



Ministry of Housing, Communities & Local Government

Rt Hon Steve Reed OBE MP

*Secretary of State for Housing,
Communities & Local Government*
2 Marsham Street
London
SW1P 4DF

Leaders in Lancashire, Blackburn with
Darwen and Blackpool
By email

16 July 2026

Dear Leaders,

Thank you for your continued work to deliver local government reorganisation in Lancashire, Blackburn with Darwen and Blackpool. This Government is delivering the most ambitious programme of local government reform in a generation, replacing the inefficient two-tier system with new unitary councils so that all parts of our country can access strong services, and are ready for devolution. We need to devolve power out of Whitehall so that we can rebalance wealth, power and opportunity across our country. But devolution must be built on strong local councils that can deliver good public services, support growth, and remain closely connected to the communities they serve.

Doing this right means recognising the unique contributions that different areas make to people's lives, as well as to the national economy. Some of our smaller cities are highly productive, but have been constrained by tight boundaries, set decades ago, which stop them from building the homes they need. Others are more rural, with significant demand for social care services and affordable housing. Local government should be set up to address the unique circumstances of each area and design public services tailored to each community.

Reorganisation provides us with a once-in-a-generation opportunity to ensure that councils genuinely represent the communities they serve today and stand the test of time. We know that people care about their own villages, home towns, high streets and communities. In many parts of the country, existing boundaries do not match local economies, public services, or local identities.

We won't achieve effective devolution or enable effective place-based public services with outdated and misaligned structures that slow down delivery, fragment public services, hamper housebuilding and slow down important decision making. We need to make sure that new councils are grounded in place and are genuinely connected to their communities.

Decisions

I have considered your proposals carefully against the criteria set out in the invitation letter of 5 February last year, alongside the responses to the consultation, representations made, requests for modifications made alongside the proposals and all other relevant information.

Following this assessment, I have decided to move forward with the implementation of the **four unitary proposal submitted by Chorley Borough Council, Lancaster City Council,**

Preston City Council, Ribble Valley Borough Council, South Ribble Borough Council and West Lancashire Borough Council (“my selected option”).

These new councils will comprise of the current areas of:

- Lancaster City Council, Preston City Council and Ribble Valley Borough Council (referred to in the proposal as ‘North Lancashire’)
- Chorley Borough Council, South Ribble Borough Council and West Lancashire Borough Council (referred to in the proposal as ‘South Lancashire’)
- Blackburn with Darwen Council, Burnley Council, Hyndburn Borough Council, Pendle Borough Council and Rossendale Borough Council (referred to in the proposal as ‘Pennine Lancashire’):
- Blackpool Council, Fylde Council and Wyre Council (referred to in the proposal as ‘Fylde Coast’)

I want to thank you for all of the work that has gone into developing options that seek to deliver new unitary councils that will help to grow the local economy and provide better public services for the people of Lancashire, Blackburn with Darwen and Blackpool. Your ongoing collaboration will be vital to ensure that the proposal is implemented by April 2028 with the interests of residents at its heart.

Turning to the reasons for my decision, in my judgement, although all the other options met the criteria for unitary local government, I consider my selected option to be the best option overall. This proposal performs particularly well with regard to local identity, alignment with economic areas and geography, devolution, and community governance.

In more detail, my selected option performed particularly well in the following areas:

- **Local identity:** All proposals received sought to recognise the distinct local identities of the varied urban, rural and coastal identities in the area. While the two unitary proposal demonstrated potential benefits from scale, I noted concerns on the size of the proposed councils given they would cover a large and varied footprint. The three unitary option offers some strengths in terms of balance between councils. My selected option creates new councils that are more clearly rooted in the distinct local identities across the area. I judge that the strength of this proposal lies in the fact that it provides for sensible geographies that will be more easily recognised by residents, encompassing Lancashire’s varied identities, including the post-industrial towns of ‘Pennine Lancashire’, the rural and market town areas of ‘North Lancashire’ and ‘South Lancashire’, and the coastal communities of the ‘Fylde Coast’. This configuration will better ensure that the different economic, social and cultural characteristics of these areas are meaningfully reflected in the priorities of these new councils. I did not judge the boundary changes sought in the alternative four unitary option would outweigh the risks from the added complexity of this option and considered the five unitary option provided for geographies that would be less recognised by residents. This focus on local identity can be clearly seen from the local support the selected option received, as it is backed by the largest group of councils and has attracted positive feedback from residents and consultees, reflecting a broad and credible local consensus.

