

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:



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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



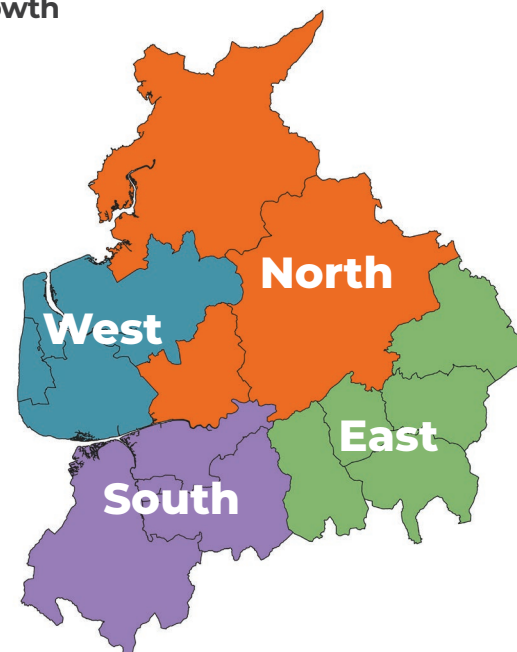
1. Introduction

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

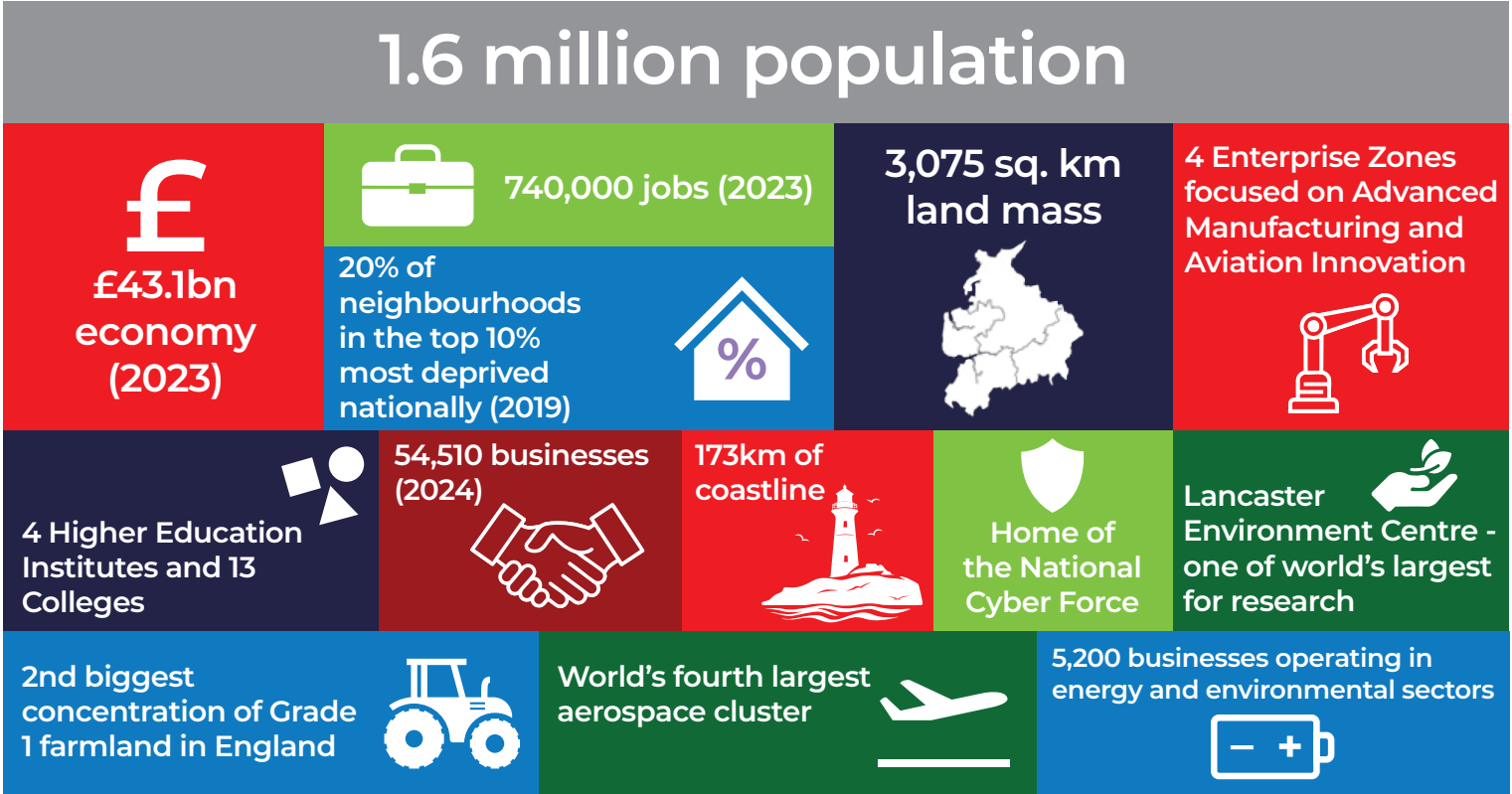
and limit the scope for growth, even as residents and businesses look for stronger local leadership and more efficient service delivery.

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.

