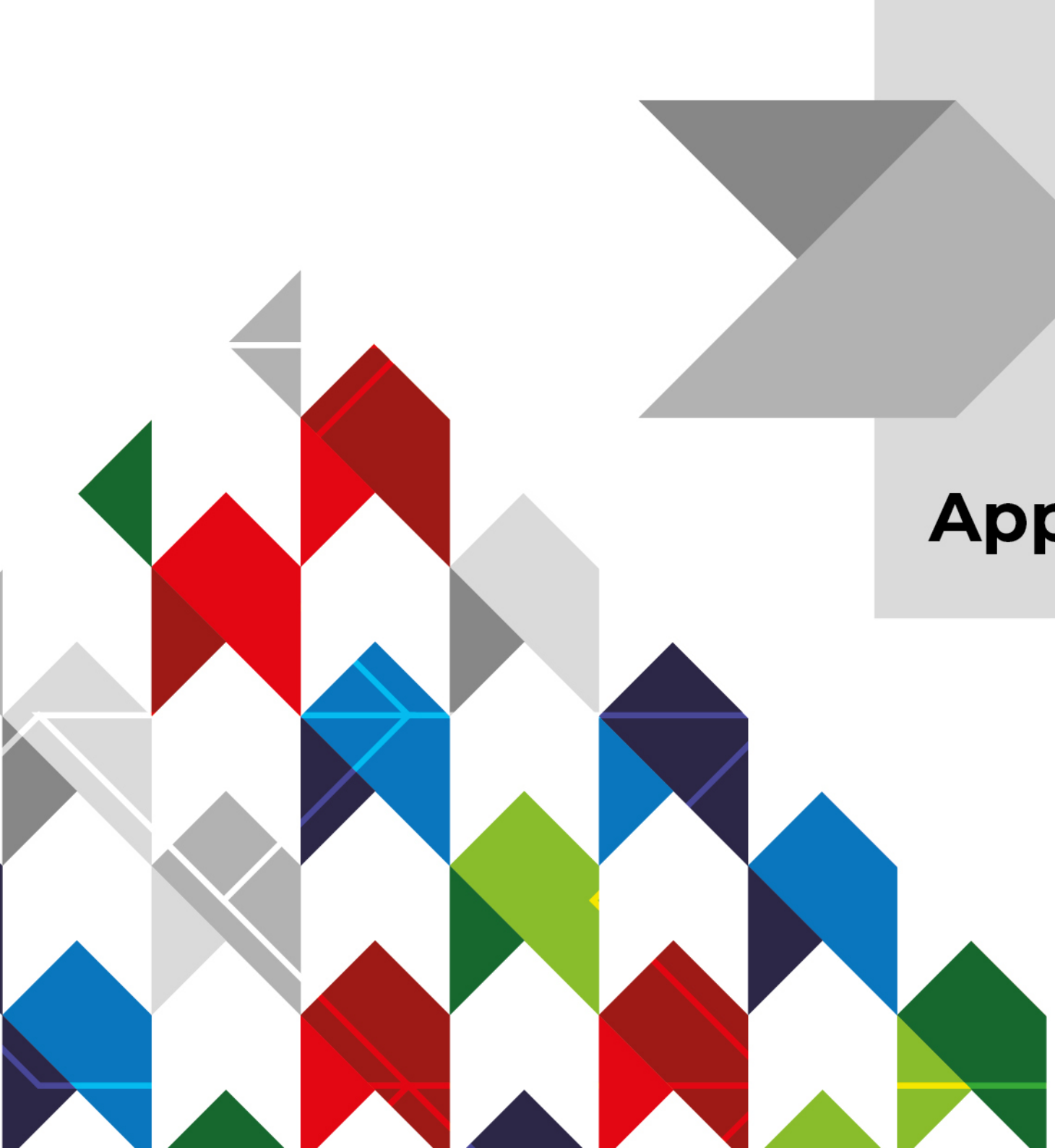




Appendices



Appendix 1 – Detailed Current Services Delivered

Adult Social Care

Adult social care is currently delivered by three upper-tier authorities, with a combined gross annual spend of more than £1.3bn. Each was assessed by the Care Quality Commission’s new local authority inspections in 2025, with the following outcomes:

- **Blackburn with Darwen Borough Council:** “Good”
- **Lancashire County Council:** “Requires Improvement”
- **Blackpool Council:** “Inadequate”

Local Authority	CQC LA Assessment 2025	Assessing needs	Healthier lives	Equity	Care provision	Partnership	Pathways	Safeguarding	Governance	Learning & Innovation
LCC	Requires Improvement	2	2	2	2	2	2	2	2	2
BwD	Good	2	3	3	2	3	3	2	3	3
B'pool	Inadequate	1	1	1	2	2	2	1	1	1

The CQC also highlighted variations in workforce, market sustainability, and governance grip: Blackburn demonstrated strong oversight and performance; Lancashire showed mixed performance; and Blackpool displayed material weaknesses requiring urgent improvement.

