,637 comments)

A portion of the community sees potential in reducing duplication and achieving economies of scale. However, this optimism is tempered by fears that "bigger" could also mean inefficiency, slow processes and lack of flexibility.

Local Representation & Democracy (1,578 comments)

There is a concern that local voices will be drowned out, leaving communities feeling disempowered and disconnected from decision-making. Many fear that larger councils will impact accountability and democracy.

Community Investment & Infrastructure (665 comments)

Some people hope bigger councils could channel more resources into infrastructure and community development. There is equal worry that unique local needs will be overlooked and investment unevenly spread.

Fairness & Rural Concerns (297 comments)

Residents in rural or smaller towns feel vulnerable, fearing they will be ignored in favour of larger urban centres. This theme reflects worries about fairness and distribution of resources.

What concerns, if any, do you have with creating new, larger, unitary councils?

8,642 people answered this question, here is a snapshot of what they said:

Loss of Local Identity & Representation (4,314 comments)

The strongest concern is that local voices, community identity and representation will be lost in a larger system. Many feel they will lose their sense of belonging and any influence they had over local decisions.

Service Quality & Accessibility (2,300 comments)

Residents worry that services will become harder to access, slower or of lower quality, particularly for smaller towns and villages. There is fear of becoming less connected to decision-makers.

Unfair Distribution of Resources (1,135 comments)

Many feel smaller communities risk being ignored, with funding and investment directed disproportionately toward larger urban centres. Concerns focus on fairness in treatment.

Bureaucracy & Inefficiency (1,114 comments)

Larger councils are seen as more wasteful, bureaucratic and costly, with fears of "faceless" systems that consume resources without improving delivery.

Confusion & Transition Risks (722 comments)

Respondents anticipate disruption and uncertainty during the transition, with doubts about whether diverse local needs can be effectively and efficiently addressed.

Scepticism / No Concerns (341 comments)

A minority of responses expressed no concerns, or are either indifferent or unconvinced that changes would affect them personally.



Digital Marketing Results

Facebook & Instagram



13,411
Link Clicks

From the digital advertising



182,680
Reach

The amount of people who were shown the ads at least once

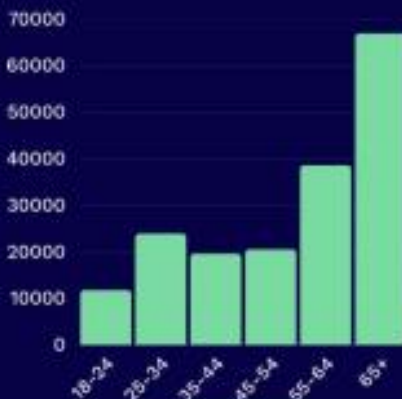


719,735
Impressions

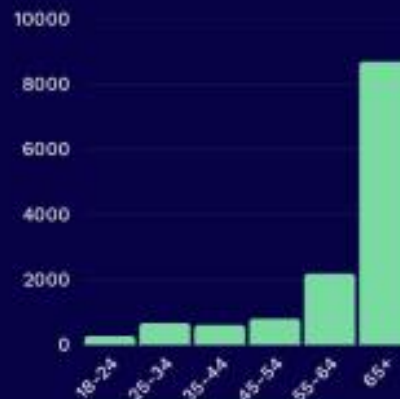
The number of times that adverts were viewed in total

Link clicks are any interactions like clicks, taps, or swipes on the ad's text, media, or call to action that lead to destinations or experiences.

Ages Targeted

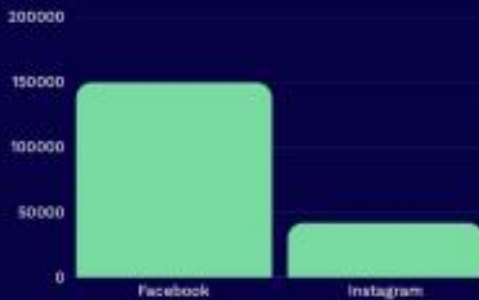


Reach

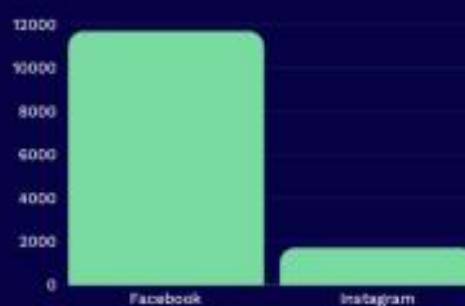


Link Clicks

Ad Placement



Reach



Link Clicks

Top Performing Ads Facebook & Instagram




Clicks: 3,996
Reach: 84,549
Impressions: 206,504




Clicks: 3,819
Reach: 69,260
Impressions: 145,109




Clicks: 2,700
Reach: 81,388
Impressions: 192,137

Digital Marketing Summary























This campaign had the highest engagement in terms of clicks from older members of the community; those over 65 showed the greatest level of engagement, followed closely by those aged 55–64. Although different age groups also saw the ads, it was still the older generation that responded the most. This is typical, as younger people are generally harder to engage, especially when it comes to certain topics. We also observed that the most cost-efficient age group was those aged 65+, meaning they were the easiest to convince to engage with the ads.

Facebook was the most successful platform in terms of engagement, likely because older community members use it more frequently than Instagram. However, Instagram still played a valuable role, particularly in reaching younger age groups.

The first ad shown in this summary received the highest number of clicks and was also the most cost-efficient among the top three. Ads with more green included also performed better than those with more white. Additionally, ads calling out Lancashire in larger font size performed better than the smaller text.

Appendix 1 - Maps

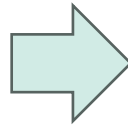
Two	Three	Four	Five	Alternative Four
				
	    	     	 	