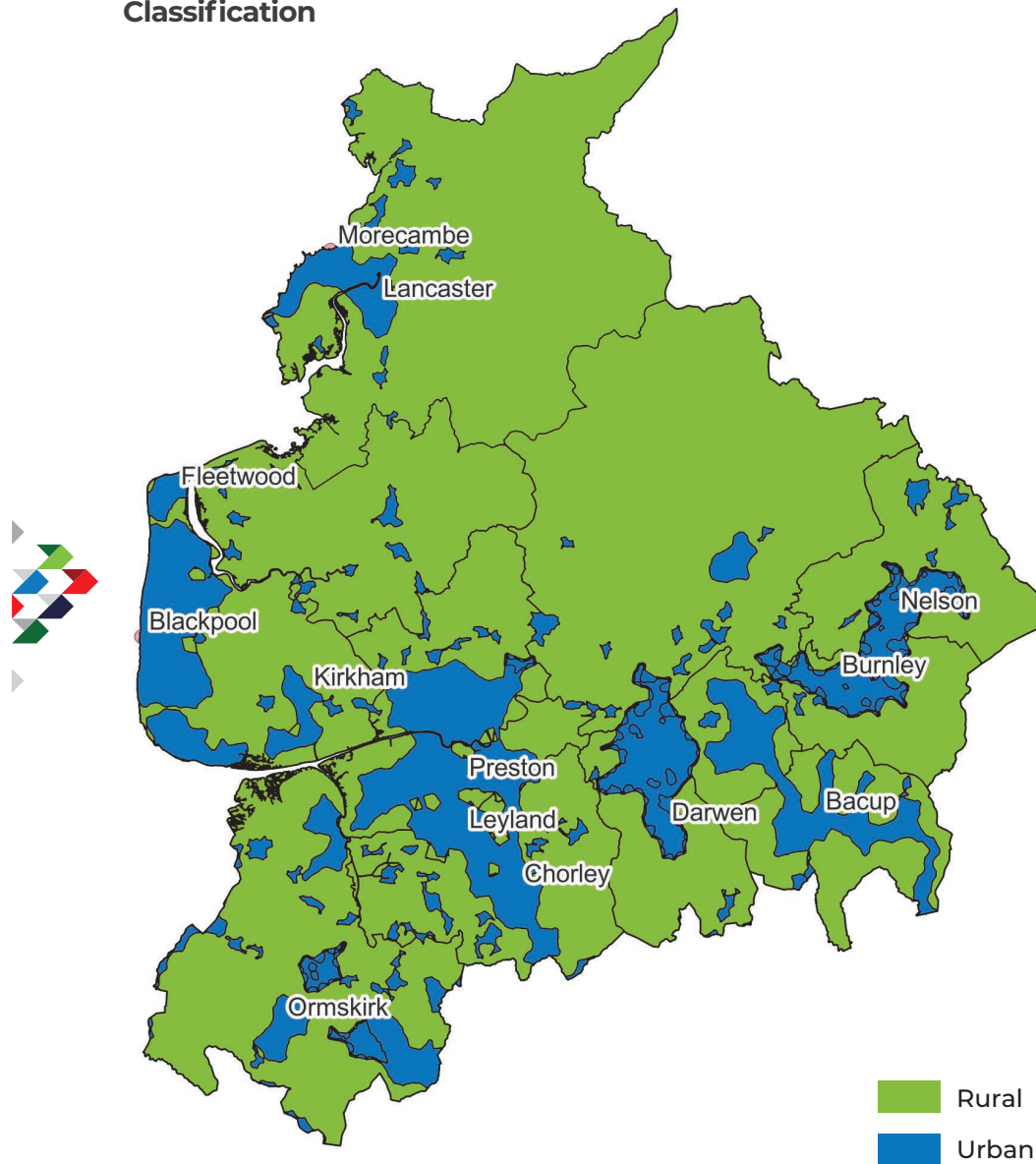
2.2 Lancashire Context



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.

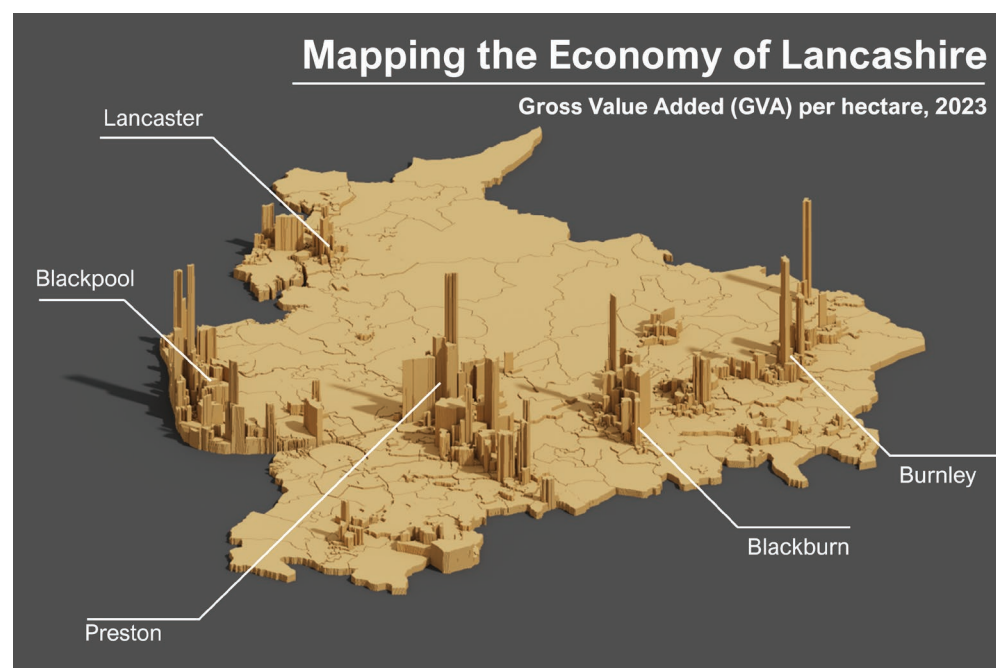
Lancashire's best connectivity runs North-South, but most of its people live East-West, in a central belt stretching from Pendle to Blackpool and the coastal economies. Around 40% of Lancashire's population lives in four urban areas: Preston, Blackburn, Lancaster, and Blackpool. Lancashire's Pennine 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	2023	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.

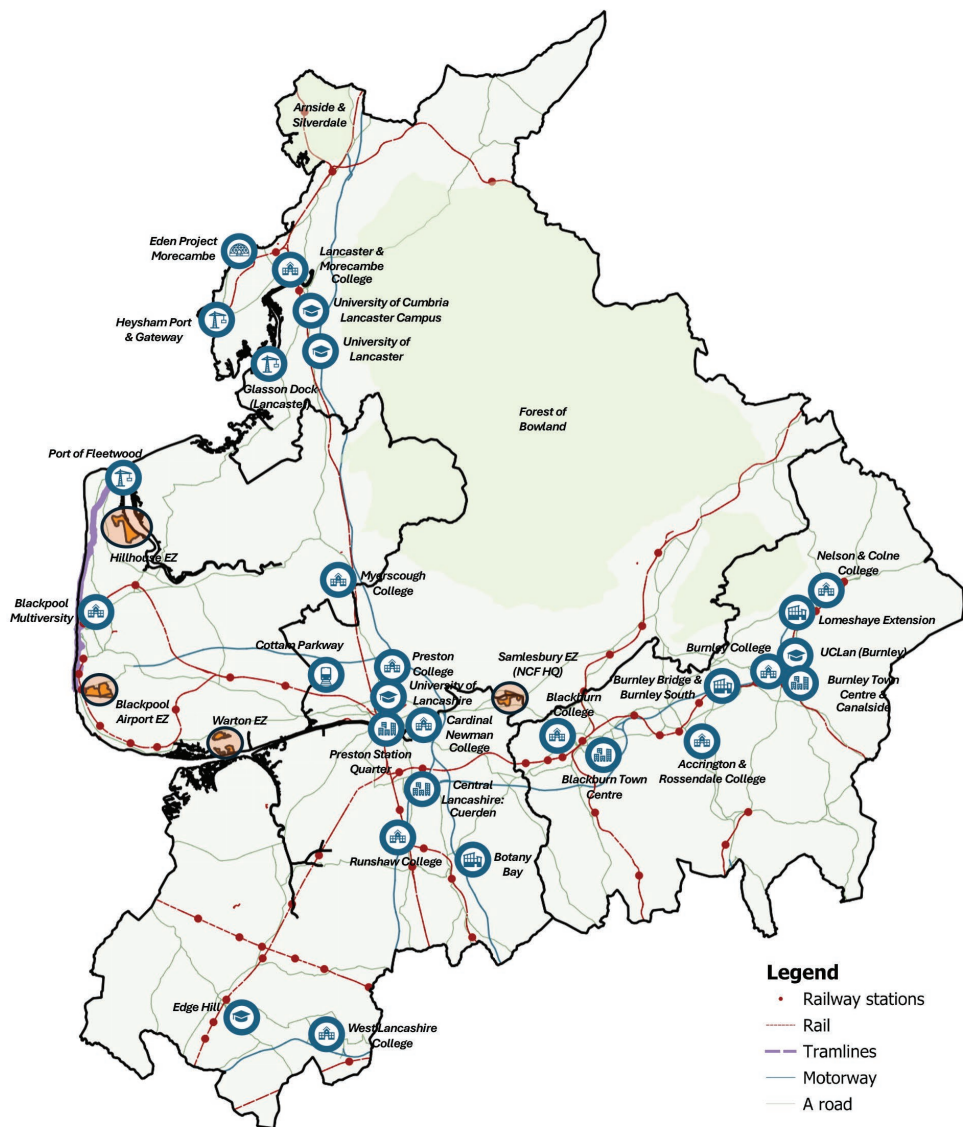
Lancashire excels in food and drink manufacturing, chemicals, digital industries, health innovation, and the low-carbon economy. West Lancashire is pivotal to the region's food sector and the UK's food security, with unrivalled employment in agriculture and production of field vegetables and crops, accounting 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.