In the Lancashire area, 21% of residents are aged 65+, with the highest proportions in Wyre and Fylde (28%) and Ribble Valley (24%). This ageing population is driving increased demand for care and support, putting pressure on home care and step-down capacity in rural areas. These locations often face unstable care markets, with challenges around recruiting carers, managing long travel distances, and competing offers in the labour market.

Alongside the shift in age profile, around 1.5% of Lancashire’s population live with psychotic disorders, up from 0.9% in 2013/14. New diagnoses of depression have also risen sharply, almost doubling from 10,950 in 2013/14 to 22,230 in 2023/24.

Additionally, an estimated 22,725 adults (18+) in the Lancashire area had a learning disability in 2020, a figure projected to rise to 24,420 by 2035. Within this were 4,671 adults with moderate or severe learning disabilities, a number that is expected to reach 4,924 by 2035 (4,004 aged 18–64 and 920 aged 65+).

ASC Demand Profile:	BwD	BPL	Bur	Cho	Fyl	Hyn	Lan	Pen	Pre	RVa	Ros	SRI	WLa	Wyr
Number of referrals	8,436	10,087	6,055	8,815	6,605	5,099	9,416	5,043	10,706	3,212	3,743	7,522	6,427	8,722
Total Social Care Assessments	2,197	3,718	2,536	2,896	2,292	2,016	3,934	2,133	3,486	1,214	1,445	2,250	2,392	3,081
Number of open cases (includes carers direct payments, respite)	2,580	3,629	2,259	2,991	2,470	2,093	3,881	2,320	3,880	1,028	1,438	2,849	2,872	3,496

LGR Opportunity

Adult social care in Lancashire faces rising demand from an ageing population, workforce shortages, challenging local care markets, and variable quality highlighted by CQC assessments. Mental health needs are growing at a pace above national averages, creating further complexity in the interface

between ASC and NHS services. Learning disability needs are also projected to increase, adding pressure to supported living and respite provision.

Local government reorganisation provides an opportunity to address these pressures through market-shaping, integrated commissioning, large-scale workforce planning, and clearer governance. A four unitary model would create footprints that are both large enough to build resilient markets and engage strategically with the NHS, while being close enough to communities and partners to stay locally responsive.

4UA ASC demand profile:	North Lancashire	South Lancashire	Pennine Lancashire	Fylde Coast
Number of referrals	23,334	22,764	28,376	25,414
Total Social Care Assessments	8,634	7,538	10,327	9,091
Number of open cases (includes carers direct payments, respite)	8,789	8,712	10,690	9,595
<i>Population aged 65+</i>	<i>70,157</i>	<i>78,295</i>	<i>89,055</i>	<i>88,493</i>

Through this model, adult social care could achieve greater consistency by aligning standards and practice across authorities, reducing the variations in quality and outcomes highlighted by CQC. The four footprints would be of a scale that allows achievable consistency, building on Blackburn’s strong foundations while staying sensitive to local needs. They would also enable more sustainable care markets, using co-ordinated contracting to stabilise providers, particularly in rural and coastal areas where fragility is greatest.

A four unitary structure would provide clearer interfaces with the Lancashire & South Cumbria Integrated Care Board, strengthening opportunities for pooled budgets, shared outcomes frameworks, and joint workforce planning. It would also support more effective investment in prevention and early intervention, including community-based services, digital tools, reablement and early help, helping to reduce reliance on residential care and unplanned hospital admissions. In addition, co-ordinated planning for learning disability, autism, and mental health services would ensure rising need is met consistently and that scarce resources are used more efficiently.

Children’s services across Lancashire are currently delivered by three upper-tier authorities. In 2025, each was inspected by Ofsted, with the following outcomes:

- **Blackburn with Darwen Borough Council:** “Good”
- **Lancashire County Council:** “Requires Improvement”
- **Blackpool Council:** “Inadequate”

The Ofsted inspection highlighted variation, with Blackburn showing strengths in early help and edge-of-care practice, while Blackpool continues to face longstanding systemic concerns. This variation is reflected in various areas:

Rates of looked after children (LAC):

Blackburn with Darwen Borough Council	Lancashire County Council	Blackpool
84 per 10,000 in 2024	68 per 10,000 in 2024	181 per 10,000 in 2024
A reduction from previous years (97 in 2022 and 85 in 2023) reflecting targeted prevention and family safeguarding approaches, though the rate remains above the national average (70).	Closer to the England average (70) but rates vary significantly within the county: urban districts such as Preston and Burnley remain well above more rural areas.	The highest in England, down slightly from 191 the previous year but still more than three times the national average (70).

Care leaver education, employment and training (EET) outcomes:

Outcomes in Blackburn are consistently above national averages, while Blackpool records some of the lowest results nationally. Child protection plan numbers have stabilised in Blackburn but continue to rise in parts of Lancashire and Blackpool.

Children in Need (CIN) and Child Protection Plans (CPP):

In Blackpool, there were 338 CIN per 10,000 children in 2022/23, almost double the national average of 165, and 109 children per 10,000 were subject to a CPP in 2023/24.

Blackburn with Darwen also exceeds national thresholds, with around 358 CIN per 10,000.

The Lancashire-12 area is closer to, but still above, national averages.