Lancashire LGR

Surveys overview report

Overview

**Lancashire LGR
survey**



13,414

Surveys
completed

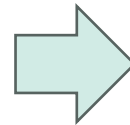
76

Postcodes

67,784

Open
comments

**Lancashire
Stakeholder
survey**



409

surveys
completed

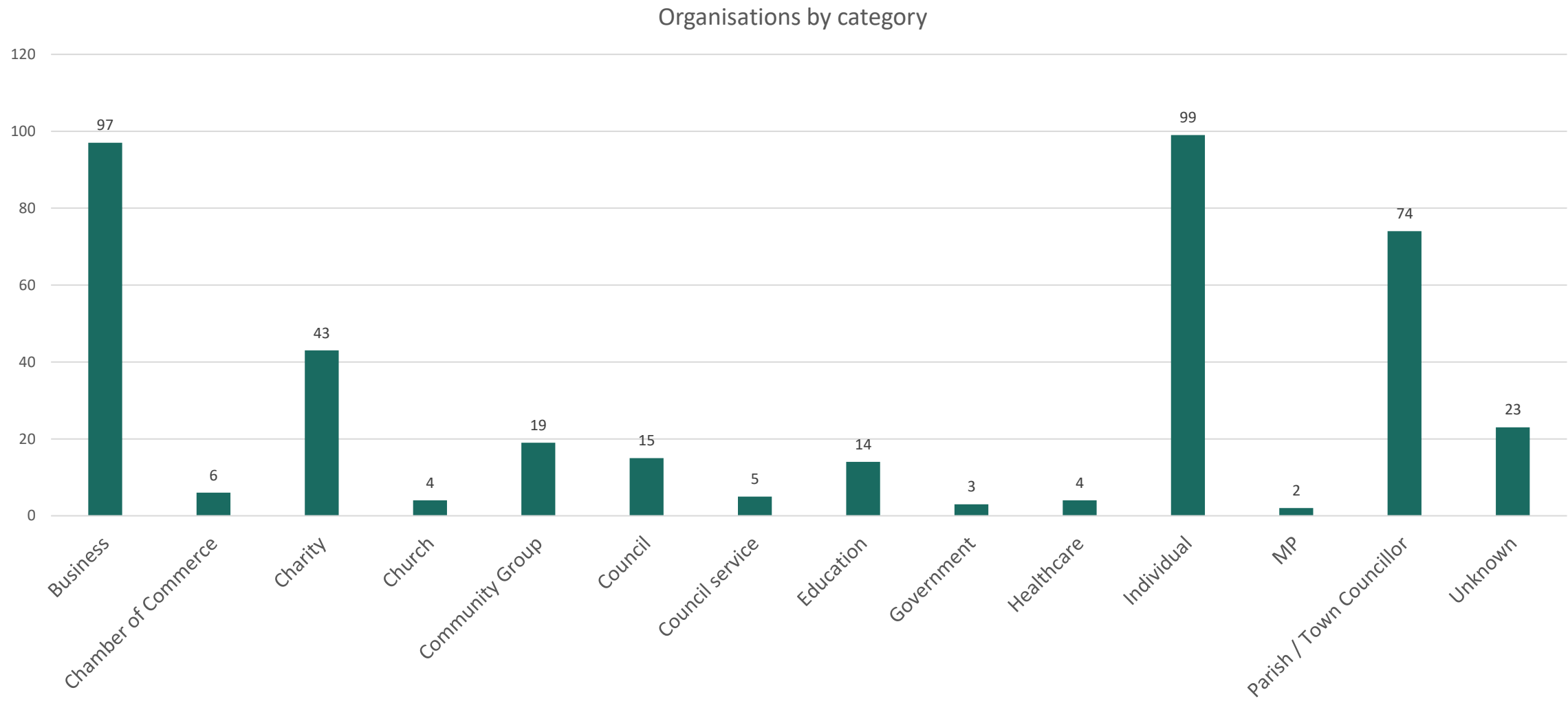
237

Organisations

2,618

Open
comments

Stakeholder survey



What should any new councils that are set up aim to improve to better help residents and businesses?

- **Transport** “Better and cheaper public transport”
- **Business and Economy** “Help the High Street”
- **Communication and Accountability** “Clarity of service delivery.”
- **Efficiency and value for money** “Cut out waste so more money can be spent on services.”
- **Planning and Development** “Streamline Planning, remove unnecessary bureaucracy.”
- **Health and Social Care** “Faster access to local healthcare - particularly mental health.”
- **Community and Cohesion** “Work together with the VCSFE sector as equal partners.”
- **Education, Skills and Youth** “Funding for young people”
- **Environment and Rubbish** “Waste collection to be more frequent.”
- **Crime, Safety and Anti-Social Behaviour** “Tackle Anti-Social Behaviour with coordinated, visible enforcement.”
- **Culture and Arts** “Culture and visitor economy”
- **Inequality and Poverty** “not forget our small villages.”

Any concerns about unitary councils?

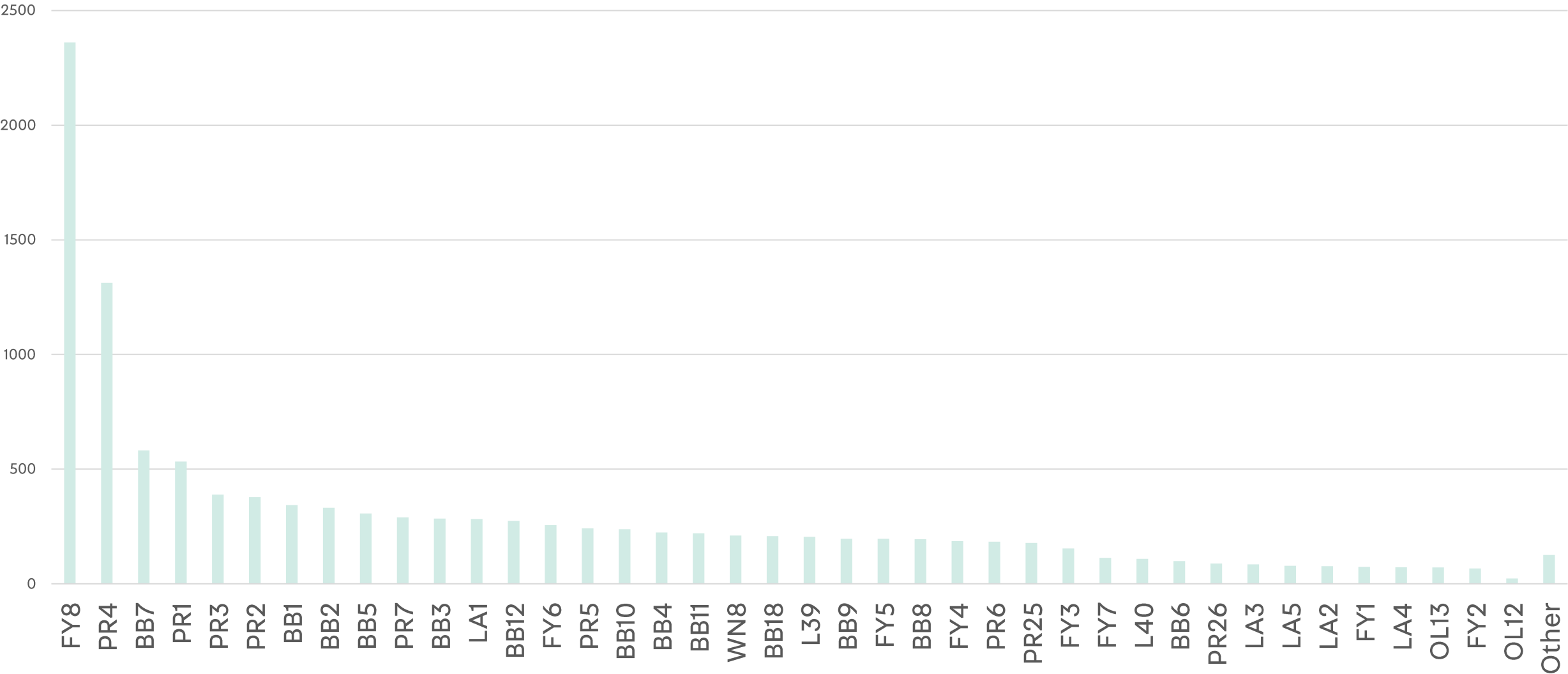
- **Local voice** “Less accountability and less contact with local councillors.”
- **Efficiency** “Any staffing cuts that may slow down services such as planning.”
- **Funding Fairness and Distribution** “The big towns will get all the money.”
- **Community Identity** “We will lose the individuality of the area we live in; lose our identity.”
- **Financial Concerns** “Extra layer of bureaucracy and wasted money on reorganisation.”

Any further thoughts?

- **55 supportive comments**
- **49 negative / sceptical comments**
- **Opposition** “Keep it like it is.”
- **Conditional support** “I would like it, in principle, provided it worked seamlessly.”
- **Parish and Town Councils** “Any submission should clearly state the important role parish/town councils need to play.”

Survey results

Postcode

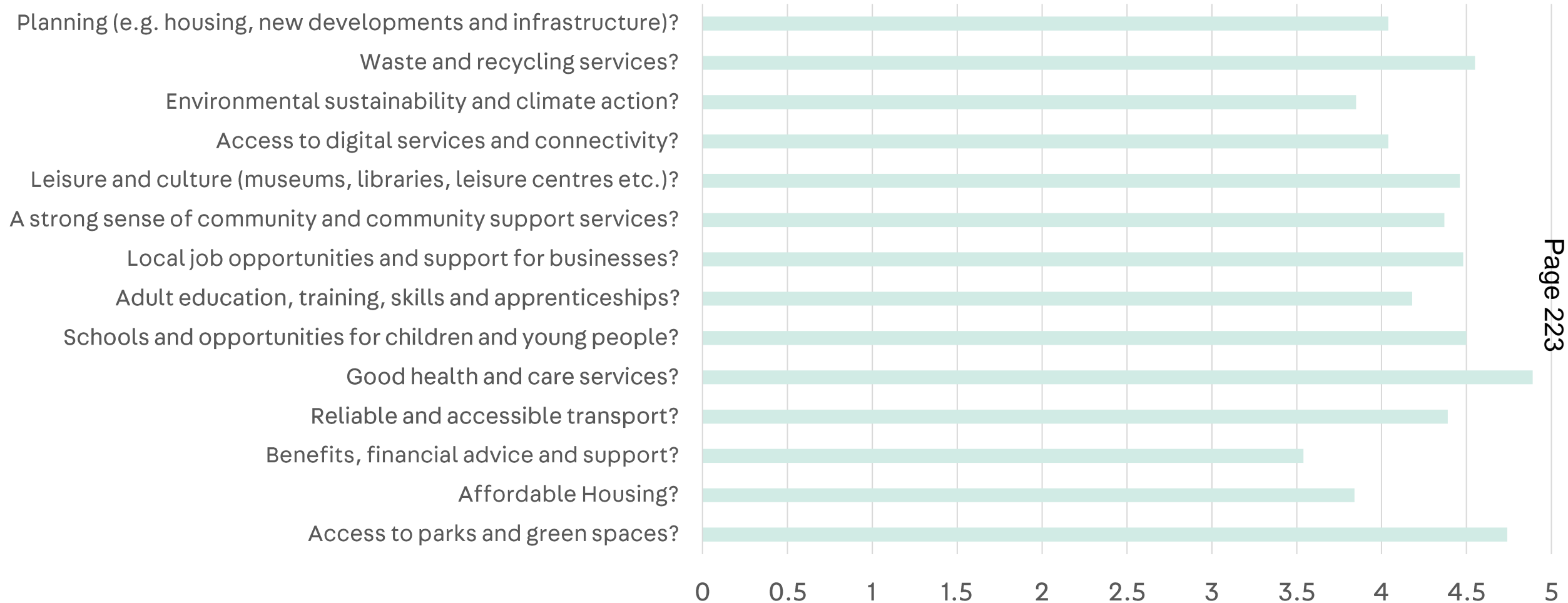


We're more than an agency.
We're change makers.