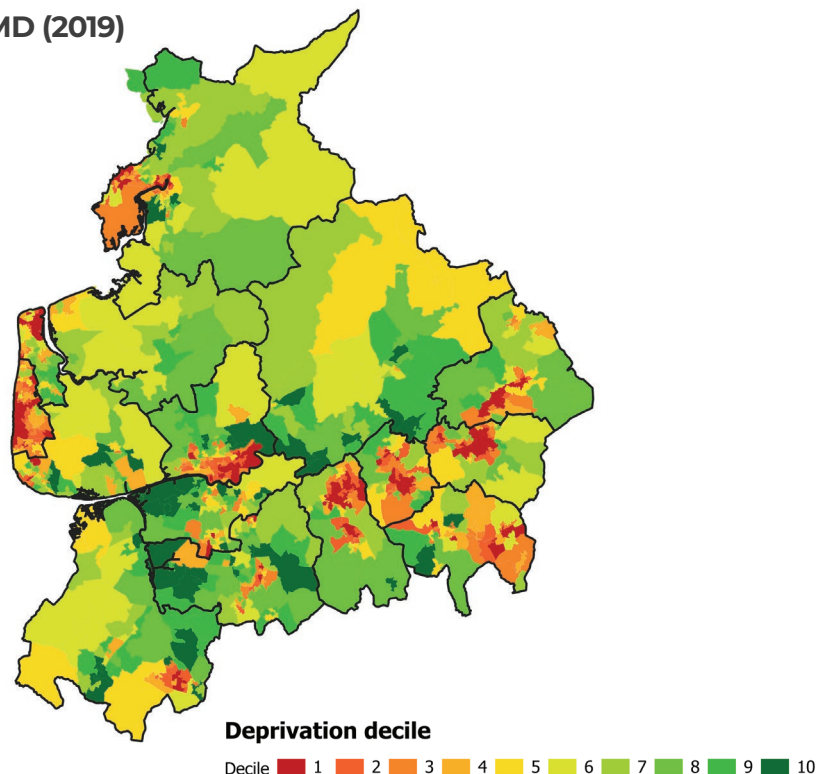
Lancashire's existing strengths are shaping new opportunities. Blackpool is the strategic landing point for the North Atlantic Loop, a unique opportunity for Lancashire to support the needs of the Pan-Atlantic hyperscale that underpin today's international cloud industry for global carriers, cloud-based 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. Salmesbury 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

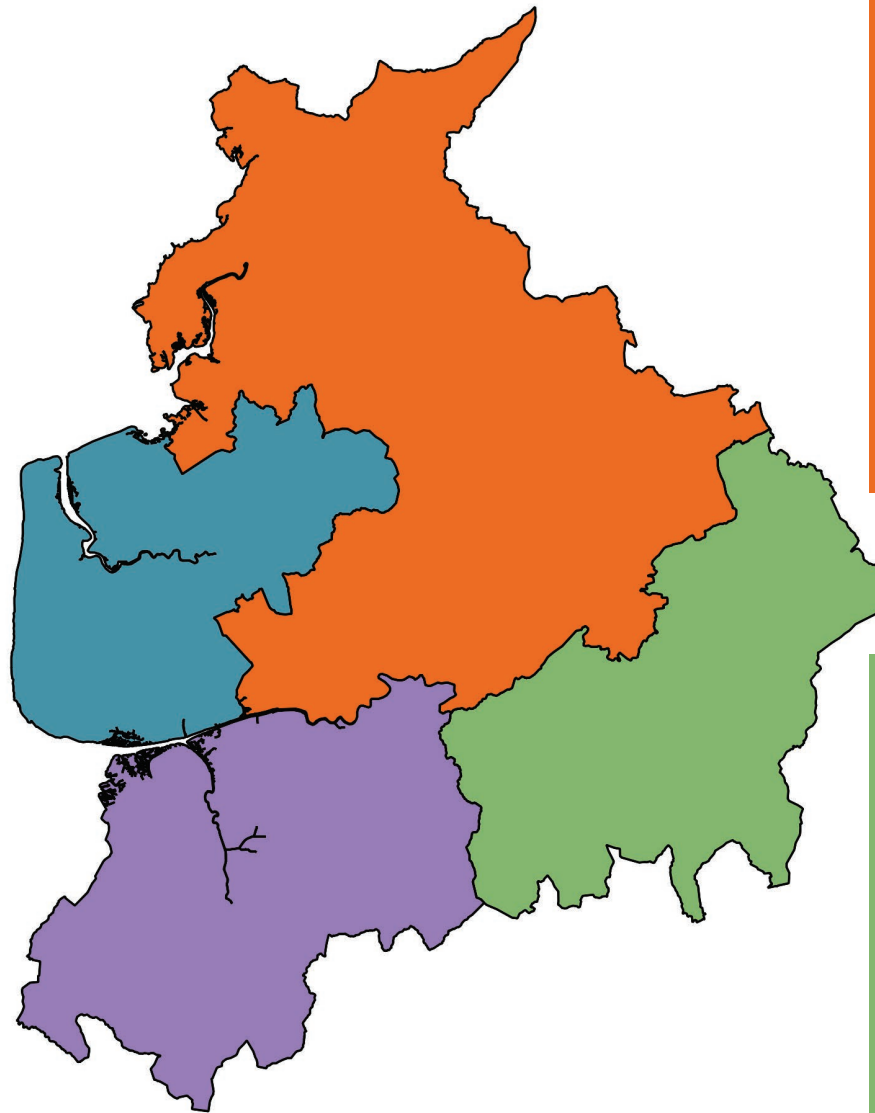
Population: 348,281

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.