These figures indicate sustained and widespread safeguarding, caseload, and capacity pressures, particularly in urban and coastal areas, rather than isolated spikes at the edge of care.

Social Care –	Blackburn with	Blackpool	Burnley	Chorley	Fylde	Hyndburn	Lancaster	Pendle	Preston	Ribble	Rossendale	South	West	Wyre
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open cases	Darwen									Vall ey		Ribb le	Lan cs	
CIN Plans	386	408	100	90	60	78	135	98	156	26	42	107	106	87
Child Protection Plans	328	249	101	98	29	77	86	75	111	14	53	77	67	64
Children Looked After	374	531	265	123	50	167	172	156	272	26	66	102	95	100
Care leavers	358	283	88	62	27	72	89	76	195	18	30	86	44	37

LGR Opportunity

Currently, Children's services across Lancashire are marked by sharp contrasts, resulting in very different experiences and outcomes for children and families depending on where they live. Local government reorganisation provides the chance to build on good practice, such as Blackburn's demonstrable progress, while harnessing local knowledge, relationships, and systems more effectively.

By consolidating strengths in early help and prevention, approaches like Blackburn's family safeguarding model, which has successfully reduced LAC rates, could be extended into high-demand areas such as Preston and Burnley.

4UA CSC demand profile:	North Lancashire	South Lancashire	Pennine Lancashire	Fylde Coast
Number of contacts	15,910	13,351	31,331	21,321
Number of referrals	2,123	1,926	5,534	3,588
Number of assessments	2,327	2,118	6,280	3,614
Number of S47 enquiries	835	736	2,105	1,179
Children with active Early Help plan	664	652	1,383	1,080
CIN Plans	317	303	704	555

Child Protection Plans	211	242	634	342
Children Looked After	470	320	1,028	681
Care leavers	302	192	624	347

Demand for Early Help and statutory social care services will be highest in Pennine Lancashire. However, given the high numbers of referrals to children’s social care services in Blackburn with Darwen, the number of children in receipt of Early Help services is proportionately low (13.2%). There is therefore opportunity to increase the uptake of Early Help in BwD which would ease pressure on statutory services in Pennine Lancashire.

Reorganisation would also strengthen fostering and placement sufficiency: the Foster With Us Regional Fostering Recruitment and Retention Hub has shown the benefits of joint commissioning, and embedding such collaboration at scale would reduce reliance on costly out-of-area placements.

New unitary authorities of greater scale would also be better placed to invest in workforce resilience, establishing structured career pathways, shared training, and retention incentives, reducing turnover and dependence on agency staff.

Similarly, inequalities in outcomes could be addressed more effectively: Blackburn’s strong care leaver NEET performance contrasts sharply with Blackpool’s, aligning children’s services with housing, skills, and health teams under unitary structures would create more integrated post-care pathways.

A four unitary model would provide the scale and stability needed to address Lancashire’s most entrenched challenges while keeping services close to communities. It would reduce variability by embedding consistent practice and standards, target investment in high-need areas such as Blackpool and Lancashire’s urban centres, and strengthen regional fostering, commissioning, and workforce planning. This would give Lancashire a stronger, more coherent voice in tackling sufficiency, safeguarding, and outcomes.

Education and Special Educational Needs and Disabilities (SEND)

Another area that shows sharp contrasts across Lancashire is educational performance, with the following metrics recorded at Key Stage 4.

Area	Attainment 8 (2024)	Progress 8 (2024)	Notes
Lancashire-12	44.9	−0.11	Comparable with North West (44.3), below England average (46.1)
Blackburn with Darwen	44.2	−0.11	Close to county average
Blackpool	34.8	−0.96	Among the lowest in the country; nearly a full grade behind per subject

Looking into these numbers shows that economic factors play a decisive role. The gap between Children on Free School Meals (FSM) and those that are not is 5.9 points (32.5 vs 48.4), with disparities even wider in Blackpool. Beneath these averages, there is more variation on district-level: Preston (49.7), Chorley (49.4), and Ribble Valley (53.4) perform above both county and national norms, while Burnley (40.3), Pendle (39.6), and Hyndburn (41.2) lag significantly behind.

The school system's structure further shapes outcomes. Lancashire has one of the lowest levels of academisation nationally, with just 52% of secondary schools classified as academies in 2020-21 (England average 64%). This mixed system creates both opportunities and challenges for achieving consistent, county-wide improvement. In parts of Blackpool, structural factors contribute to entrenched underperformance, with both Progress and Attainment scores well below national levels.

High Needs and SEND:

Some of the most significant financial and system-wide pressures on Lancashire are High Needs and SEND services with Lancashire County Council reporting a £40.4m overspend on its High Needs Block in 2024/2025, resulting in a £22.4m cumulative Dedicated Schools Grant (DSG) deficit, which is projected to climb to £69.5m by 2026. Blackpool, which entered a Safety Valve agreement with the Department for Education in 2022 aimed at reducing its high-needs deficit through expanding in-county special school capacity and reducing reliance on out-of-area placements, reported a £2.78m DSG deficit in March 2023, highlighting the long term impact of this challenge.