Survey results

How important is/are...



Are there any other aspects of local government that are important to you?

- Additional comments on:
 - **Social care and health** “Proactive preventative health care”
 - **Housing and planning** “Ensuring road infrastructure is in place prior to housing”
 - **Roads and transport** “More regular buses”
- New topics raised:
 - **Local representation** “Accessibility of local councillors”
 - **Anti-social behaviour** “Would be good to see police in the area from time to time”
 - **Council tax and value for money** “Get value for money on taxes”

How would you rate your experience of council services?



Postcode ▼	Count ▼	Average Slider ▼
FY8	2361	72.3
PR4	1312	67.6
BB7	581	67.9
PR1	533	60.3
PR3	389	60.0

“Well staffed Council with local knowledge that are helpful.”

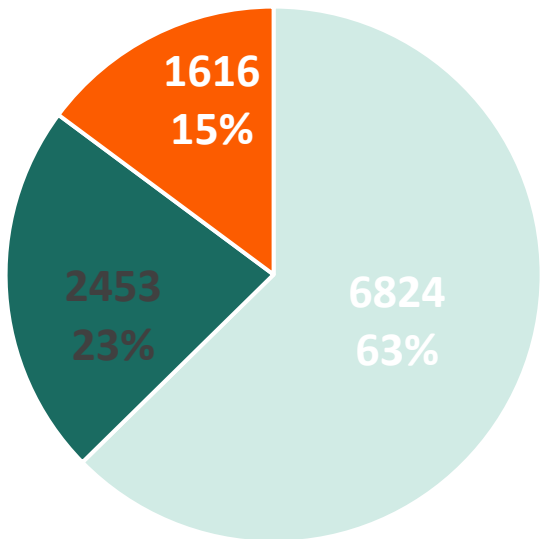
“Roads are improved but still needs work to get up to standard.”

“Great value for money”

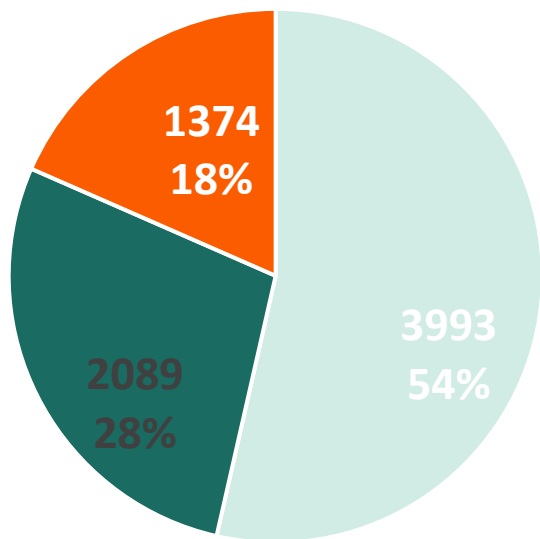
“I like the fact that our council cares about the environment and the community and supports many and varied community events.”

Future council structure preference

All: What is your preference



Excl PR4/FY8: What is your preference



■ Retain the current councils ■ New larger unitary councils
■ Not sure

■ Retain the current councils ■ New larger unitary councils
■ Not sure



Future council structure preference

Postcodes	Postcode e coun	Count of New larger unitary council	Count of Retain the current council	Count of Not sure	Sum of respons es	% of New larger unitary council	% of Retain the current council	% of Not sure
BB1	343	79	144	65	288	27%	50%	23%
BB10	238	46	139	21	206	22%	67%	10%
BB11	220	43	133	18	194	22%	69%	9%
BB12	275	40	170	34	244	16%	70%	14%
BB18	208	17	143	23	183	9%	78%	13%
BB2	332	87	148	62	297	29%	50%	21%
BB3	284	75	105	59	239	31%	44%	25%
BB4	224	67	74	51	192	35%	39%	27%
BB5	307	81	126	63	270	30%	47%	23%
BB6	99	25	61	7	93	27%	66%	8%
BB7	581	63	388	50	501	13%	77%	10%
BB8	194	25	126	19	170	15%	74%	11%
BB9	196	42	94	36	172	24%	55%	21%
BL0	10	4	3	2	9	44%	33%	22%
BL3	1		1		1	0%	100%	0%
BL6	4	1	1		2	50%	50%	0%
BL7	9	4	2	2	8	50%	25%	25%
CA10	1	1			1	100%	0%	0%
CT2	1				0			
FU6	1		1		1	0%	100%	0%
FU8	1		1		1	0%	100%	0%
FY1	74	25	30	15	70	36%	43%	21%
FY2	67	23	25	15	63	37%	40%	24%

We're more than an agency.
We're change makers.



Future council structure preference

Postcodes	Postcode e coun	Count of New larger unitary counc	Count of Retain the current counc	Count of Not sure	Sum of respons es	% of New larger unitary counc	% of Retain the current counc	% of Not sure
FY3	154	37	79	23	139	27%	57%	17%
FY4	186	42	96	30	168	25%	57%	18%
FY5	196	49	93	35	177	28%	53%	20%
FY6	256	48	143	35	226	21%	63%	15%
FY7	113	29	52	25	106	27%	49%	24%
FY8	2361	194	1882	130	2206	9%	85%	6%
HX7	1	1			1	100%	0%	0%
L31	2	1		1	2	50%	0%	50%
L37	2	1	1		2	50%	50%	0%
L39	205	53	80	47	180	29%	44%	26%
L40	109	38	39	20	97	39%	40%	21%
L49	1			1	1	0%	0%	100%
LA1	283	79	120	60	259	31%	46%	23%
LA10	1				0			
LA2	77	19	31	18	68	28%	46%	26%
LA3	85	26	31	15	72	36%	43%	21%
LA4	72	19	35	9	63	30%	56%	14%
LA5	78	21	29	18	68	31%	43%	26%
LA6	20	2	13	4	19	11%	68%	21%
LA8	2	1	1		2	50%	50%	0%
LA9	2		1	1	2	0%	50%	50%
LL39	1				0			
M21	1		1		1	0%	100%	0%
M27	1				0			
M3	1		1		1	0%	100%	0%

We're more than an agency.
We're change makers.