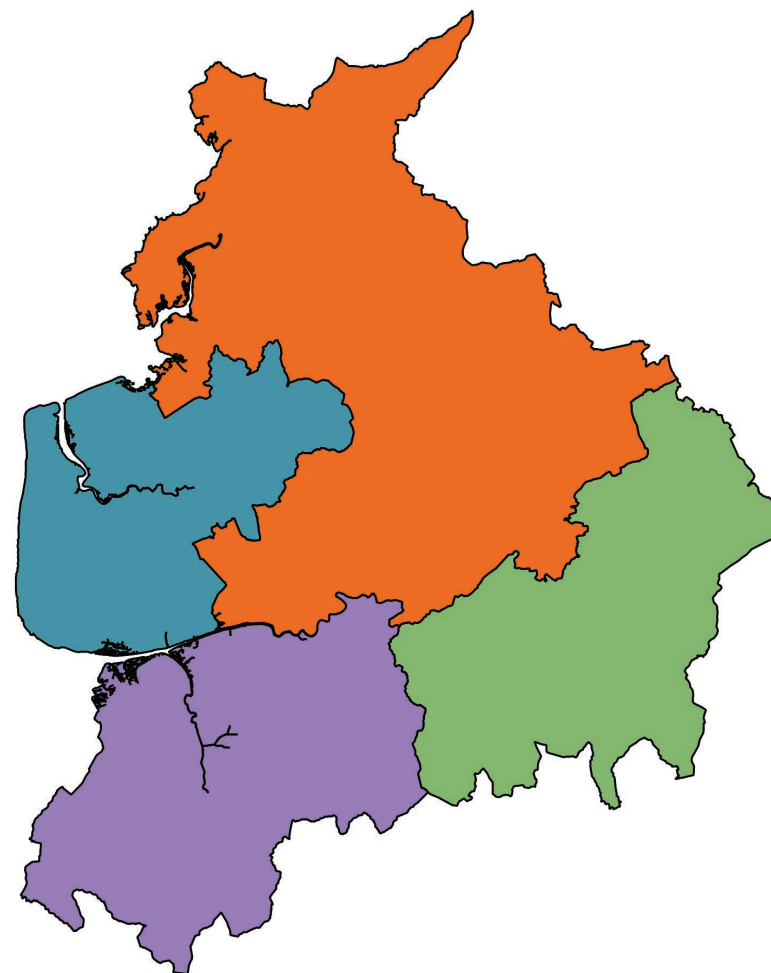


Reducing the number of councils also cuts duplication in corporate functions, lowers overheads, and enables resources to be pooled at a scale that supports investment in prevention and innovation. Four well-balanced authorities across Lancashire would have greater financial resilience, the capacity to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

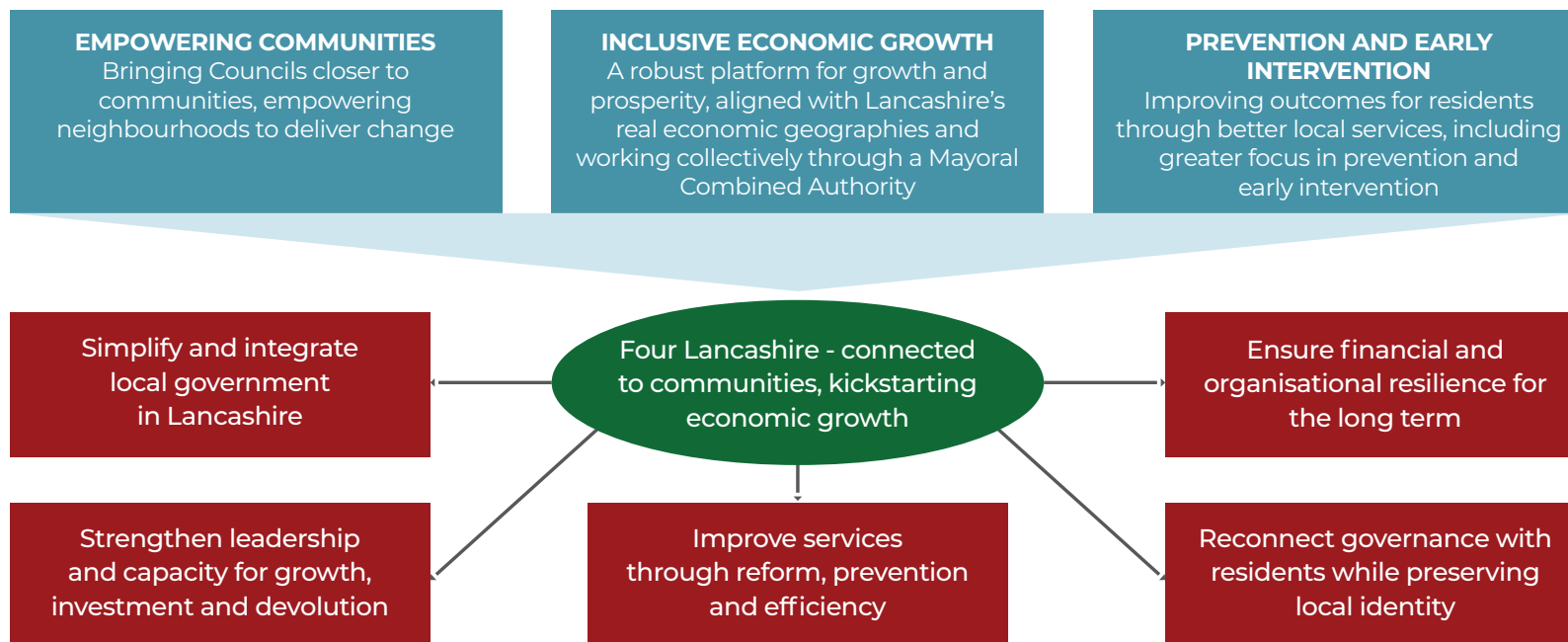
Outcomes

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.