Finding sufficient local placements remains a challenge too, with Blackpool and Blackburn having spent around £48m on independent and non-maintained special school placements, mostly out-of-area, over the past five years. Lancashire more broadly faces similar pressures, with heavy reliance on costly placements creating financial risk.

LGR Opportunity

The Education and SEND challenges in Lancashire make the case for structural reform clear. A four unitary model would consolidate responsibilities at a scale large enough to consolidate strengths, address weaknesses, manage financial pressures and reshape and strengthen the service while remaining close to local communities.

A four unitary model could facilitate targeted school-to-school support, strategic engagement with academy trusts, and consistent oversight. The model would also allow for more coordinated strategies to tackle structural disadvantages, helping to reduce the attainment gap, improve attendance and inclusion, and create smoother post-16 transitions for disadvantaged pupils. Coordination between children's services, housing, skills, and public health could be embedded, creating integrated support for disadvantaged pupils across the county.

The four unitary model also provides the scale to address SEND pressures more effectively. With high-cost out-of-area placements driving financial risk, unitaries of this size could reshape provision, reduce dependency on independent schools, and prioritise inclusive, locally based solutions. This would help ensure children with SEND receive better, more consistent support while containing escalating deficits.

Lancashire's relatively low level of academisation further underscores the opportunity. A four unitary system could maintain strong relationships with maintained schools while working strategically with multi-academy trusts, achieving system leadership and consistent standards without the dilution of focus that smaller units, or a single county-wide authority, might risk.

A four unitary model would allow Lancashire to address entrenched financial and system pressures, embed consistent school improvement approaches, and implement an inclusion-first strategy for SEND. It combines the scale needed for sustainable reform with the local responsiveness required to deliver tangible improvement for children and young people across the county.

Highways & Transport

Strategic co-ordination of transport occurs at the county level through the Local Transport Plan and the Lancashire Enterprise Partnership's Transport for Lancashire committee, which aligns infrastructure projects across the county. However, day-to-day highways maintenance and local transport services are delivered by LCC or by the unitary councils within their respective areas.

LCC is the highways authority for the 12 districts, responsible for over 4,860 miles of footways and cycleways, 4,370 miles of carriageways, bridges, lighting, and drainage assets. According to the council's latest transparency report it currently has a £339m maintenance backlog, with the most significant pressures on bridges and walls (£265m) and footways (£40m). LCC also manages county-wide transport services, including subsidised local bus routes and the NoWcard concessionary travel pass scheme.

Blackpool and Blackburn with Darwen operate as separate highways authorities. Blackpool owns and operates an integrated bus and tram company, Blackpool Transport Services, to deliver its local public transport network.

LGR Opportunity

Currently, the three different highways authorities vary significantly in scope, size, and scale. Managing distinct budgets, programmes, and maintenance priorities creates duplication in planning and limits county-wide resilience in managing shared assets and strategic corridors. Local government reorganisation presents an opportunity not only to streamline these arrangements and introduce greater consistency across Lancashire, but also to modernise public transport through bus reform; creating a more integrated, reliable, and affordable network. A new Mayoral Strategic Authority could adopt a version of the Greater Manchester model, using its powers to coordinate services, improve connectivity, and deliver a truly unified transport system across the county. Working more decisively with the Combined Authority will be key to revitalising Lancashire's transport network and strengthening its economic and social connectivity.

Housing & Homelessness

Housing and homelessness services are currently delivered by the 12 district councils, Blackpool and Blackburn with Darwen as unitary authorities. Each housing authority runs its own housing options and homelessness services and maintains a statutory housing register.

Housing stock management approaches are different across district councils and unitary authorities, for example Lancaster, West Lancashire and Blackpool retain ownership or manage council homes, while most others transferred stock to housing associations such as Calico, Progress, Jigsaw or Together Housing.

Total stock Lancashire 12 (2024)	575,790
Owner occupied or privately rented	87.6% (England average 83.3%)
Local Authority owned stock within district/unitary	West Lancashire: 11.1 % Lancaster: 5.5 % Fylde, Preston, Wyre: none Other districts (e.g., Chorley, Burnley, South Ribble, Hyndburn, Rossendale, Ribble Valley, Pendle) collectively had very low numbers.