Future council structure preference

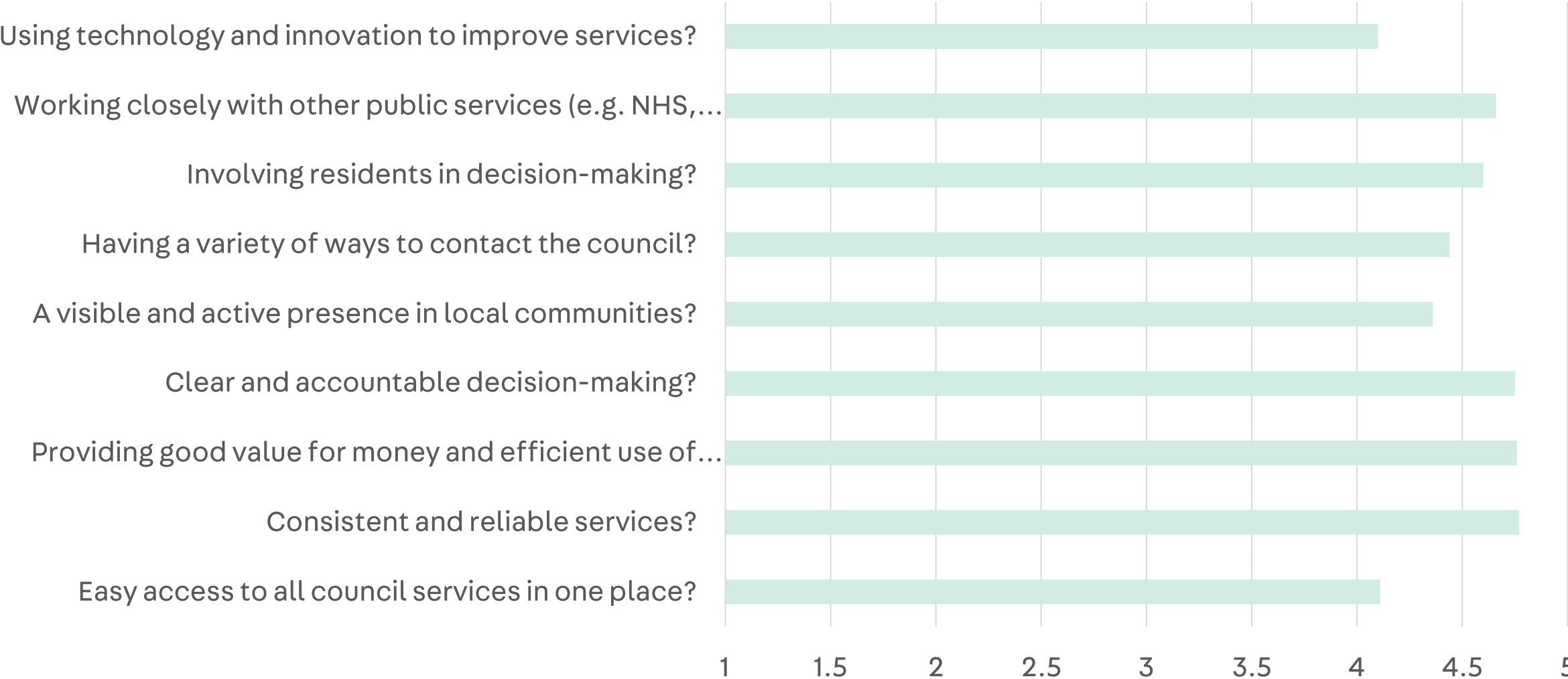
We're more than an agency.
We're change makers.

Postcodes	Postcode	Count of New larger unitary council	Count of Retain the current council	Count of Not sure	Sum of responses	% of New larger unitary council	% of Retain the current council	% of Not sure
M41	1				0			
Ol12	23	5	9	5	19	26%	47%	26%
OL13	71	24	20	15	59	41%	34%	25%
OL9	1				0			
PA1	1	1			1	100%	0%	0%
PE25	1		1		1	0%	100%	0%
PO14	1				0			
PR0	1		1		1	0%	100%	0%
PR1	533	203	174	89	466	44%	37%	19%
PR2	378	118	147	69	334	35%	44%	21%
PR25	178	51	74	40	165	31%	45%	24%
PR26	88	30	36	14	80	38%	45%	18%
PR3	389	81	203	57	341	24%	60%	17%
PR4	1312	172	950	113	1235	14%	77%	9%
PR5	242	82	102	30	214	38%	48%	14%
PR6	184	58	78	26	162	36%	48%	16%
PR7	290	82	127	41	250	33%	51%	16%
PR8	14	1	6	5	12	8%	50%	42%
PR9	13	5	3	3	11	45%	27%	27%
SK4	1		1		1	0%	100%	0%
WA11	2	1			1	100%	0%	0%
WA4	1	1			1	100%	0%	0%
WA7	1				0			
WA8	1		1		1	0%	100%	0%
WN2	3	2		1	3	67%	0%	33%
WN5	4	1	2		3	33%	67%	0%
WN6	8	2	3	1	6	33%	50%	17%
WN8	210	58	74	48	180	32%	41%	27%



Survey results

How important is/are...



We're more than an agency.
We're change makers.



What benefits, opportunities and improvements could unitary councils offer?

- **Efficiency and value for money** “Better value for money working on economies of greater scale.”
- **Clearer system** ““Lack of confusion as to who to go to with queries or concerns.”
- **Strategic thinking** “Planning can combine and ensure infrastructure matches development.”
- **Economic opportunities** “National representation for a single economic zone.”
- **Accountability** “Single point of responsibility clearer accountability.”

What concerns, if any, do you have with creating new larger unitary councils?

- **Local voice and representation** “Decision making without local knowledge”
- **Distribution of resources** “Smaller towns and villages will see a decrease in their services.”
- **Service quality** “Queries get lost in a wider system”
- **Transitional problems** ““Reorganisation costs will outweigh any benefits of reduced administration.”

Conclusions and key messages

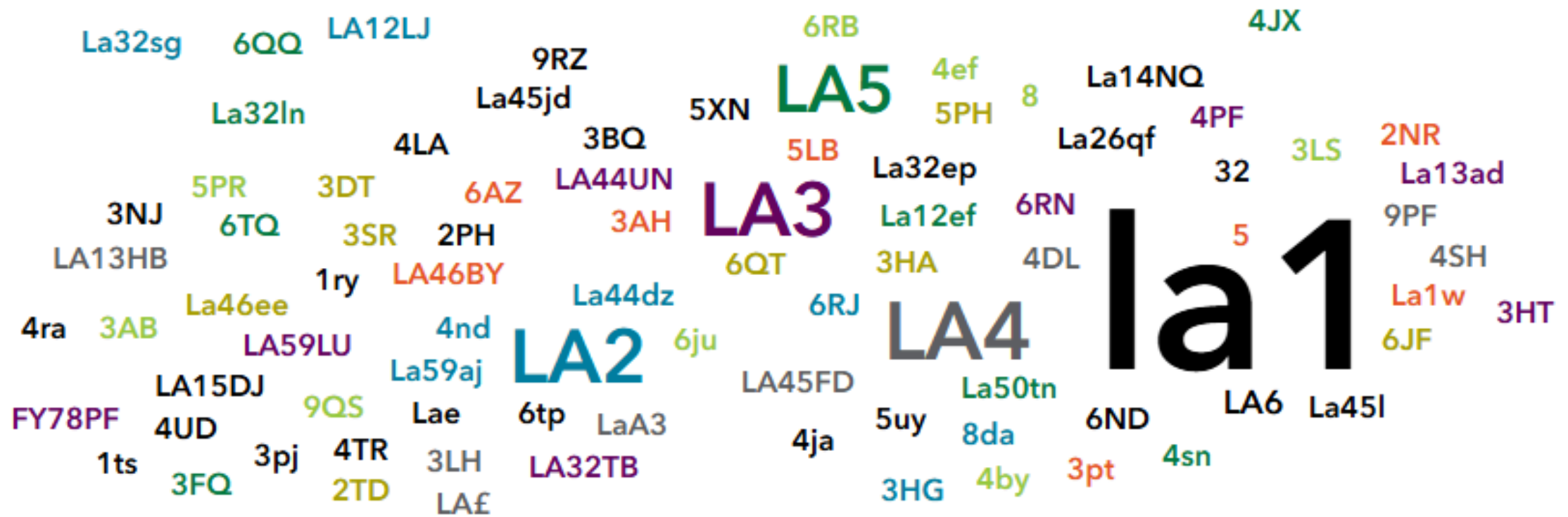
- Existing councils are well thought of
- Efficiency and cost-saving important
- Keeping local identities and not prioritising larger towns
- Parish / town council role
- National policy with governmental consultation to come

We're more than an agency.
We're change makers.



Lancaster Local Government Re-organisation Survey Results

23/09/25-14/10/25



Survey Demographics & Participation

Survey Target Area

The survey targeted residents within the Lancaster District covering multiple postcode areas.