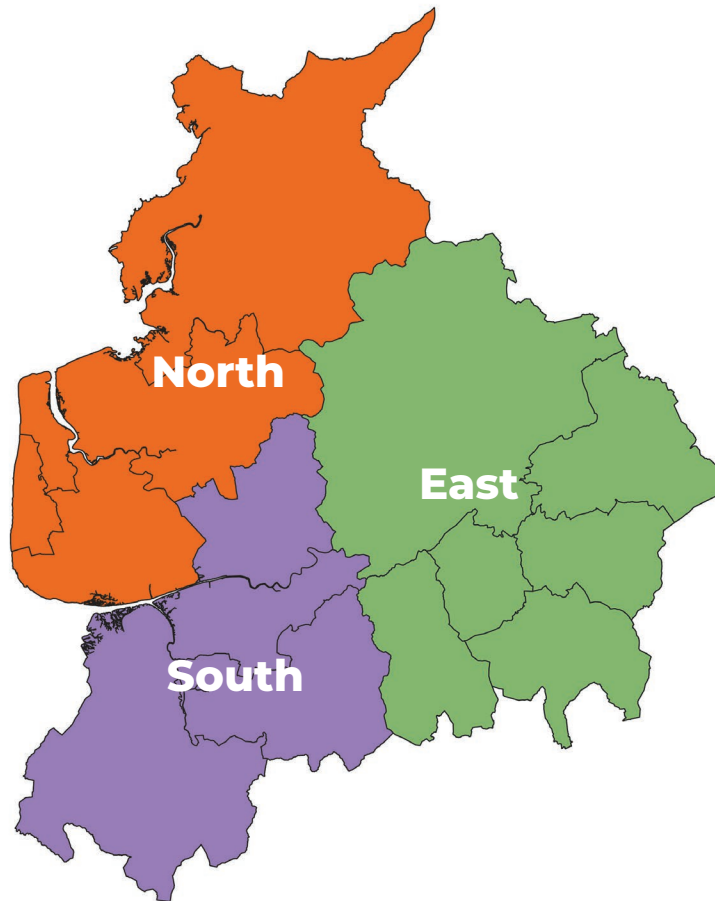


Two Unitary Authority

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

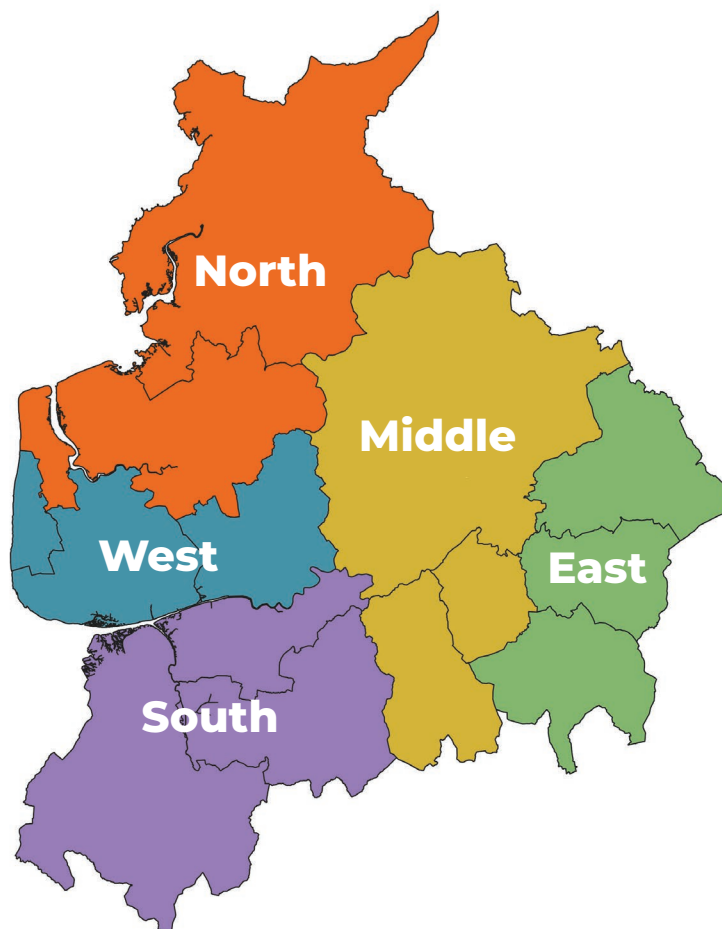
East: Blackburn with Darwen; Burnley; Hyndburn; Pendle; Rossendale; and part of the borough of Ribble Valley – Population (2024): 545,057

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.

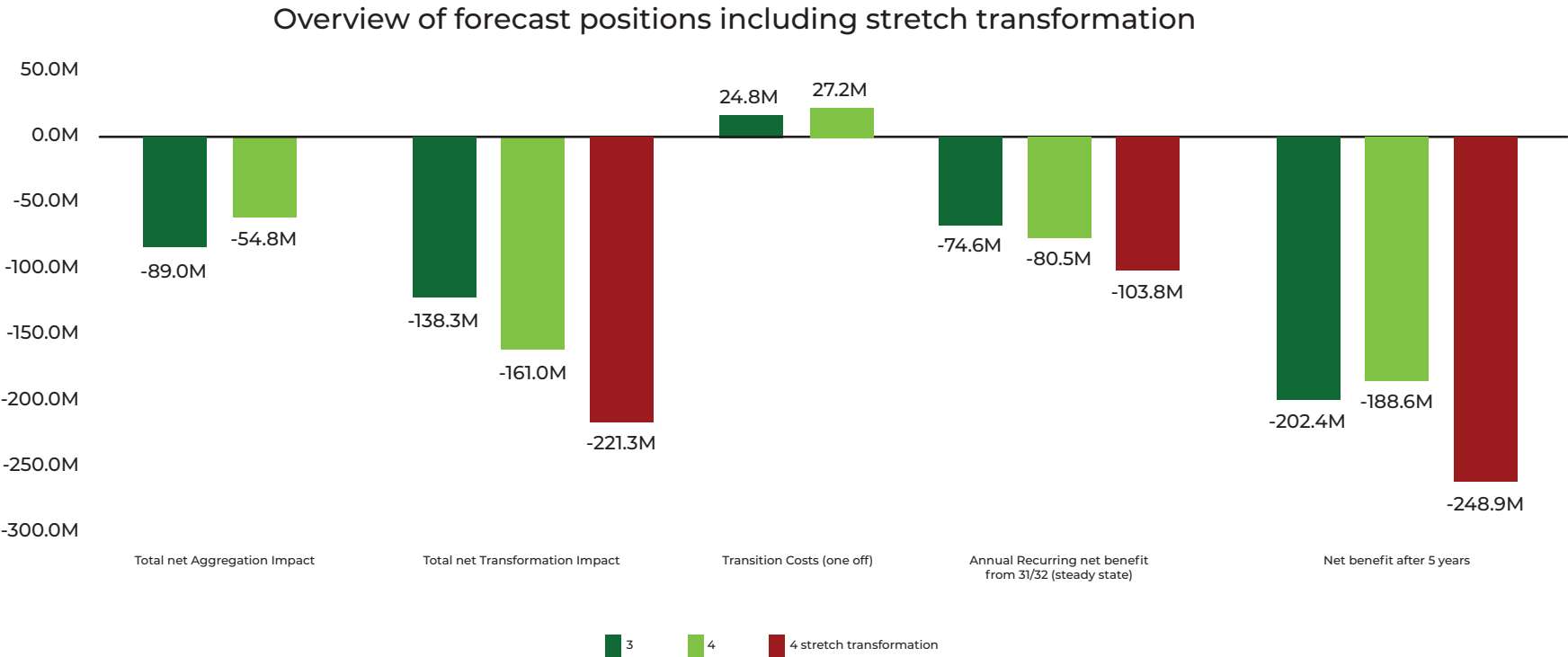
Category	What does this mean	What falls into this category
Aggregation impacts (benefits)	The medium-term impacts of aggregation, i.e. starting from after the Transition is complete and new authorities are up and running	<ul style="list-style-type: none">• Staffing efficiencies (Management, back office, 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.

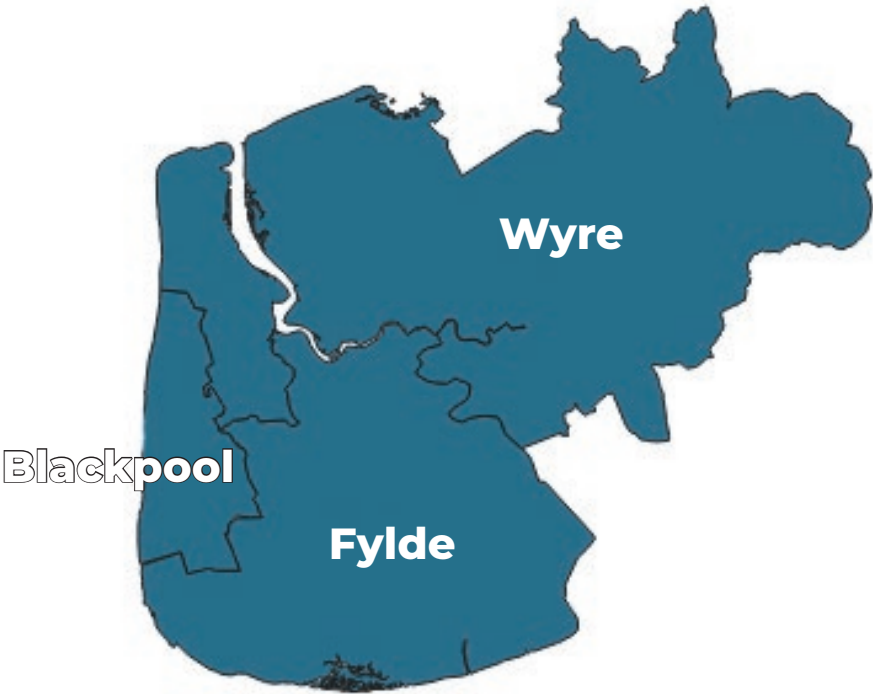
Looking outward, Pennine Lancashire will seize opportunities to deepen and diversify supply chains, reshore production, and build powerful cross-border links with Greater Manchester's advanced manufacturing hubs. By drawing in investment, technology, and talent, Pennine Lancashire can cement its role 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%			% 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			Number of Towns and/or Cities: 10
Sector Specialisms (LQ): Manufacturing, Accommodation and Food, Defence			

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.