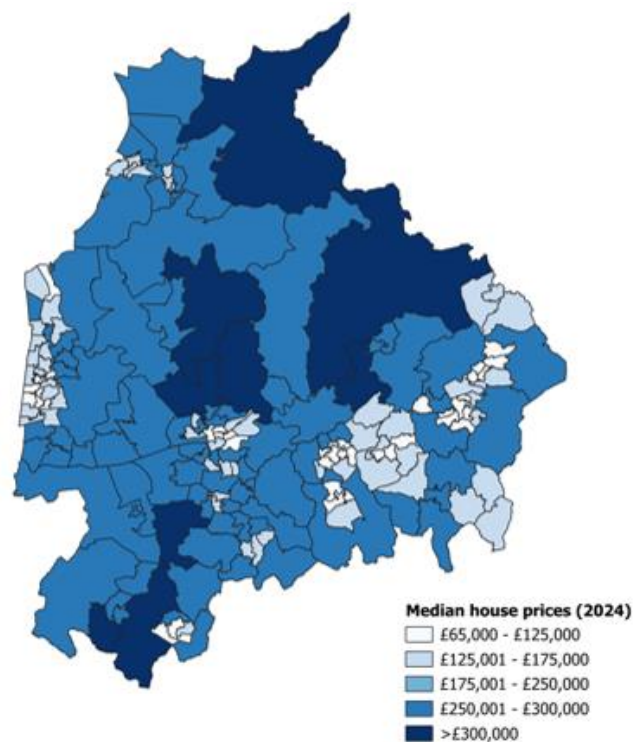
Registered social landlords accounted for over 10% of dwellings in seven Lancashire-12 local authorities and in the county itself. These included Preston where 18.6% of dwellings were of this tenure, which was highest in both the Lancashire-12 and the Lancashire-14 areas.

Demand for affordable housing continues to outstrip supply. Around 27,509 households were on local housing registers in 2023/24: equivalent to 51.6 per 1,000 households, well above the CIPFA nearest neighbour average of 38.5. Temporary accommodation use is comparatively low across Lancashire-12, with approximately 340 households placed during 2023/24, representing under 0.3% of England’s total. Most districts report only 20–30 households in temporary accommodation at a time, although pressures are more acute in Preston (64) and South Ribble (50).

Current demand profile	Blackburn with Darwen	Blackpool	Burnley	Chorley	Fylde	Hyndburn	Lancaster	Pendle	Preston	Ribble Valley	Rossendale	South Ribble	West Lancs	Wyre
Households on housing waiting list**	4,689	8,893	2,657	2,079	854	1,975	3,028	2,095	3,875	847	1,784	2,197	1,297	4,821

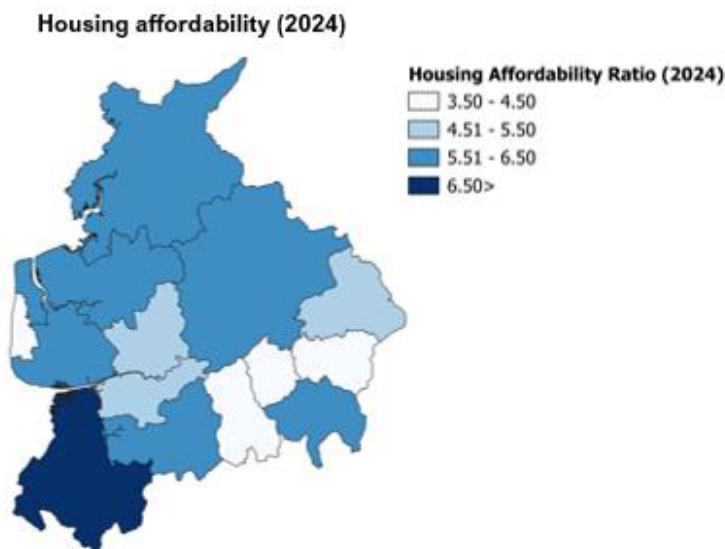
Median house prices in Lancashire are £185,000, 10% below the North West average and £100,000 below the national average but there is wide variation of over £300,000 in house prices within Lancashire.

In some areas house prices are below £100,000 including Blackpool, Fleetwood, Preston, Blackburn, and Darwen, Accrington, Colne, Burnley, and Nelson – showing strong correlation with areas of high deprivation in the Index of Multiple Deprivation.



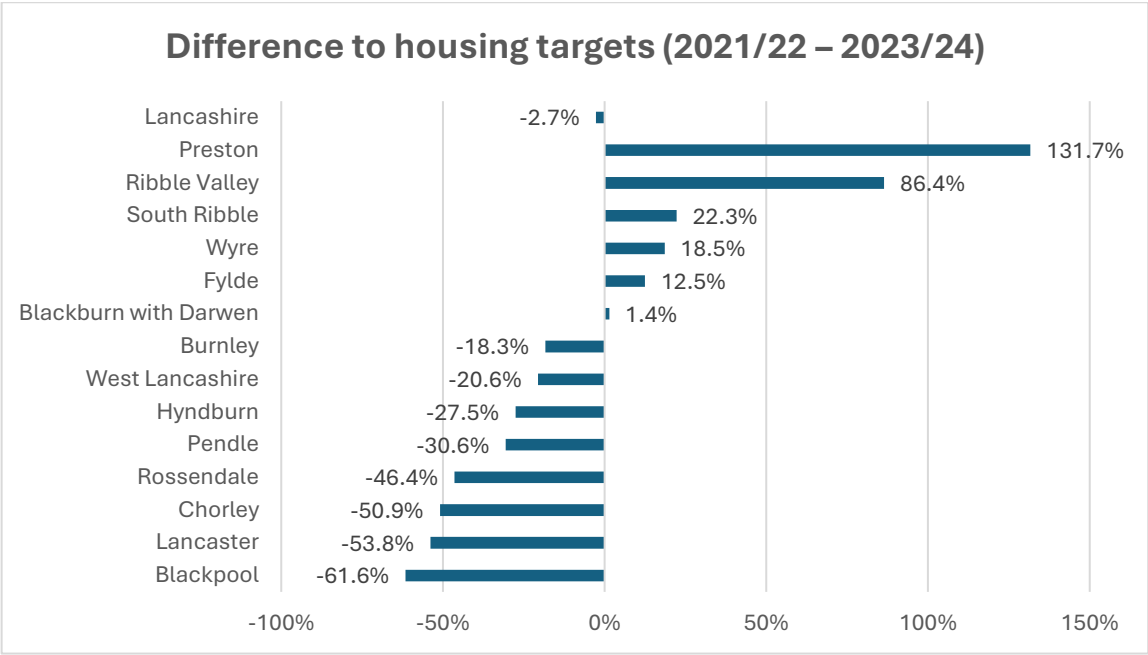
Two thirds of Middle-layer Super Output Areas (MSOAs) in Lancashire have house prices below the £206,000 average across the North West, but much of Ribble Valley, West Lancashire (apart from Skelmersdale, Ormskirk and Burscough), North East of Lancaster, South Ribble and Chorley (Higher Penwortham, Longton, Bretherton, Croston, Mawdesley, Eccleston), Fylde (Lytham St Annes, Singleton, and Higer Ballam), South of Blackburn (Belmont and Edgworth) and Wyre (Eagland Hill and Calder Vale) have higher prices than £206,000.

