

Local Government Reorganisation

22 January 2025

Report of Chief Executive

PURPOSE OF REPORT

For Council to consider establishing a new Local Government Reorganisation Working Group to respond to the re-organisation issues raised in the Government's English Devolution White Paper, published on 16 December 2024.

This report is public

RECOMMENDATIONS

- (1) That a new Local Government Reorganisation (LGR) Working Group be established, the size to be decided upon this meeting, having regard to the issues raised in paragraph (2) of this report; and
- (2) That members be appointed by political groups to effect political proportionality.
- (3) That Council elects the Chair of the Working Group.

1.0 Introduction

- 1.1 On 16 December 2024 the Government published its English Devolution White Paper: *Power and Partnership; Foundations for Growth*. Much of the White Paper focusses on the new framework for devolution and the government's ambition for all areas of England to be, ultimately, covered by Mayoral Strategic Authorities.
- 1.2 The proposal in the White Paper for two tier areas such as Lancaster, is that County and District Councils will be replaced by Unitary Councils. It is anticipated, by Government, that the new Unitaries will cover a population size of around 500,000 to make them financially viable. Reorganisation is also likely to affect Unitary councils outside two-tier areas where a lower population size is covered, especially if they are struggling to remain financially viable.
- 1.3 Whilst the White Paper sets out its proposals and direction of travel on a number of other issues, such as new powers for Strategic Authorities, Code of Conduct and Standards, Local Audit and the consultation about remote meetings and proxy voting, this report is specifically concerned with the reorganisation of two

tier local government and whether a body should be formed by the City Council to take this work forward.

2.0 Proposal Details

2.1 The White Paper's stated reasons for pursuing reorganisation are:

- Delivering efficiency savings
- Service transformation
- Reducing workforce pressures
- Increasing local accountability

Two tier authorities are being asked to develop Unitary proposals to put forward to Government by Autumn 2025. Those proposals should be in the best interest of the whole area, ideally with no competing proposals being submitted. The Government would like to see these new Unitary Councils in place within the life of this Parliament and a first wave in April 2027.

2.2 As a starting point to develop proposals talking with neighbouring authorities and other stakeholders, Council is asked to consider creating a new Local Government Reorganisation Working Group. It is for Council to decide the size of such a Working Group. Other factors to consider are the political balance required, chairing and substitution matters for the Working Group.

2.3 Establishing a Working Group to reach out to neighbouring authorities, in the hope that a proposal can be developed, is the recommended way forward. Not to take things forward at an early stage runs the risk of the Council having fewer options and little say in any new arrangements which are brought forward or imposed.

2.4 **Size of the Working Group:** The ideal size, based on current Council bodies, would appear to be seven, or nine members. Most of the Council's Committees, for example, are seven Member committees; Overview and Scrutiny bodies have nine members.

2.5 **Political Balance:** For Councillors' information, political balance for a seven-member group is 3 Green, 2 Labour, 1 Liberal Democrat and 1 Conservative. For a nine-member group the political balance is 4 Green, 3 Labour, 1 Liberal Democrat and 1 Conservative.

2.6 **Chairing the Working Group:** Council is recommended to determine a chair for the group at this meeting

2.7 **Substitution:** Council is asked to consider whether substitution will be allowed and, if so, whether there should be named, or casual substitution, or both. For working groups of this type, it can sometimes be difficult for a casual substitute to keep up to speed with evidence gathering and conversations with neighbouring authorities, with the result that some of their lines of questioning may already have been covered in earlier meetings. This can sometimes slow down progress.

2.8 **Terms of Reference:** These can be fully determined at the first meeting, should a Working Group be formed. Minister McMahon's letter of Dec 16th 2024, to

Councils, provides the reference point for the recommendation to set up this working group-

My intention is to formally invite unitary proposals in January 2025 from all councils in two-tier areas, and small neighbouring unitary councils. In this invitation, I will set out further detail on the criteria I will consider when taking decisions on the proposals that are submitted to Government. I intend to ask for interim plans by March 2025. As set out in the White Paper, new unitary councils must be the right size to achieve efficiencies, improve capacity and withstand financial shocks. For most areas, this will mean creating councils with a population of 500,000 or more. However, there may be exceptions to ensure new structures make sense for an area, including on devolution. Final decisions will be made on a case-by-case basis. We will ask you to work with other councils in your area to develop unitary proposals that are in the best interests of the whole area, rather than developing competing proposals.

As such the specific terms of reference to be agreed by the group need to ensure that Lancaster City Council is in a position to provide comprehensive, timely, reasoned and appropriate responses to the invitation we expect to receive at the end of January. It is expected this will include engaging with neighbouring Councils in our two tier area and also ensuring the interests both our area and the whole area are considered.

Should discussions progress, it is anticipated that a Joint Committee may need to be established with the partner authorities concerned, to ensure that any submission is developed, agreed and approved by each Council by the deadline.

3.0 Conclusion

- 3.1 Council is asked to consider establishing a new LGR Working Group, for the reasons set out in this report.

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

None.

LEGAL IMPLICATIONS

There are no legal implications as a result of this report.

FINANCIAL IMPLICATIONS

There are no financial implications as a result of this report. Any costs associated with the Working Group will be met from the existing Democratic Representation budget held by Democratic Services.

OTHER RESOURCE IMPLICATIONS

None.

SECTION 151 OFFICER'S COMMENTS

The Section 151 Officer has been consulted and has no comments.

MONITORING OFFICER'S COMMENTS

The Monitoring Officer has been consulted and has no comments.

BACKGROUND PAPERS

Government's English Devolution White Paper: *Power and Partnership; Foundations for Growth* available on the gov.uk website.

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