

CABINET

7.00 P.M.

26TH NOVEMBER 2025

PRESENT:- Councillors Caroline Jackson (Chair), Peter Jackson, Mandy Bannon, Tim Hamilton-Cox, Paul Hart, Sally Maddocks and Sam Riches

Apologies for Absence:-

Councillors Martin Bottoms and Sue Tyldesley

Officers in attendance:-

Mark Davies	Chief Executive
Luke Gorst	Chief Officer - Governance and Monitoring Officer
Paul Thompson	Chief Officer - Resources and Section 151 Officer
Liz Bateson	Principal Democratic Support Officer, Democratic Services

65 DECLARATIONS OF INTEREST

No declarations of interest were made at this point.

66 LOCAL GOVERNMENT REORGANISATION

(Cabinet Member with Special Responsibility Councillor Caroline Jackson)

Cabinet received a report from the Chief Executive to allow Cabinet to formally agree Lancaster City Council's preference for the case for change it supports for Local Government Reorganisation.

The options, options analysis, including risk assessment and officer preferred option, were set out in the report as follows:

Five options have been developed for local government structures in Lancashire, ranging from two to five unitary councils. Appendix 2 to the report shows the proposed geographies and council support for each option, and they are summarised below:

- a. Two unitary councils with Lancashire split into North and South regions broadly across the River Ribble and M65. This has been developed by Lancashire County Council.
- b. Three unitary councils bringing Chorley together with South Ribble, West Lancs and Preston. In the North a council covering the area of Fylde, Wyre, Blackpool and Lancaster. In the east Blackburn with Darwen together with Hyndburn, Rossendale, Burnley, Pendle and Ribble Valley. This has been developed by Wyre, Blackburn with Darwen, Hyndburn, Fylde, and Rossendale.
- c. Four Lancashire which groups Chorley with South Ribble and West Lancs and creates a fourth unitary council of Lancaster, Ribble Valley, and Preston in the North. This is the most widely supported of all options having been developed by

six councils; Chorley, South Ribble, West Lancs, Preston, Ribble Valley, and Lancaster.

- d. An alternate four option which has been developed by Blackpool and splits the current districts of Wyre and Ribble Valley and brings Blackpool together with Preston.
- e. A five unitary option, developed by Burnley and Pendle, which creates an additional council in the East of the county, splitting Pendle, Burnley and Rossendale from Ribble Valley, Blackpool and Hyndburn. This also divides districts along the Fylde coast into different authority areas.

Options appraisal

A comprehensive approach has been taken to the development of a four unitary Lancashire proposal for local government reorganisation in Lancashire. It covers the strategic, economic, financial, commercial, and management cases, providing context and background for the proposed changes. The business case assesses current arrangements and challenges, presents the rationale and opportunities for adopting a four-unitary model, and details the vision, ambitions, and approach for key services. It also explains how the proposed changes will be delivered, ensuring that the business case is robust, evidence-based, and clearly structured to support the transformation of local government in Lancashire.

The full proposal that has been developed undertakes an options-appraisal of each of the proposals being developed in Lancashire. The initial appraisal assessed each model against the government's criteria. The two, five, and alternate four proposals face challenges in scale, community engagement, and strategic alignment and so have not been taken forward.

Option

Against government criteria

Two unitary Lancashire

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

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

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

Alternate four unitary Lancashire

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

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

Five unitary Lancashire

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

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

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

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

- a. Establish the strongest platform for partnership with a future Lancashire Mayoral Strategic Authority
- b. Deliver radical change in creating a new public service landscape
- c. Achieve the right scale for efficient service delivery, whilst ensuring greater responsiveness to residents
- d. Strengthen effective place-based, preventative approaches
- e. Reinforce democratic connection and accountability to communities
- f. Build organisational resilience and future delivery capacity
- g. Ensure Lancashire plays a strong role in the North's growth
- h. Ensure geographical coherence that reflects communities and functional boundaries

Both the three unitary and the four unitary options were assessed as meeting the government's criteria. Those options were then considered against objectives agreed by the six Councils developing the proposal. This detailed appraisal establishes that the Four Lancashire option has significant advantages over the three unitary model.