This translates into a mixed picture on housing affordability relative to residents’ income. In 2024, eight of the districts had a lower housing affordability ratio compared to the 5.86 regional ratio – only West Lancashire, Chorley, Ribble Valley, and Wyre have a higher affordability ratio (Rossendale and Lancaster are around the 5.80 regional average).

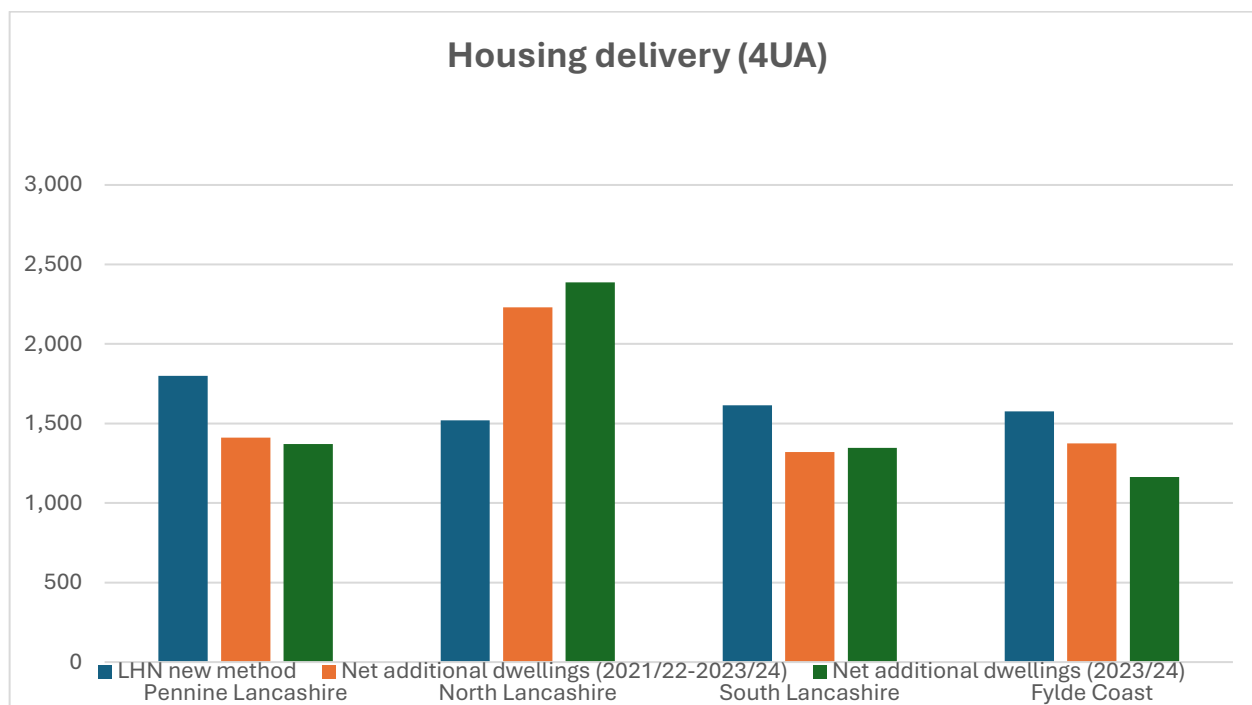


Although housing delivery in most districts are below target levels, across Lancashire, delivery has been within 3% of the new standard method for calculating Local Housing Need (LHN) set out by MHCLG between 2021/22 – 2023/24 – strong compared to 21% below new standard method levels across the North West and 38% below nationally. Delivery at the Lancashire level has also been strong and close to new standard method levels for the most recent full year of delivery (2023/24).