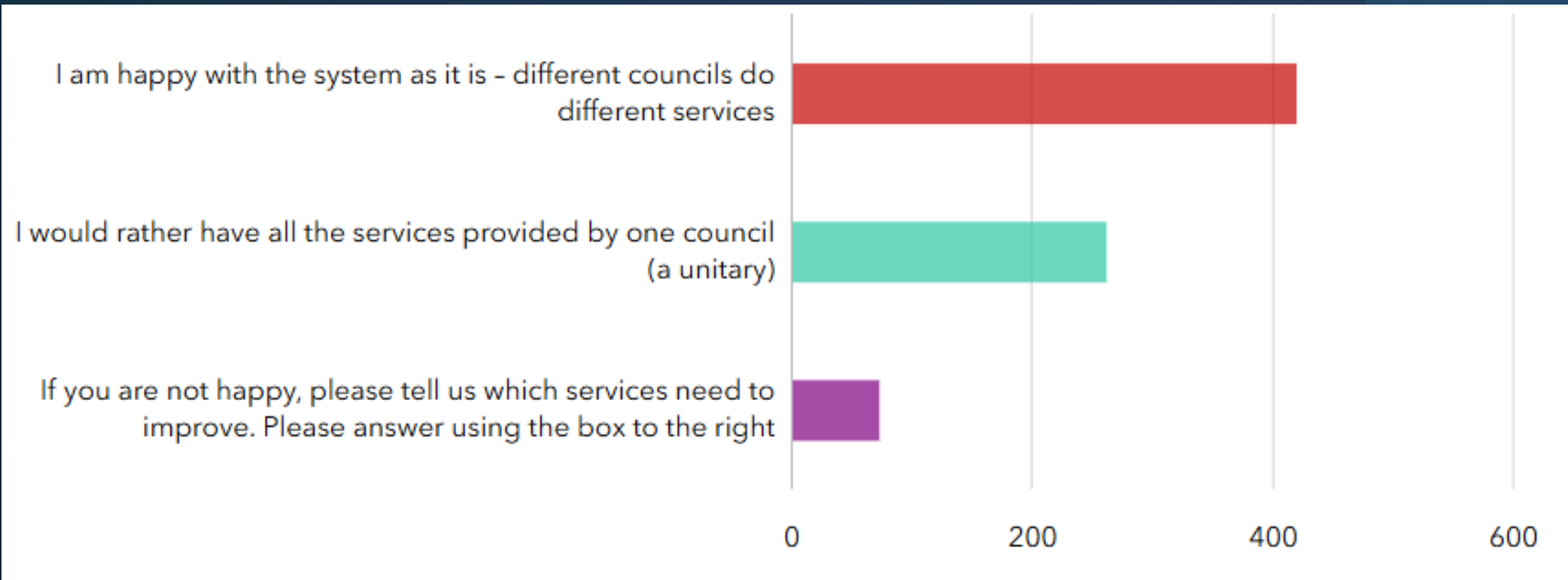
Respondent Participation

A total of 752 residents answered the survey

Current Council Structure

Question1:

The way we run councils at present has Lancashire County carrying out responsibilities like adult social care, children's services and transport. District councils like Lancaster look after bin collections, planning, housing, parks & leisure faculties. What do you think of this?



Page 237

The Government is telling councils they need to become unitaries with 500 thousand residents in each one. Lancaster district is currently less than 150 thousand residents (including students). What size of council would you prefer, please pick one option.

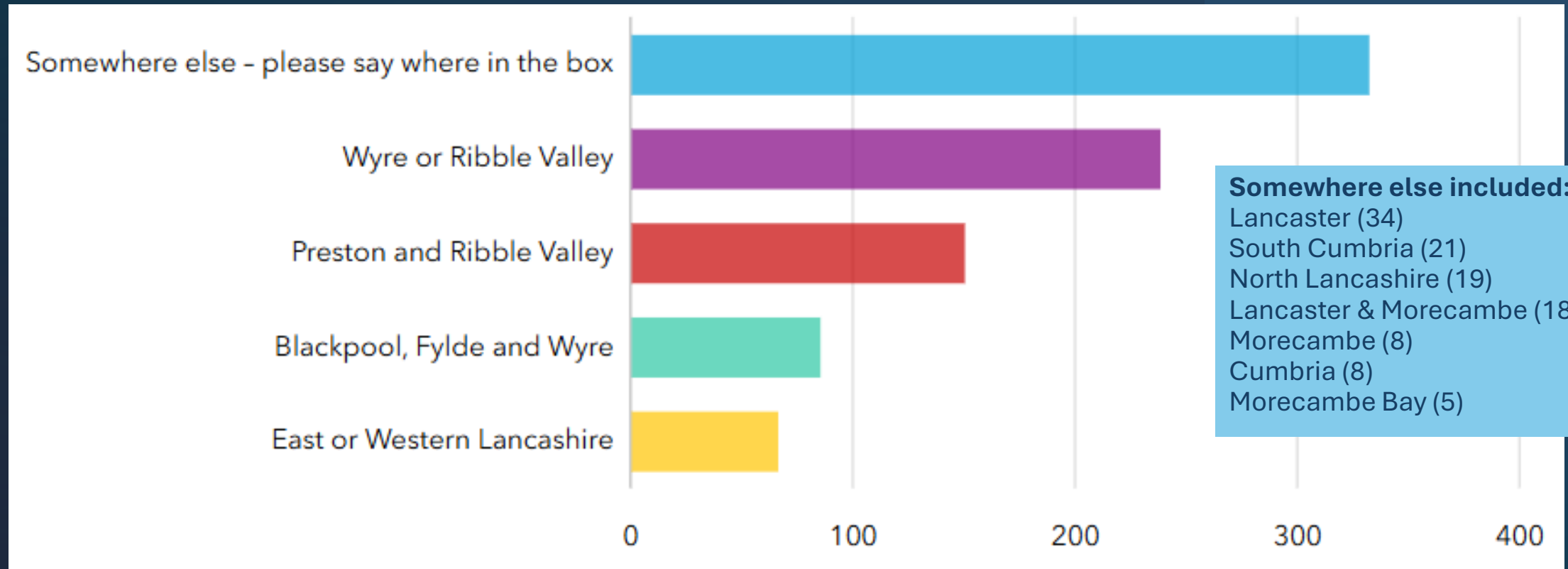
Option	Resident Count / Description	Approximate Value
Option 1	Lancaster district as a standalone unitary (approx. 145 thousand residents)	450,000
Option 2	Less than 250 thousand residents	100,000
Option 3	250 - 350 thousand residents (more than twice the size of Lancaster)	100,000
Option 4	350 - 500 thousand residents (up to 3 times the size of Lancaster)	75,000
Option 5	More than 500 thousand residents (more than 3.5 times the size of Lancaster)	50,000



Resident Connection

Question 3:

As a resident where do you feel most connected to?
You can tick more than one.