- a. **Financial analysis** compares the three unitary and four unitary options on benefits, costs, and net positions, concluding that whilst these are small initial set up costs for the additional authority, the transformational potential of the four Lancashire option far exceeds these and could realise over £195 million in savings between 2027 and 2033.
- b. **Service model analysis** highlights four's advantages in local responsiveness, innovation opportunities, and tailored prevention strategies, while three offers scale but risks reduced community connection.
- c. **Economic analysis** favours four for aligning with real economic geographies, preserving key economic areas like the Fylde Coast, and supporting targeted innovation and productivity growth, despite some inter-authority inequities.

Officer recommended option

Four Lancashire aims to simplify governance, improve service delivery, and align with economic corridors. It balances scale for efficiency and local identity, enabling tailored services and stronger community engagement. The model addresses fragmentation and supports integrated, place-based approaches with stakeholder backing.

Four unitary councils, working collectively through a Mayoral Strategic Authority will enable radical improvements in public services while also kickstarting economic growth. The councils are based on credible geographies and recognisable communities, while also simplifying the structures of local government and accountability. The population sizes of each unitary are of a scale that is comparable to existing unitary authorities.

The model will improve public services through:

- a. Prevention and Early Intervention – building on the success of initiatives such as social prescribing and the place based intelligence platform.
- b. Neighbourhood working and community empowerment - embedding communities in decision-making, strengthening their influence, and ensuring that public services reflect local priorities and local identity.
- c. Economic growth and connectivity - we will close the productivity gap, improve health, and boost labour-market participation.

Appendix 5 to the report sets out in detail the rationale / pitch for a four unitary Lancashire.

At the time of writing no other completed cases for change were available. As they begin to be published officers will endeavour to provide the links to them for Members to consider. It will obviously be difficult for the Chief Executive to answer detailed questions on those different cases for change.

Risk

The key risks associated with this report include:

- a. Creation of uncertainty, which could lead to a greater turnover of staff and more difficulties in recruitment. This will be managed by a programme of internal

communications to provide reassurance and updates, as well as a continued focus on delivering the corporate strategy and core services of the council.

- b. Breakdown in relationships across Lancashire councils due to the creation of competing proposals. The decision of government is final and there will be the need for the council to continue to collaborate with partners across Lancashire, whichever decision is made for the reorganisation of the county.
- c. Uncertainty risking disruption to current and developing partnerships, stakeholder relationships and on-going agency links.

Cabinet were asked to consider the report, appendices and the recommendation made by Council on 26th November, with regards to the report on Local Government Reorganisation and formally agree Lancaster City Council's preferred case for change for unitarisation.

Council recommended to Cabinet the case for change for a 4-unitary option (Lancaster, Ribble Valley and Preston).

Having voted against the proposal at Full Council Councillor Hamilton-Cox advised the meeting that he would be abstaining from the vote at Cabinet in view of him recognising the will of Full Council and asked that the reason for his abstention be minuted.

Councillor Caroline Jackson proposed, seconded by Councillor Peter Jackson:

"That the recommendations as set out in the report be approved with the inclusion of 'as a 4-unitary option consisting of Lancaster, Ribble Valley and Preston' after unitarisation in recommendation (1)."

Councillors then voted:-

Resolved:

(6 Members (Councillors Bannon, Hart, Caroline Jackson, Peter Jackson, Maddocks and Riches) voted in favour, and 1 Member (Councillor Hamilton-Cox abstained.)

- (1) That having considered both this report and appendices and the recommendation made by Council on 26th November 2025 with regard to the report on Local Government Reorganisation, Cabinet formally agrees Lancaster City Council's preferred case for change for unitarisation as a 4-unitary option (Lancaster, Ribble Valley and Preston).
- (2) That the Leader and Chief Executive are delegated to make arrangements to ensure Lancaster City Council's preferred case for change for unitarisation is received by MHCLG by 28th November, 2025

Officer responsible for effecting the decision:

Chief Executive

Reasons for making the decision:

Final approval of submission of the proposal to government lies with Cabinet in accordance with section 9D(2) of the Local Government Act 2000.

In making its decision Cabinet recognised that the will of full Council in recommending a 4-unitary option (Lancaster, Ribble Valley and Preston) was clear and Cabinet respected Council's recommendation.

Chair

(The meeting ended at 7.51 p.m.)

**Any queries regarding these Minutes, please contact
Liz Bateson, Democratic Support - email ebateson@lancaster.gov.uk**

MINUTES PUBLISHED ON THURSDAY 27 NOVEMBER, 2025.

**EFFECTIVE DATE FOR IMPLEMENTING THE DECISIONS CONTAINED IN THESE MINUTES:
IMMEDIATE - CALL-IN WAIVED ON THIS DECISION**