Central Lancashire is a strong source of housing delivery including Preston where housing delivery has been over double new LHN calculations, Ribble Valley where it has been almost double, and almost a quarter above in South Ribble. Wyre and Fylde are also above respective new LHN levels. However, housing delivery in some areas is considerably below new LHN levels with Blackpool, Lancaster, Chorley, and Rossendale further away when compared to delivery targets at the national level. Delivery in Pendle, Blackpool, Lancaster, Burnley, and Fylde was relatively low in the most recent year of full data.



Considered against the four unitary option, housing delivery is strong in the North Lancashire unitary, primarily driven by the strength of Preston on new building, as well as Ribble Valley. Whereas delivery for the other proposed authorities is lower than respective LHN levels by between 13% in the Fylde Coast to 22% in Pennine Lancashire between 2021/22 – 2023/24. Delivery in Fylde Coast has fallen to a quarter below LHN levels in 2023/24.



The LGR opportunity:

The move to four unitary authorities provides a unique opportunity to reshape housing delivery.

Under the new model, Lancashire can:

- Take a fresh, place-based approach to housing, planning, and major development schemes across a wider geography.
- Invest more effectively across larger areas and explore innovative ways to **increase housing supply**, including strategic acquisitions.

In addition, local government reform enables the opportunity to:

- **Integrate housing and planning functions** to ensure new homes are aligned with employment, transport, and key services. This supports county-wide planning around functional economic areas and travel-to-work zones.
- **Strengthen strategic partnerships** with registered providers, Homes England, and developers by creating a single, consistent housing voice for Lancashire—enhancing influence, leverage, and access to investment.
- **Implement a shared homelessness and housing options model**, reducing duplication, improving consistency, and enabling more effective prevention and early intervention across the county.
- **Align housing with health and care geographies**, working more closely with the NHS and social care to address health inequalities, support independent living, and reduce long-term demand on care services.

Local Planning

There are 14 separate local planning authorities (LPAs) across Lancashire, each of the 12 districts and two unitaries functions are responsible for local plan development, planning approvals, and enforcement. There are some examples of joint working, including the Central Lancashire Local Plan, currently at Regulation 19 stage (2025 publication) covering Preston, Chorley, and South Ribble. Wyre and Fylde have signalled an intention to develop a shared building control service.

LGR Opportunity

Reducing the number of authorities could strengthen alignment between planning and infrastructure investment, reduce duplication, and deliver more consistent outcomes across the county by using strategic land use planning for housing, economic development, and climate resilience.

Waste Disposal

Lancashire County Council, Blackpool, and Blackburn with Darwen each operate as waste disposal authorities, managing their own infrastructure and contracts. LCC delivers treatment through its majority-owned company, Lancashire Renewables Ltd, and operates 15 household waste recycling centres (HWRCs). Blackpool provides services via its wholly owned company, Enveco NW Environmental Services, while Blackburn with Darwen manages two HWRCs directly.

LGR Opportunity

Separate arrangements limit the ability to plan and commission waste infrastructure at scale, contributing to variation in performance; in 2022/23, household recycling rates were 41.8% in Lancashire, 33.7% in Blackpool, and 29.6% in Blackburn with Darwen. Local government reform offers the opportunity to take a more strategic and cohesive approach, improving efficiency and consistency in waste disposal services across Lancashire.

Waste Collection

Waste collection models differ across the 12 districts and two unitaries. Some districts manage services in-house, while others operate contracted models, such as Wyre with Veolia.

LGR Opportunity

Separate approaches can complicate disposal logistics, public communications, and limit economies of scale. Reform could align collection practices across the county, enhancing operational efficiency, encouraging higher rates of diversion from landfill and reducing confusion for residents.

Appendix 2 – Detailed Longlist Appraisal

2UA Long List Appraisal			
Criteria	Success Measures	RAG	Evaluation
Single tier of local government	Logical UA boundaries that fully cover the region, with a single council delivering all local services with no overlaps or confusion.		The two unitary authority 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.
Right size for efficiency and resilience	Each unitary should be large enough for efficiency and service delivery without compromising local identity (MHCLG = 500,000 people)		Both UAs within this option have a population size well above the 500,000 recommended by MHCLG. The size of the authorities means there is a clear risk of encountering diseconomies of scale where the complexity of managing services across a large and diverse population leads to inefficiencies, increased costs, and slower decision-making. Furthermore, the large unitary may struggle to maintain the agility required to respond to local needs, particularly in areas with distinct socio-economic profiles or service demands. While concerns exist about the large size of the proposed unitary authorities (UAs), it could also be argued that their scale may offer advantages, particularly in terms of officer capacity and strategic capability. Larger authorities are likely to have more resources and expertise, which could enhance their ability to identify and deliver major economic development initiatives, such as housing and infrastructure projects. One of the core motivations for local government reorganisation is the limited capacity of smaller district councils. These councils often struggle to develop investable propositions and to engage effectively with Central Government and Arms-Length Bodies to accelerate delivery in key areas. In contrast, the size and scale of the two unitary model may enable stronger strategic planning and more effective collaboration with national partners. However, it's important to note that there is limited evidence to suggest that such benefits cannot also be achieved through smaller, well-designed unitary authorities. Moreover, the two unitary proposal risks fragmenting local identities, communities, and economic geographies by imposing large administrative boundaries that do not reflect how people live and work.