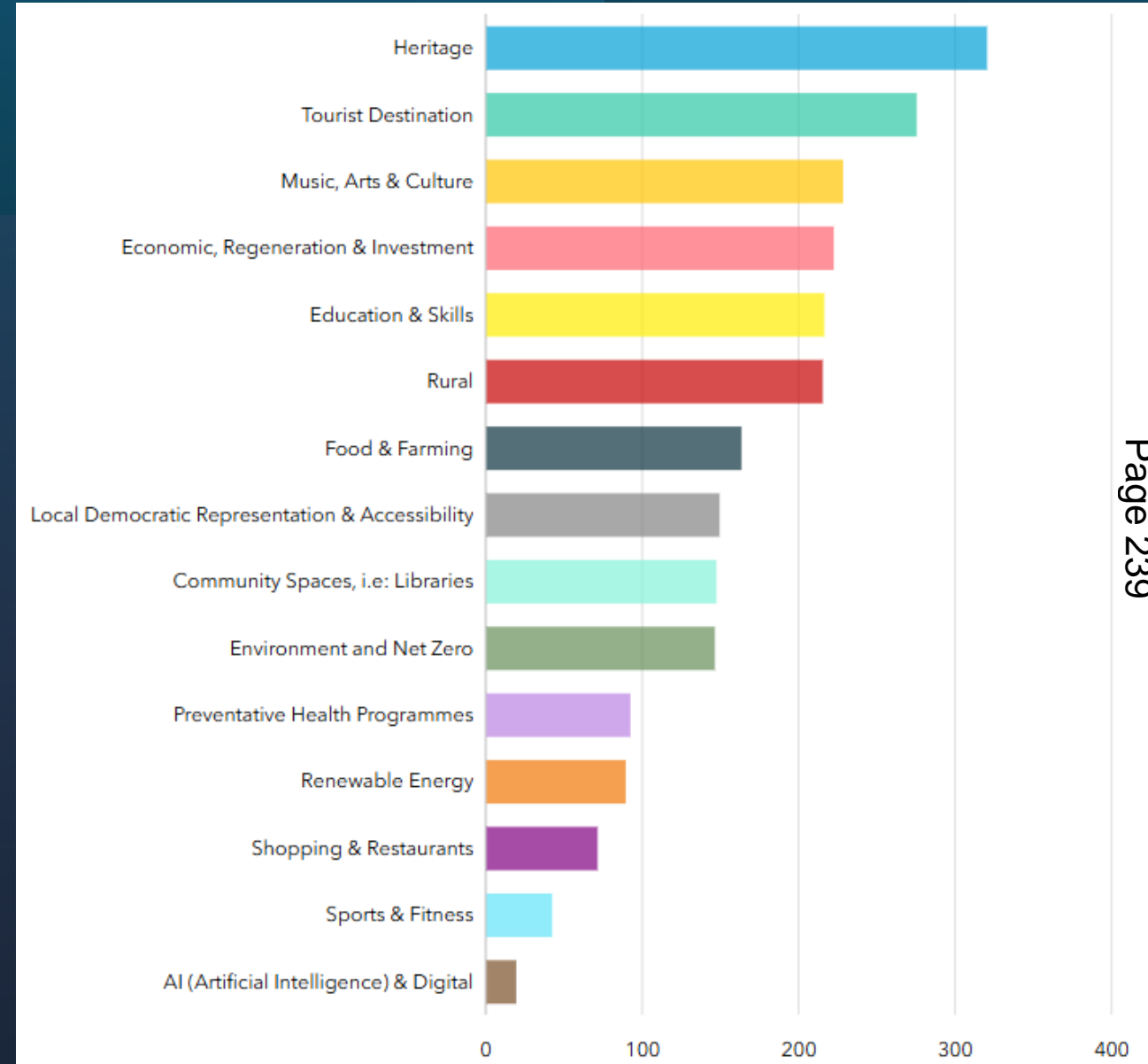


New Unitary Character

Question 4:

Government wants unitaries to have a defined character.

What do you think the special character of our new unitary should be?

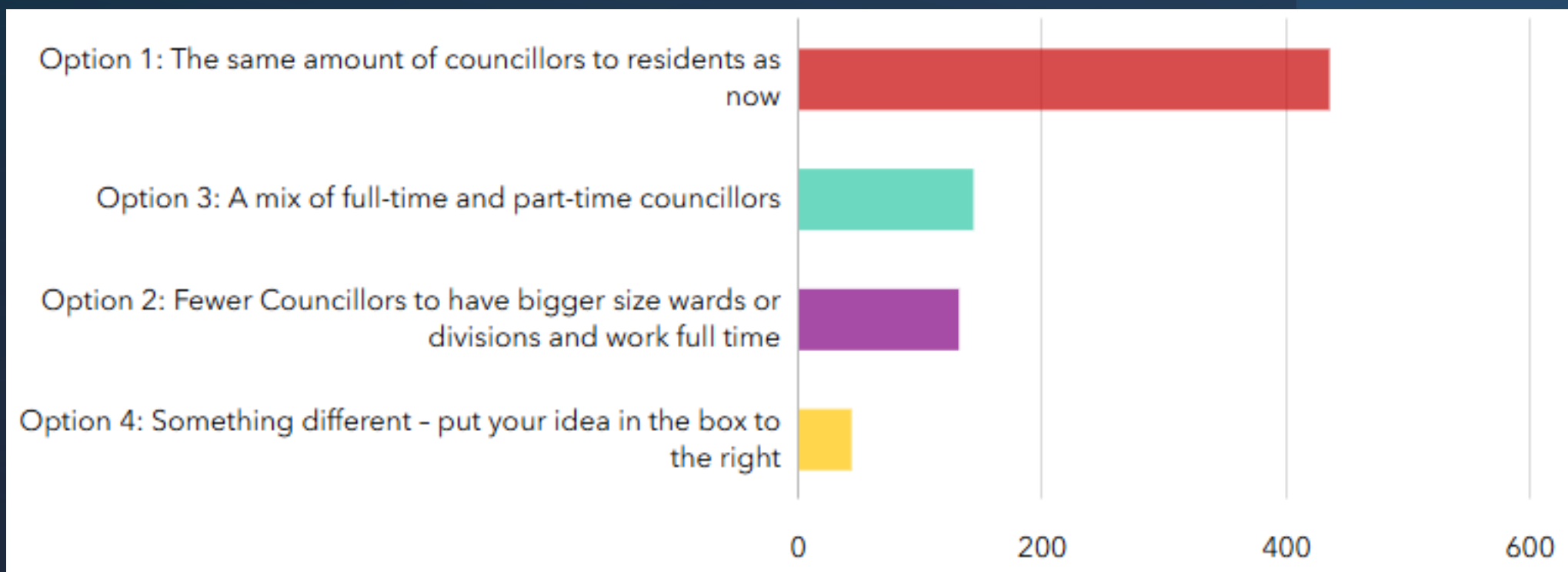


Councillor to resident ratio

Question 5:

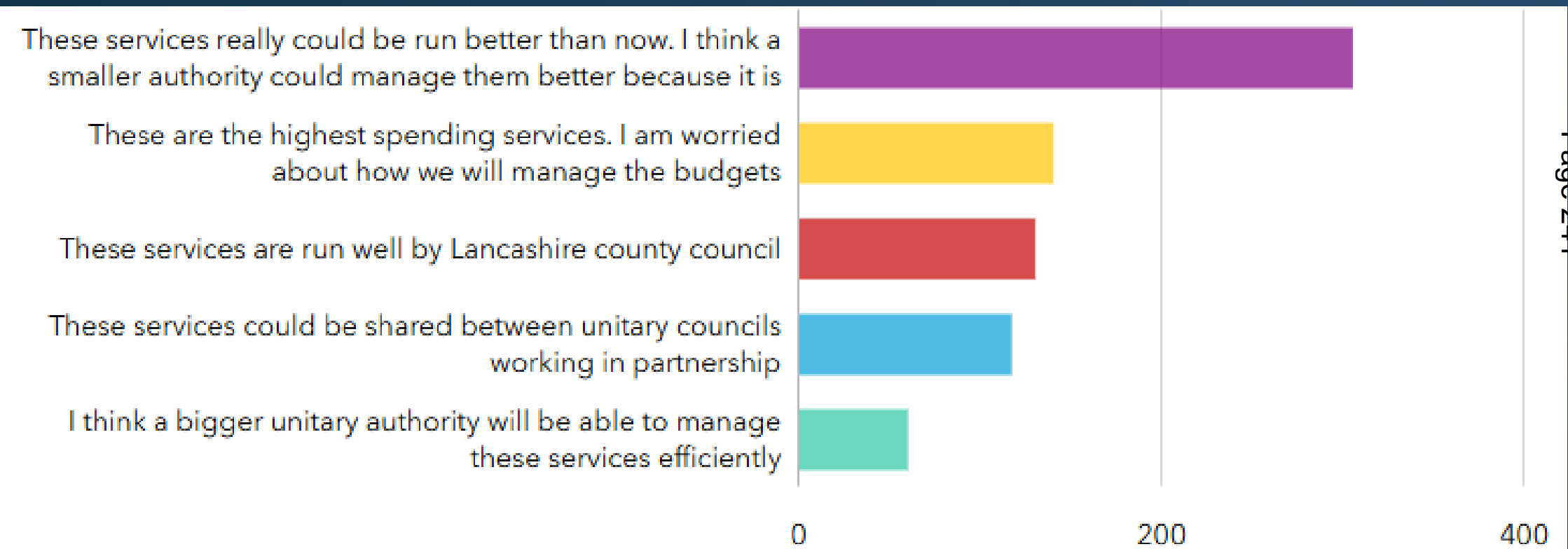
At the moment district councillors represent about 3 thousand residents. Government suggest new unitary councils will cover larger areas with fewer councillors. So, each unitary councillor may represent an average of 10 thousand residents.

What would you prefer?