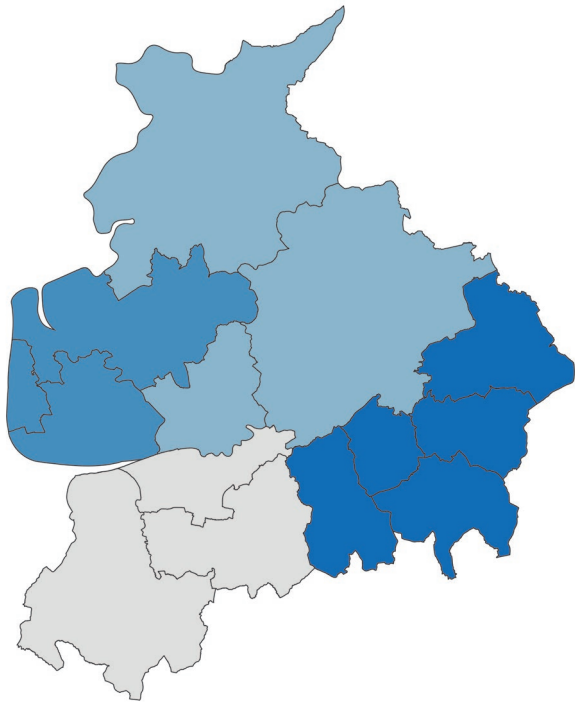
The experience makes a compelling and replicable case for Lancashire councils. LGR offers a unique opportunity to break free from legacy structures, reset leadership priorities, and concentrate resources on what our communities really need. With clear direction, targeted investment, and a focused improvement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

6.3 Our Core Principles

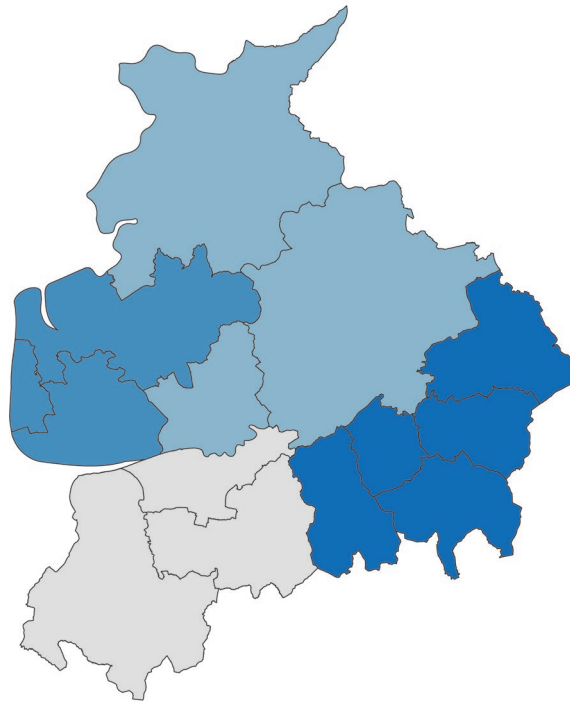
The new unitary councils will need to confront service demand challenges that have always existed but, until now, often been hidden within the wider geography of the two-tier system. There is a real need to plan strategically, target resources effectively, and innovate in service delivery to meet local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



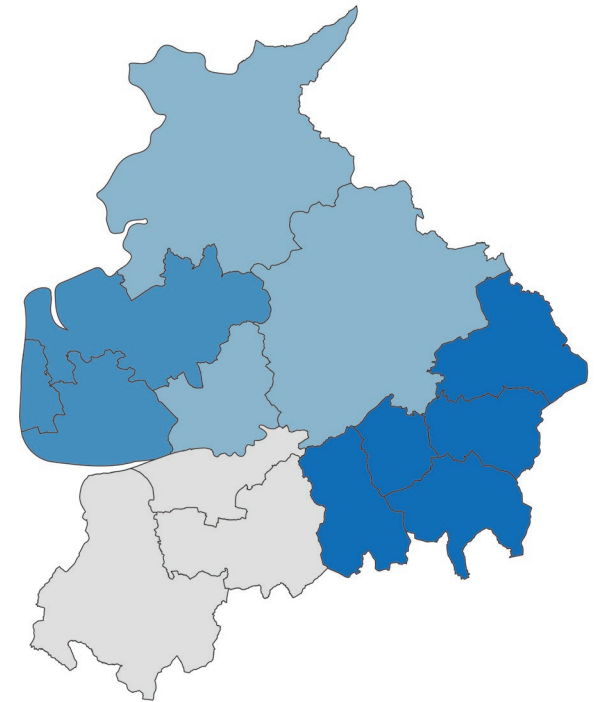
**Total number of cases open to
Children's Social Care:**



**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.

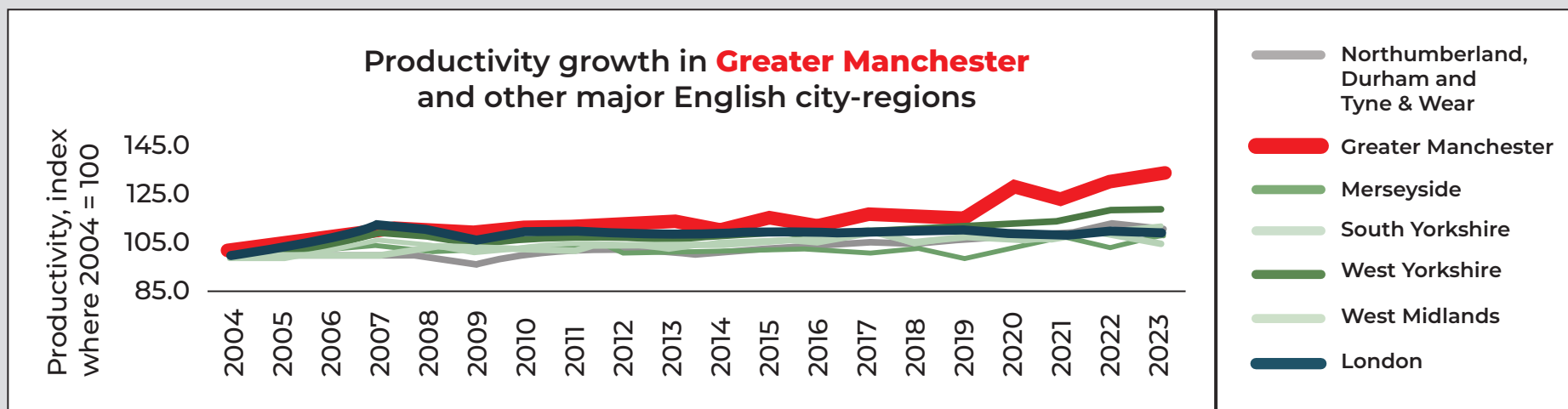
The four unitaries will each incorporate economic development functions that respond to local needs (for example skills and sector growth) and have the capacity and capability to build investable propositions – informed by local conditions and communities. The MSA will, over time, have access to an integrated 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.