- Alignment with economic areas and geographies:** My selected option creates strong alignment across sensible functional economic areas and geographies and transport connectivity, without requiring the boundary changes under the alternative four unitary model, and keeping the identity described above. I judge that my selected option best reflects the distinct, existing sub-regional economies of the area, such as the links of 'South Lancashire' to Liverpool and Manchester City regions; the connections of 'Pennine Lancashire' to Greater Manchester and West Yorkshire; and the relationship of 'North Lancashire' with Cumbria, while broadly aligning with key transport corridors across the region. I judge that my selected option best reflects the distinct, existing sub-regional economies of the area, such as the links of 'South Lancashire' to Liverpool and Manchester City regions; the connections of 'Pennine Lancashire' to Greater Manchester and West Yorkshire; and the relationship of 'North Lancashire' with Cumbria, while broadly aligning with key transport corridors across the region. While there are some imbalances present between the proposed councils, though less than for the alternative four unitary option, I judge that the benefits of my selected option outweigh this risk – for example aligning new councils around economic links will better help to promote growth across the area. This alignment will better enable new councils to plan quickly and ensures strategies for new housing supply, skills, and economic development can be coordinated both within Lancashire and with neighbouring city regions.
- Devolution:** All the options support devolution and taking forward any of the options would support converting the existing Lancashire Combined County Authority into a Combined Authority. In my view, my selected option will provide the strongest platform for continued devolution in the area, by creating four recognisable constituent councils that reflect Lancashire's functional economic geographies while remaining close enough to places to provide a strong local voice within the Strategic Authority. The alignment of the new councils will give the Strategic Authority clear partners around which to organise growth, housing, transport and skills, while preserving local responsiveness to address the different needs across these coastal, rural and urban communities. Governance will be more effective than under a two-unitary model, where the deadlock risk is demonstrably higher. It also offers a stronger foundation for devolution than the alternative four-unitary and five-unitary options, which present greater governance and delivery risks arising from boundary change, population imbalances or fragmentation, while still providing councils of sufficient scale and credibility to act as effective devolved partners.
- Community influence and supporting place-based services and initiatives:** All the options provide emphasis on neighbourhood governance, with influence from community or locality boards, hubs and area committees. I feel my selected option performs well, striking a balance between maintaining a coherent, consistent approach across a large geography and enabling place-based tailoring of public services at a local level. The model supports neighbourhood level engagement and partnerships with town and parish councils, aiming to keep decision making close to communities. Additionally, it includes practical examples, such as Community Action Networks and place-based initiatives, showing how co-designed, neighbourhood focused engagement could operate within the new structure. In turn, this could provide benefits to public service provision under this model by allowing the new councils to design more locally responsive delivery models built upon distinct areas and local needs. I judge that this will therefore enable more tailored service delivery across Lancashire while providing clearer local accountability than the proposals with

larger geographies, although this is balanced against some risk from disaggregating complex services across four authorities rather than two or three.

I considered the expected costs and benefits set out in the proposals, as well as the ability of each new council to be financially resilient. I have noted that my selected option may take longer than the other proposals to pay back the upfront costs of reorganisation based on the evidence provided, and the relative strengths of the two and three unitary proposals. However, I am satisfied, based on our assessment against the criteria, that it is likely to represent an overall improvement in sustainability over current structures.

I also considered the fact that three of the new councils would be below the 500,000 population figure. That figure has always been a guiding principle, not a fixed threshold, and for all the reasons set out above, I am satisfied that creating councils under that threshold is justified on the basis that my selected option would produce a better overall outcome for local government in Lancashire, Blackburn with Darwen and Blackpool.

Next steps

In relation to next steps, as you are aware a Structural Changes Order, which will be subject to Parliamentary approval, is required to abolish existing councils, establish new structures and make transitional arrangements. I have carefully considered the information in the proposals as well as the further representations you have made on the content of this Order.

My officials will shortly write to your Chief Executives setting out the next steps and timeline for implementation, including my initial decisions on transitional arrangements that will be included in the draft legislation. This will enable you to take forward the work needed to begin preparation for implementation, in advance of Parliamentary approval of the Order. Critically, and drawing on learning from previous rounds of reorganisation, this will include a single Implementation Team formed of officers from across the area, and elections to the new unitary councils in May 2027. For the avoidance of doubt, these elections to the new unitary councils will replace any scheduled local elections, and affected councillors will have their terms extended.

A broad support offer is in place for councils, including support to councils through our sector advisors and through funding to the Local Government Association for an enhanced support offer. We have already announced £63m in capacity funding to support the reorganisation process, and I am pleased to provide further detail today on how this funding will be allocated.

Of the £63 million capacity funding, as well as the unprecedented £900,000 transition support to each new unitary already announced, we are also committing up to £150,000 per each new unitary as supplementary funding for Leadership Capacity and Continuity in Children's Services, Adult Social Care and Public Health. This is part of a wider package of support worth up to £10m for children's services, adult's social care and public health leadership, which will also fund targeted development, mentoring and peer support for current, new and aspiring leaders.

In addition, up to £1m of funding overall will be available to support the small number of areas with complex fire and rescue authority transitions.

Taken together, this means that areas undergoing local government reorganisation will receive more than £1 million per new unitary created. This is the first time reorganisation has been supported in this way and shows this Government is committed to supporting councils to get these reforms right. We will confirm details of these allocations in due course.

I look forward to continuing to work closely with you to deliver the vital improvements that reorganisation can facilitate.

I am copying this letter to your Chief Executives, MPs, the Lancashire Combined County Authority and the Lancashire Police and Crime Commissioner.

Yours sincerely,

A handwritten signature in purple ink that reads "Steve Reed". The signature is fluid and cursive, with a horizontal line drawn underneath the name.

RT HON STEVE REED OBE MP

Secretary of State for Housing, Communities and Local Government