Question 6:

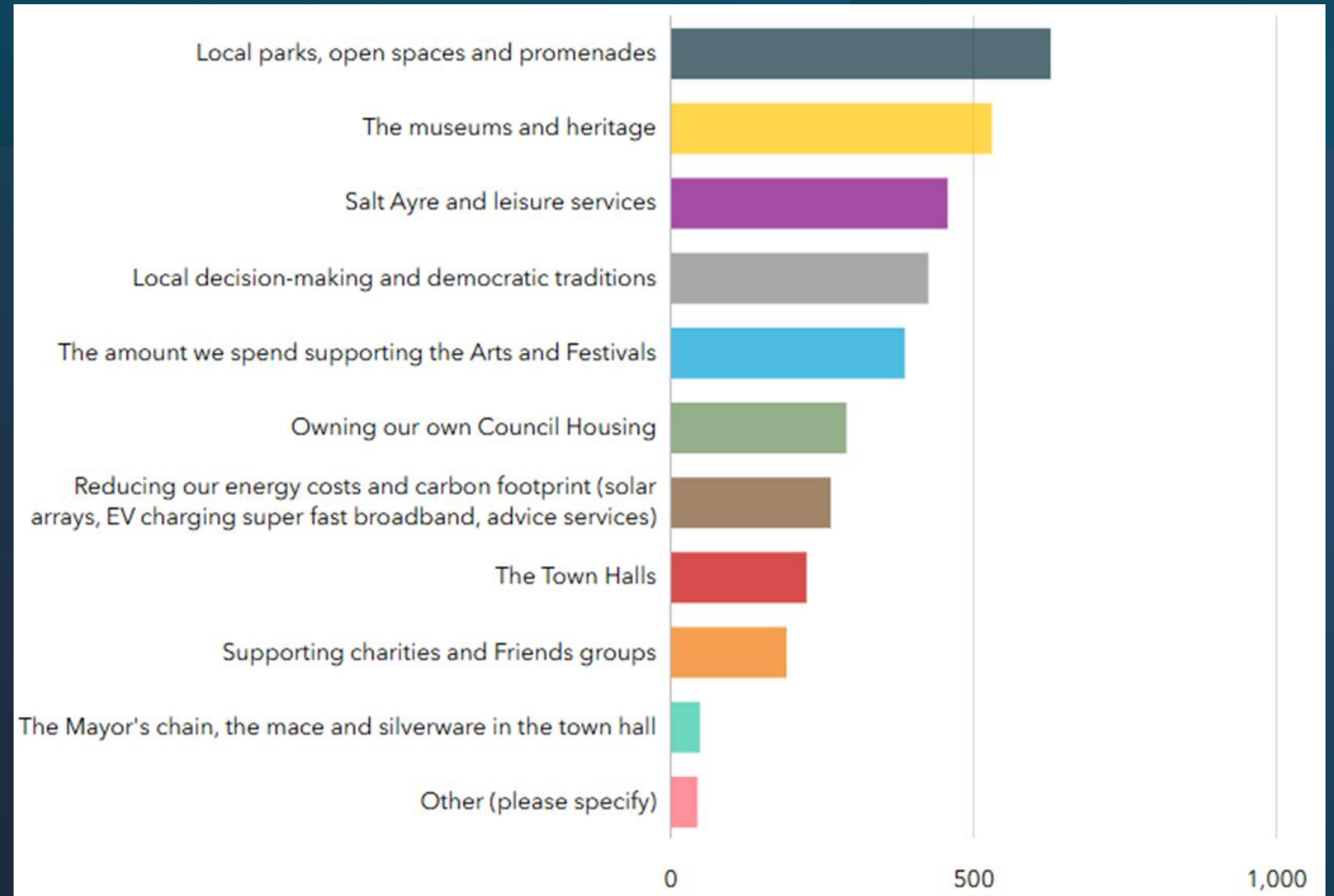
As a unitary we would be able to run our own adult social care and children's services including special educational needs. Choose the statement that says how you feel.



Question 7:

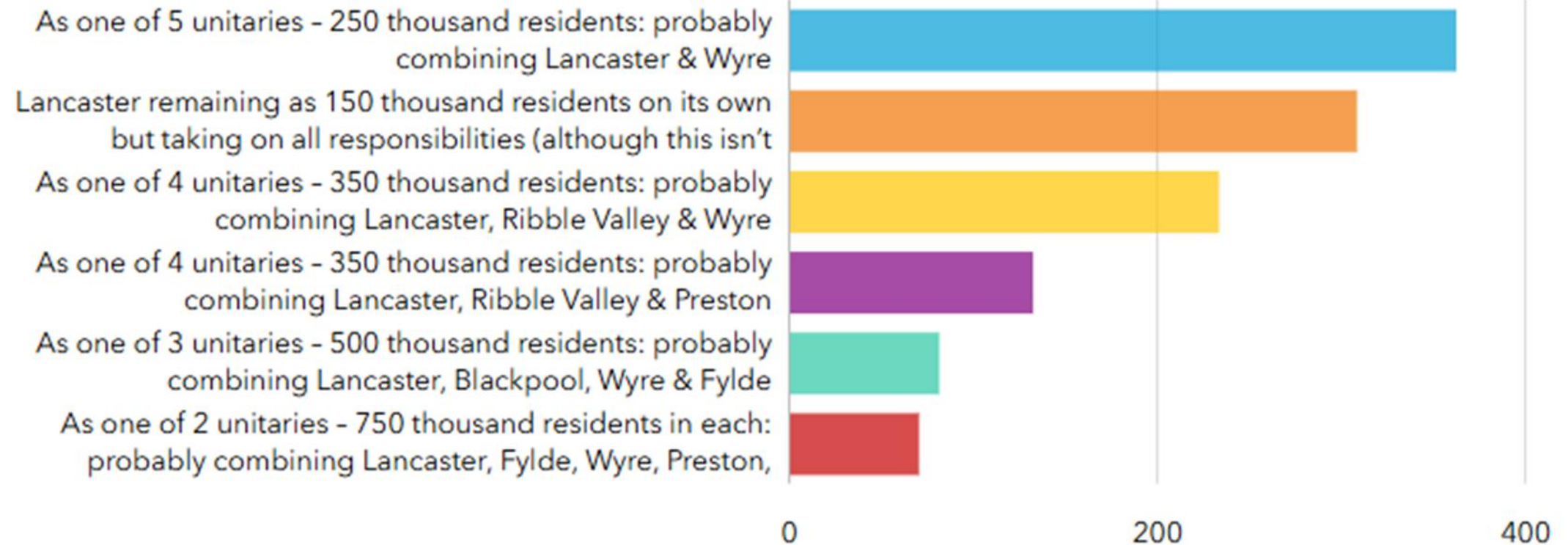
Not all these assets or services are legally required by government so could be reduced or removed by a new authority that had to save money.

What do you want to preserve most about Lancaster if we move into a larger unitary?



Question 8:

We think it is important you know other councils we could be joined with.
Below are 5 potential options Lancaster could be joined in a unitary.
Please select your preferred option.



Topic

Question 9:

What do you think would be a good name for any new unitary?

North Lancashire (57)
Lancashire North (9)
No Idea (8)
North Lancashire Council (7)
Lancaster City Council (7)
Great Lancaster (5)
Lancaster & Morecambe (4)
Lancaster & District (4)





Four Lancashire

Rooted in communities, kickstarting economic growth

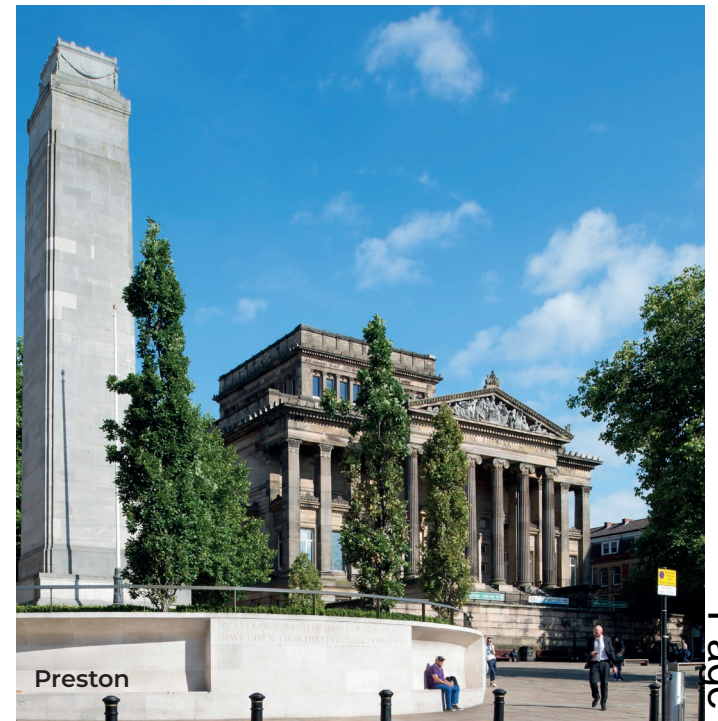
Transforming public services through four unitary councils for Lancashire



Chorley



Lancaster



Preston



Clitheroe



Leyland



Burscough

Local Government Reorganisation is about making Lancashire stronger, fairer and ready for the future

That includes Lancashire, where the 12 district, county council and two unitary councils will cease to exist and will be replaced by new councils

Four Lancashire is a proposal for four unitary councils that will be strong and financially sustainable while they kickstart economic growth and transform public services

This model delivers simpler, stronger, accountable councils, designed to be closely connected to communities

It aligns with Lancashire's four economic corridors, strengthening links with neighbouring regions, unlocking investment, and driving growth

Four strong councils will work together through a strong Mayoral Strategic Authority that brings decision making, powers and funding to Lancashire

The new councils will be large enough to deliver financial resilience, but small enough to stay rooted in local communities

With six councils already backing this proposal, Four Lancashire is the most balanced, widely supported and future ready approach

It is a strong platform for economic prosperity and is ambitious in reshaping public services

Transforming public services through four unitary councils for Lancashire

The Government has set out its ambition to change the way that local councils are currently organised.