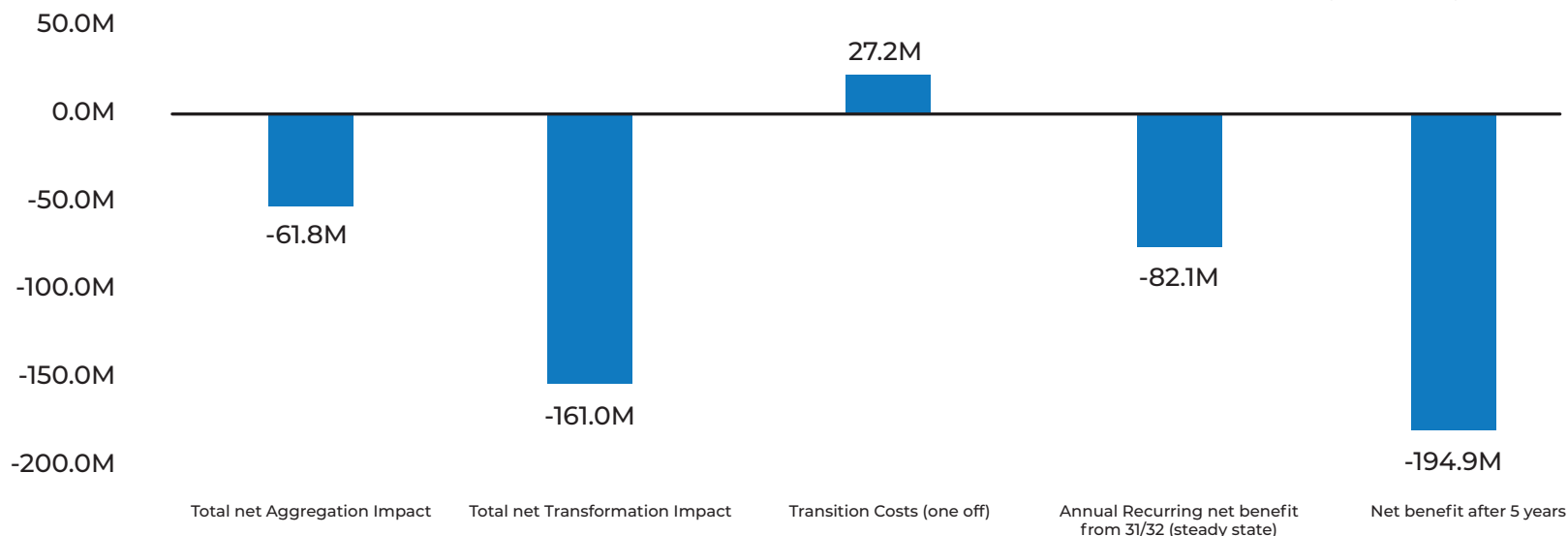
6.5 Cost and Benefits

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.

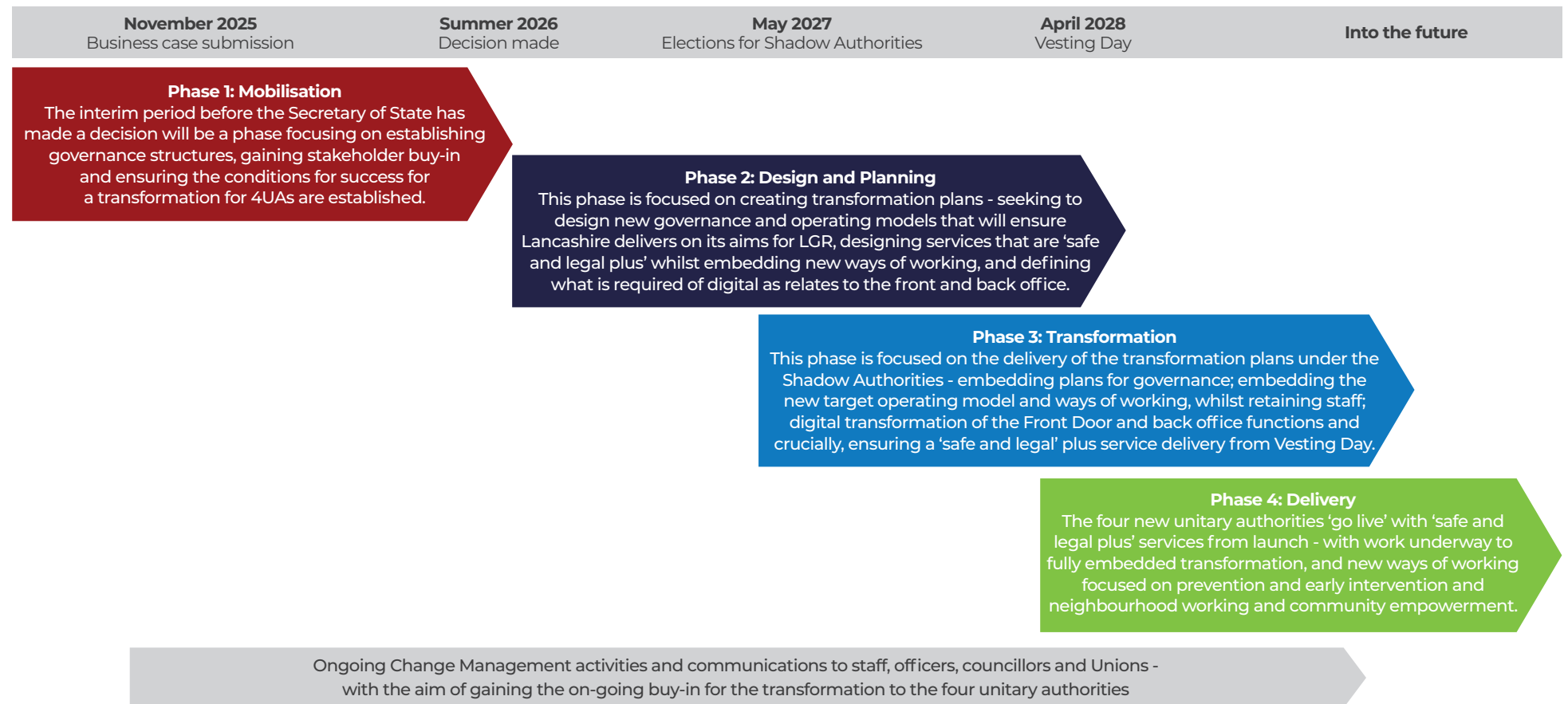
By this stage the governance, digital and workforce plans will have been implemented, and key stakeholders will have been taken on a change journey.

