

A special report

Local Government Reorganisation in Lancashire



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Contents

4–6	Foreword
7	Introduction
8–9	Scenario One
10–11	Scenario Two
13–15	Scenario Three
16–17	Scenario Four
18–19	Current Positions



Foreword



*By Babs Murphy, Chief Executive,
North & Western Lancashire Chamber of Commerce*

The shape of local government in Lancashire is on the cusp of major reform. Following the recent local elections and amid mounting calls for greater efficiency, accountability, and clarity in governance, conversations around the future structure of our county are more relevant—and urgent—than ever before.

This report sets out the potential permutations of Local Government Reorganisation (LGR) in Lancashire, including the models currently being discussed—from the creation of a single county-wide unitary authority to the formation of multiple, smaller unitary councils. Each scenario carries significant consequences for how our region is governed, how decisions are made, and ultimately, how businesses operate.

For the business community, the outcomes of LGR will influence everything from strategic planning and inward investment to transport infrastructure, skills delivery, planning regulation, and business support services. That's why the Chamber has taken an active role in leading this conversation and ensuring the private sector's voice is both

heard and considered throughout the process. The report is not intended to champion one model over another but to present the facts, outline the potential impact of each option, and empower our members—and the wider business community—to make informed contributions to this critical debate.

Lancashire has a once-in-a-generation opportunity to design a governance model that works for its businesses, communities, and future prosperity. This can only be achieved through meaningful collaboration between government and the private sector.

I encourage all business leaders to engage with this issue, digest the options presented in this report, and play a part in shaping the future of Lancashire.

Together, we can help create a system of local government that is fit for purpose and primed to support the success of our economy for decades to come.

Sponsor Foreword



*By Paul Fox, Chief Executive,
Fox Group*

As a business owner in Lancashire, I can see that our local government is on the brink of major change—and it's a change that will directly impact how we operate, grow, and plan for the future.

With the recent local elections behind us and growing pressure for better efficiency, accountability, and clarity in decision-making, the way Lancashire is governed is under the spotlight.

This report discusses a number of options, from a single county-wide authority to several smaller unitary councils. Each comes with real implications for how decisions are made—affecting infrastructure, investment, planning, skills, and the support available to businesses like mine.

For those of us running businesses, these changes won't just affect policy—they'll shape the way we operate. Whether it's the speed of planning applications, the delivery of transport improvements, or the availability of skilled workers, the outcome of this reorganisation will have lasting consequences.

We welcome the Chamber's role in helping steer this debate. It's vital that the private sector has a voice in this process—and that our concerns and priorities are taken seriously.

The reports lays out the facts so we can all understand what's at stake. It gives us, as business leaders, the information we need to make our voices heard in what a once-in-a-generation opportunity could be to reshape local government in a way that truly supports economic growth.

Sponsor Foreword



*By Robert White, Chief Executive,
Brabners*

Among the government's key criteria for the reorganisation of Lancashire's current political landscape into new unitary authorities is the structure must support its plans for increased devolution over the coming years.

Delivered correctly, devolution can play a key part in answering the North's productivity puzzle, helping the region achieve its true economic potential. Despite the North of England being home to around 23 per cent of the UK's population, its economy accounts for just 19.4 per cent of the UK's total businesses and 19.3 per cent of Gross Value Added (GVA), reflecting the productivity gap between the region and the rest of the UK.

Lancashire is representative of this broader productivity challenge, with GVA per hour worked at £35.60 and well below the national average of £39.70.

It is clear – from other parts of the country and other regions internationally – that a large part of the solution to driving productivity and long-term prosperous growth comes from increased place-making investment, in infrastructure, housing, transport and energy; and that devolved decision making plays a critical part in creating the framework for those investment decisions to be made.

The government has been clear in its plans to accelerate increased local decision-making,

highlighting its intent to review the Green Book, the Treasury's guidance for appraising government projects and public spending, and promising £840m additional funding for the North.

However, to maximise devolution's benefits, it requires meaningful collaboration between all stakeholders – both within Lancashire and with its neighbouring regions. As the county decides how to organise itself into a smaller number of unitary authorities in line with the government's wishes, there is real danger that this once-in-a-generation opportunity is led by party politics or personal preference.

Lancashire's decision-makers must also work with the business community, as well as with other local and central government leaders, to co-create a structure that provides the best opportunity to align investment with the economic priorities and skills that allow geographic clusters to thrive.

Brabners' True North is a network of more than 430 business leaders committed to supporting the future of the North. The network stands ready to play its part, whether in the next few months, as Lancashire's new political structure is established, or in the coming years as we work towards ensuring all decision making is aligned with delivering a more productive and prosperous future for the county.

Introduction

Local government reorganisation has been a topic of ongoing debate and planning, with numerous potential scenarios for merging authorities to better serve communities, improve efficiency, and reduce costs. While the landscape of possibilities is broad – ranging from small-scale boundary adjustments to comprehensive regional consolidations– this report concentrates on four specific models that have been identified as options for consideration.

These four models have emerged based on current political priorities, strategic assessments, and stakeholder consultations. They represent a range of approaches, from incremental mergers of neighbouring authorities to more substantial consolidations designed to create larger, more resourceful entities.