To deliver real change, Lancashire needs the right model of local government reorganisation. Transformed local government, with simpler and more accountable structures will unlock Lancashire's potential. It will drive regional and economic growth and deliver a step change in public services so that our residents and communities are well-served by high quality and responsive services.

The Government has said that any new unitary authority must be able to demonstrate:

- Stronger local leadership
- Improved service delivery and outcomes
- Value for money and financial sustainability
- Economic growth and prosperity
- Community identity and effective local partnerships

Lancashire's 15 councils are currently working together to submit a proposal to Government by 28 November 2025. Several options are being developed.



Transforming public services and driving economic growth

Local Government Reorganisation (LGR) sets out to simplify the current two-tier system in Lancashire, replacing the existing 15 authorities with fewer, larger unitary councils.

The ambition is to create empowered new authorities, ensuring they remain close to local communities. We believe creating four new unitary authorities for Lancashire is the most balanced and sustainable solution.

It is the most widely supported option and creates councils that are large enough to be financially resilient, but small enough to stay rooted in real communities, reflecting the local identity people value.

This model aligns with Lancashire's four economic corridors, strengthening links with neighbouring regions, unlocking investment, and driving growth.

The four councils will work together through a Mayoral Strategic Authority, bringing decision making, powers and funding to Lancashire, working seamlessly across the whole area and developing stronger ties to neighbouring regions.



Four unitary councils, working together for Lancashire

Fylde Coast

Population: 348,400

Tourism, farming and coastal and market towns, an internationally recognised destination. The Fylde Coast is a self-contained economic footprint and home to significant assets for tourism, AI innovation, defence, and strong rural communities.

North Lancashire

Population: 373,664

Including two university cities leading the way in innovation and research connected on the M6 and A6, rich in heritage and national landscapes from Arnsdale and Silverdale to the Forest of Bowland. Strong links to Westmorland and Furness in areas such as energy, carbon capture and storage.

South Lancashire

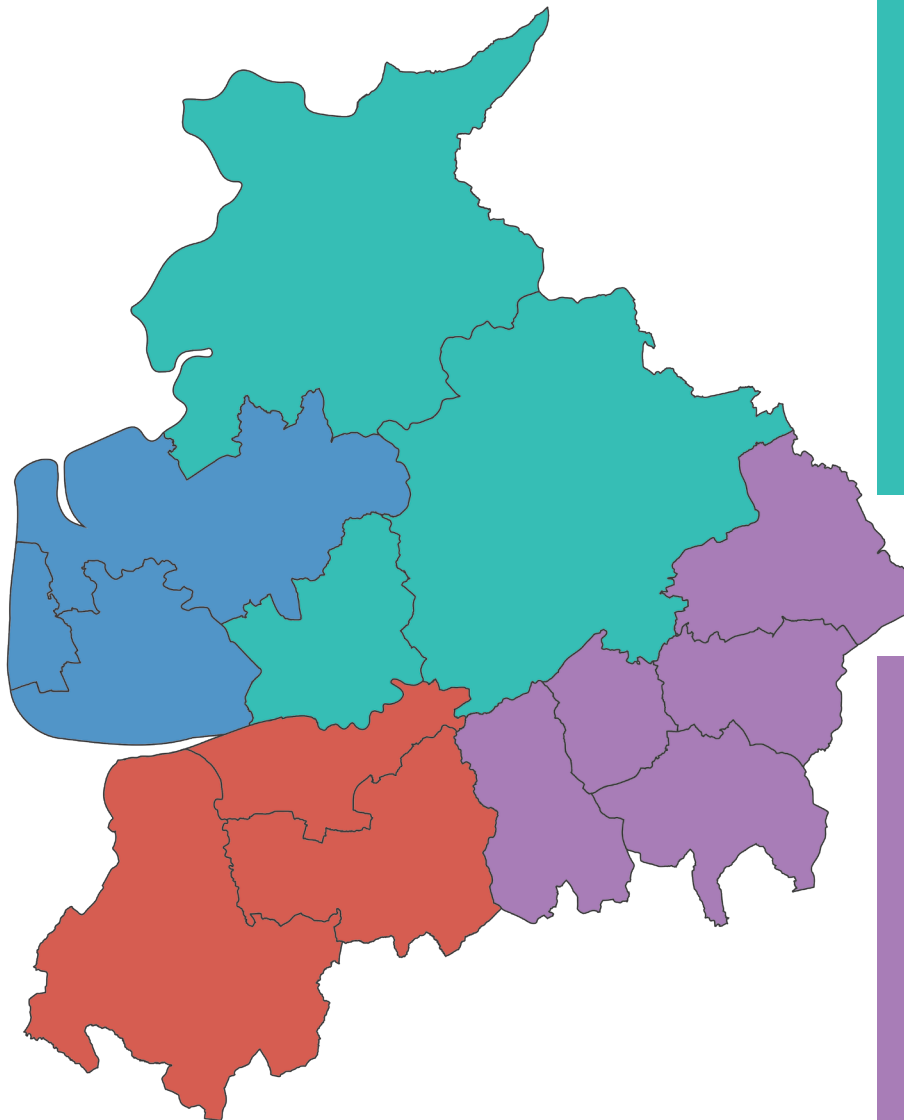
Population: 359,000

A hub of connectivity and home to global manufacturing, set amongst a network of vibrant communities, historic market towns, and villages. Transport links to neighbouring city regions of Liverpool and Manchester allowing more people to call South Lancashire home. An area of strong and sustained growth with diverse industries from farming and rural enterprise to advanced manufacturing.

Pennine Lancashire

Population: 520,700

A manufacturing powerhouse, transforming industrial heritage into modern manufacturing. A rich tapestry of towns and communities, linking into Greater Manchester and West Yorkshire to drive regional economic growth.



Why are four councils the right answer for Lancashire?

1

Financial sustainability

The financial modelling shows that even with an extremely prudent approach we can expect to save £80 million annually once we have transformed services. This includes additional resources to transform adult and children's social care safely.

2

Logical and deliverable

Built on existing district boundaries, the configuration makes sense, creating four councils that are comparable in size to other unitaries across England.

3

Economic growth and strategic influence

The four new councils will work together to encourage regional growth, as well as more effective working through a Mayoral Strategic Authority.

4

Community focused

Consultation has shown that people are strongly protective of their local identity and value decisions being made close to home. The Four Lancashire model keeps local communities at the heart of decision making, ensuring that governance remains rooted in the places that people live and care about.



Elections: potential impact of LGR

The timeline below sets out the potential elections and decision making bodies based on the current plans for devolution and Local Government Reorganisation.

	Probable elections	Devolution and LGR timeline	Notes
28 November 2025		Submission deadline for LGR proposals	
Early 2026		Consultation on potential options for LGR	
May 2026	Council elections		These are: Chorley Pendle Rossendale Preston West Lancs Blackburn Burnley Hyndburn
July 2026		Announcement of LGR decision	
Autumn 2026		Joint Committee likely to be required (with representatives appointed from existing councils)	
May 2027	Election to Shadow Authorities Potential election to Lancashire Mayor		Elections to Shadow Authorities are effectively the first (all out) elections for the new authorities. Very likely that the scheduled local government elections will be cancelled (this would affect all the councils other than the county), with terms extended to 31 March 2028
1 April 2028		Vesting Day	Shadow Authority becomes the full council