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:

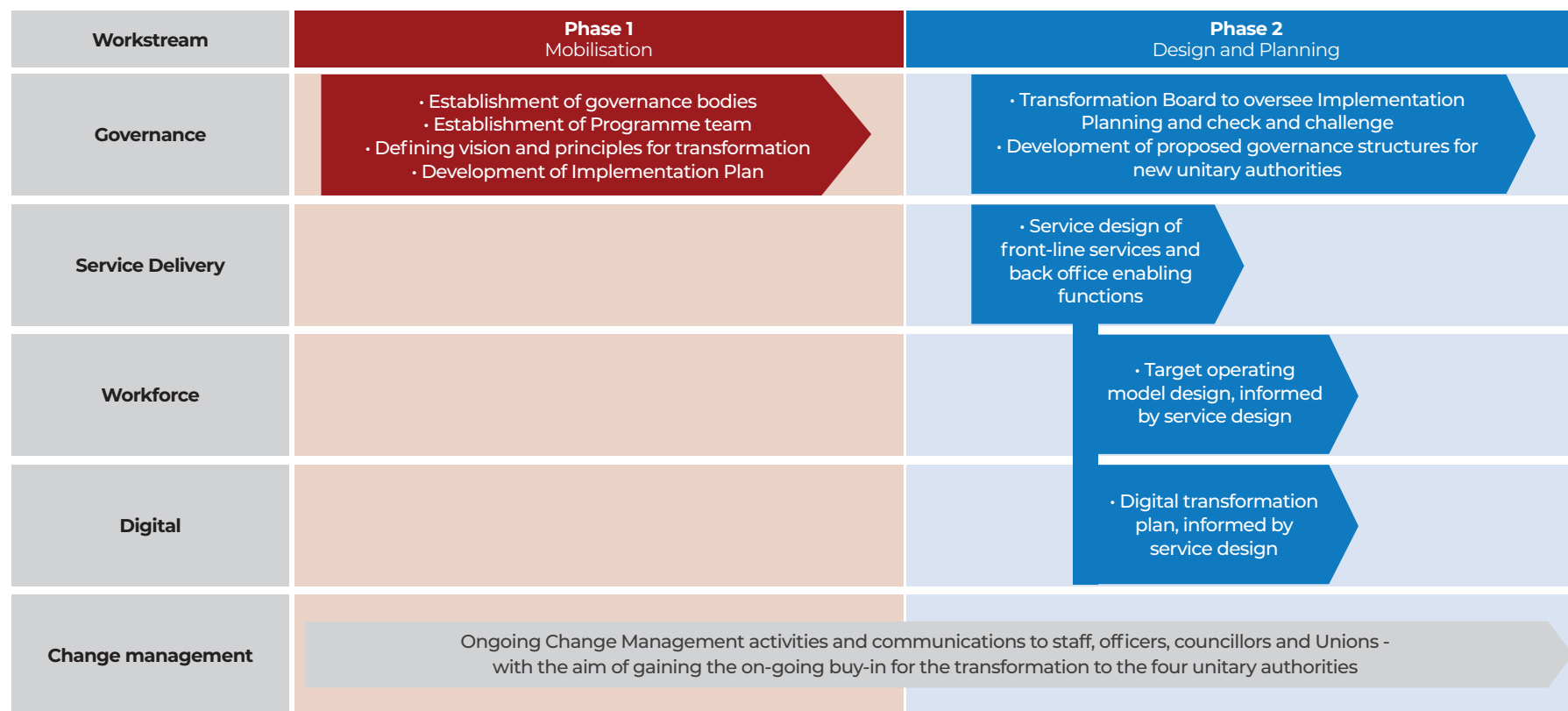



The key dates associated with the phases and timeline are as follows:

- **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 include 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
Governance 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.	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.
Service delivery 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.	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.

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

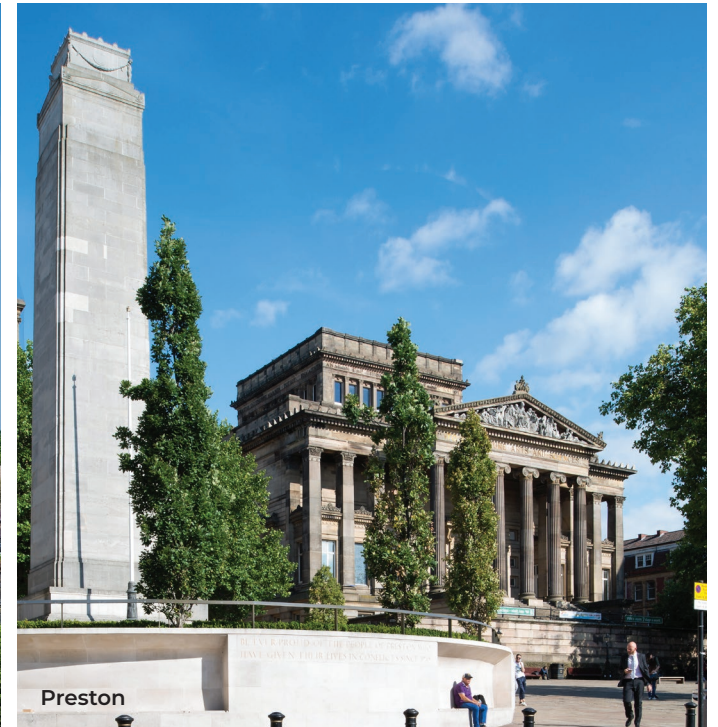
It is a strong platform for economic prosperity
and is ambitious in reshaping public services



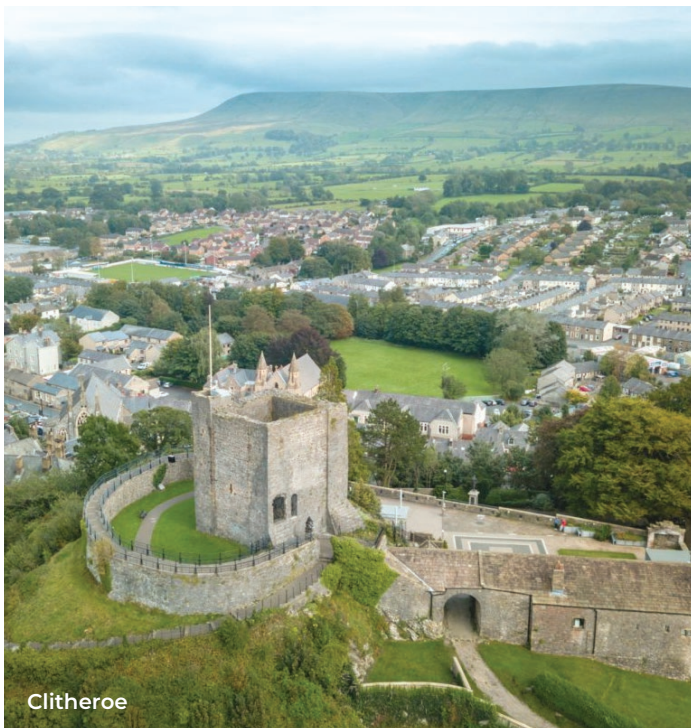
Chorley



Lancaster



Preston



Clitheroe



Leyland



Burscough