It is important to emphasise that these four models in the following pages are not definitive or guaranteed to materialise. The landscape of local government reorganisation is inherently dynamic, and other scenarios may become more pertinent as political, economic, and social factors evolve. Additional models, such as partial mergers, joint service arrangements, or the creation of unitary authorities, remain viable options and may gain prominence in future discussions.

Option One:

One single, pan-Lancashire unitary authority

The idea of restructuring Lancashire's local government into a single unitary authority is a topic of growing debate. Currently, Lancashire operates under a two-tier system comprising Lancashire County Council and multiple district councils, each responsible for different services. Moving to a single unitary authority would consolidate governance, with one body overseeing all local services. While some believe this could lead to greater efficiency, others worry about the loss of local representation. Below, we explore the key pros and cons of such a move.



Advantages of a single unitary authority

Streamlined decision-making & efficiency

A single authority would eliminate duplication between the county and district councils, resulting in faster decision-making and more efficient service delivery. Instead of multiple councils handling different aspects of services like planning, transport, and waste management, a single entity would oversee all operations, reducing administrative overheads.

1 Cost savings

Combining councils could result in significant savings by cutting bureaucratic costs and reducing inefficiencies. Fewer councillors, chief executives, and administrative staff would be required, allowing for more funding to be directed towards frontline services.

2 Stronger economic and strategic planning

A single authority would have a unified approach to economic development, making it easier to attract investment, coordinate infrastructure projects, and lobby for government funding. Currently, Lancashire competes with Greater Manchester and the Liverpool City Region, both of which have single authorities that provide clear leadership and strategic direction.

3 Simplified services for businesses and residents

Businesses and residents often face confusion over which council is responsible for different services. A single authority would offer a one-stop-shop approach, making it easier to access support, permits, and guidance.

Disadvantages of a single unitary authority

1 Loss of local representation

A major concern is that smaller towns and rural areas could lose influence, with decision-making becoming centralised in larger urban areas like Preston or Blackburn. This could lead to policies that favour cities over smaller communities, potentially neglecting local needs.

2 Disruption and transition costs

Merging councils would require significant restructuring, which could be costly and time-consuming. Employees may face job uncertainty, and existing council contracts, services, and policies would need to be re-evaluated, leading to potential short-term instability.

3 Reduced responsiveness to local issues

Smaller district councils often have a closer relationship with local businesses and residents, offering tailored support and quick responses to local challenges. A larger unitary authority may struggle to provide the same level of community engagement and flexibility.

4 Risk of bureaucracy at a larger scale

While merging councils aims to reduce bureaucracy, there is a risk that a large, single authority could become overly centralised and inefficient, leading to decision-making delays and a lack of accountability.

Conclusion

A single unitary authority for Lancashire presents opportunities for efficiency, cost savings, and strategic growth, but it also poses risks to local representation and service responsiveness. Businesses and residents must carefully consider these factors, and it's essential that all stakeholders are engaged in discussions to ensure any reorganisation best serves Lancashire's diverse communities.

Option Two:

Two unitary administrations

Breaking Lancashire into two unitary authorities—splitting the current structure into a West Lancashire entity (including West Lancashire, Chorley, South Ribble, Preston, Blackpool, Wyre, Fylde, and Lancaster) and an East Lancashire authority—has several potential advantages and disadvantages. Here's an overview of the pros and cons:

Population breakdown

**Western
Lancashire**



943,557

**East
Lancashire**



540,000



Advantages of two unitary administrations

1 Improved Local Focus and Governance

- Smaller authorities can tailor services more closely to local needs.
- Easier to engage communities in decision-making processes.

2 Potential Cost Savings

- Reduced duplication of administrative functions.
- Lower overhead costs through streamlined management.

3 Enhanced Accountability

- Clearer local leadership can improve accountability to residents.
- Easier to measure performance and respond to local issues.

4 Strategic Regional Development

- Allows more targeted economic development strategies suited to the specific needs of East and West Lancashire.
- Facilitates regional planning that considers distinct economic, social, and environmental factors.

5 Greater Flexibility

- Each authority can innovate and implement policies more suited to their demographic and geographic characteristics.

Disadvantages of two unitary administrations

1 Transition Challenges

- Significant logistical and administrative effort to establish two new governance structures.
- Potential disruption during the transition period.

2 Loss of Economies of Scale

- Larger combined authority might have been more cost-effective in delivering certain services.
- Possible duplication of some functions across two authorities.

3 Risk of Inequity and Disparities

- Differences in funding and service levels could widen gaps between East and West Lancashire.
- Challenges in ensuring fair resource distribution.

4 Impact on Regional Collaboration

- Coordination on issues like transportation, infrastructure, and economic development could become more complex.
- Potential fragmentation of strategic planning efforts.

5 Community Identity and Cohesion

- Dividing the county might impact a shared sense of identity.
- Potential resistance from communities that value the current structure.

Summary

Splitting Lancashire into two unitary authorities could lead to more localised governance and potential efficiency gains but also poses challenges related to transition, costs, and regional cohesion. The decision should carefully weigh these factors with input from stakeholders and consider long-term impacts on service delivery and community identity.



Option Three:

Three unitary administrations

The proposed reorganisation of Lancashire into three unitary authorities—merging West Lancashire, Chorley, South Ribble, Preston into one; Blackpool, Wyre, Fylde, Lancaster into another; and creating a separate authority for East Lancashire—has several potential advantages and disadvantages. Here's a balanced overview:

Population breakdown

**Central
Lancashire
& West
Lancashire**



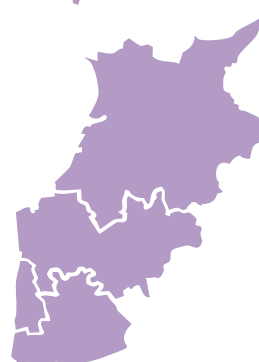
470,000



**Fylde Coast
with Lancaster**



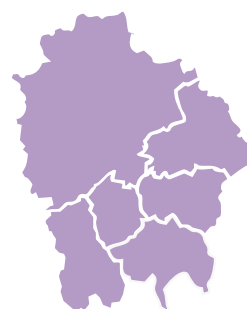
473,000



**East Lancashire
with
Ribble Valley**



540,000



Advantages of three unitary administrations

1 Strategic Planning and Development

Larger, unified authorities can coordinate regional development, infrastructure projects, and economic strategies more effectively.

2 Local Identity and Focus

Grouping communities with similar characteristics or geographic proximity can foster a stronger sense of regional identity and tailored policy approaches.

3 Enhanced Service Delivery

Larger authorities might have greater capacity and resources to deliver services efficiently and innovate.

Disadvantages of three unitary administrations

1 Transition Challenges

Mergers involve complex changes in administration, IT systems, staff roles, and service delivery, which can cause disruption and costs.

2 Potential for Increased Centralisation

Larger authorities may become more bureaucratic and less agile in responding to local needs.

3 Political and Cultural Differences

Merging areas with distinct identities or political landscapes might lead to conflicts or dissatisfaction.

Specific Considerations for Lancashire:

1 Geographical Cohesion

The proposed groupings aim to cluster areas that are geographically or economically linked, which could benefit regional planning.

2 Historical and Cultural Factors

Some communities may have strong historical ties to existing boundaries, and reorganization could impact local pride and identity.

3 Service Distribution

Evaluating which services are best managed locally versus regionally is crucial to ensure effective delivery.

Summary

While creating three unitary authorities in Lancashire could lead to efficiencies and improved strategic governance, it also risks diminishing local representation and community cohesion. Careful planning and stakeholder engagement are essential to balance these factors effectively.



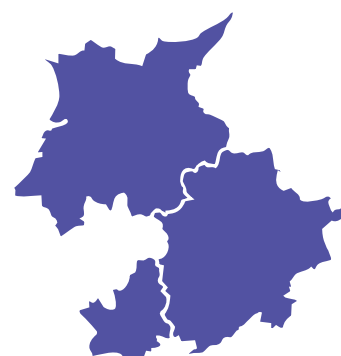
Option Four:

Four unitary authorities

Population breakdown

Preston,
Lancaster,
Ribble Valley

 340,000



Fylde,
Wyre,
Blackpool

 333,000



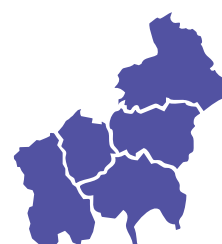
Chorley,
South Ribble,
West Lancs

 330,000



East Lancs

 540,000



Advantages of four unitary authorities

1 Clearer Accountability

Easier for residents and businesses to understand which authority is responsible for what, improving democratic accountability.

2 Stronger Strategic Decision-Making

Larger unitary authorities can plan infrastructure, transport, and housing more effectively across wider areas.

3 Tailored Services

Allows each unitary to design services that better reflect local needs and priorities within their area.

4 Potential Economic Benefits

Could encourage more cohesive economic development strategies, inward investment, and regional branding.

Disadvantages of four unitary authorities

1 Initial Cost and Disruption

High upfront costs and resource strain to restructure services, assets, staff, IT systems, and governance frameworks.

2 Job Losses

Duplication of roles may result in redundancies across administrative and leadership positions.

3 Complex Transition Period

Potential confusion and disruption to services during the transition from two-tier to unitary governance.

4 Political Resistance

Resistance from existing councils, councillors, and stakeholders who may lose influence or status.

5 Uneven Resource Distribution

Concerns that wealthier or more populous areas may receive more attention or funding than smaller or rural communities.

6 Service Delivery Risks

Possible short-term decline in service quality or accessibility as structures and teams are reconfigured.

Current positions:

- **Blackpool Council (Jan 25) – against proposals for LGR**
- **Fylde council (Mar 25) – not in best interest of residents**
- **Wyre (Mar 25) – same as Fylde**
- **Burnley opposed to working with Blackburn-with-Darwen**
- **Chorley support in principle a four UA model with South Ribble and West Lancs**
- **Ribble Valley opposed to LGR but if forced prefer splitting Lancashire into four UA**
- **Pendle Borough Council propose 4 or 5 UAs**





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