2UA Long List Appraisal			
Criteria	Success Measures	RAG	Evaluation
			This misalignment could undermine the effectiveness of place-based economic development strategies, which rely on coherent and connected localities. Specifically, the two unitary model does not align with the established travel-to-work patterns identified in the Lancashire Independent Economic Review (2021). These patterns show a strong north–south commuting flow, with significant economic activity crossing the proposed boundary between the two authorities. As a result, any meaningful economic strategy would require close collaboration between both UAs to support sectors and initiatives that span their shared boundary. While inter-authority collaboration is not inherently problematic, it introduces additional layers of political, managerial, and organisational complexity. This could slow down decision-making, dilute accountability, and increase the risk of misaligned priorities, ultimately making it harder to deliver coherent and impactful economic development policies.
High-quality, sustainable services	The model should improve service standards and access, backed by a credible plan to integrate services without overstressing resources or compromising quality.		Both unitary authorities within this option benefit from scale, which may support efficiencies in service delivery and strategic capacity. However, the large size also presents risks to responsiveness, particularly in addressing the distinct needs of diverse localities. To reflect these differences, sub-structures or area-based governance models may need to be introduced, potentially reintroducing layers of local government bureaucracy. This could undermine the simplicity and clarity of the unitary model and complicate service coordination across the wider authority.
Joint-working and local support	Councils must work together, showing clear engagement with residents, partners, and stakeholders. The approach should feel locally led and widely supported.		The scale of the two unitary model may support stronger strategic collaboration, particularly in tackling large-scale issues such as housing, transport, and infrastructure. Larger authorities are likely to have the capacity to engage effectively with Central Government and national agencies. However, the size of each unitary authorities presents challenges in building meaningful relationships with local communities. There is a risk that residents may feel disconnected from decision-making, weakening local support and trust. Notably, the County Council is currently the only authority backing this option, raising questions about wider political buy-in and the legitimacy of the proposal among local stakeholders

2UA Long List Appraisal			
Criteria	Success Measures	RAG	Evaluation
Supports devolution	Unitary authorities should be sized and structured to meet government expectations for devolved powers, with potential for combined authority or mayoral deals.		The two unitary authority model offers potential advantages for devolution by virtue of its larger population bases, which align with Government preferences for scale in devolution deals. However, the model does not reflect Lancashire's economic geography or its polycentric structure, where multiple towns and cities contribute to the region's economic activity. This misalignment risks concentrating devolved economic policy around the dominant urban centre in each UA, potentially encouraging a city-based agglomeration model more suited to metropolitan areas with different economic contexts. As a result, the effectiveness of devolved strategies may be compromised, with smaller centres overlooked and regional inequalities reinforced.
Stronger community engagement	Decision-making should stay close to communities. The structure must support public engagement and reflect local identity, avoiding overly large authorities that feel disconnected.		The geography and scale of the two unitary model present clear challenges to community engagement. Large unitary authorities can struggle to maintain close connections with local communities, particularly across diverse and dispersed areas. The population size risks weakening community identity and making decision-making feel less accessible to residents. This sense of distance may undermine democratic accountability and reduce public trust in local governance. Without additional local structures or mechanisms for engagement, the model may fall short in delivering meaningful and inclusive community participation.

3UA Long List Appraisal			
Criteria	Success Measures	RAG	Evaluation
Single tier of local government	Logical UA boundaries that fully cover the region, with a single council delivering all local services with no overlaps or confusion.		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.
Right size for efficiency and resilience	Each unitary should be large enough for efficiency and service delivery without compromising local identity (MHCLG = 500,000 people)		All three unitary authorities proposed under this option exceed the Government's recommended population threshold of 500,000, offering a strong basis for organisational resilience and financial sustainability. Crucially, they remain below the upper limits where diseconomies of scale typically emerge, suggesting a balance between efficiency and manageability. The boundaries broadly align with resident identities, though some community groupings may dilute local affinity. Importantly, the three unitary model reflects the economic geography patterns established in the Lancashire Independent Economic Review (2021). The East unitary authority encompasses key economic corridors, from Clitheroe to Darwen via Blackburn, and Colne to Rawtenstall via Burnley, supporting a focused strategy around East Lancashire's manufacturing strengths and alignment with Industrial Strategy 8 sectors. Similarly, North Lancashire recognises the Fylde Coast Corridor, incorporating Blackpool, Fylde, Wyre, and extending to Lancaster. While the West four unitary option is the only configuration that fully contains Blackpool, Fylde, and Wyre, reflecting the insularity of resident work and travel patterns, the three unitary model still offers a coherent structure that supports economic linkages and reduces the risk of administrative fragmentation. Larger unitary also remain better positioned to absorb budget shocks, enhancing long-term resilience.
High-quality, sustainable services	The model should improve service standards and access, backed by a credible plan to integrate services without overstressing resources or		The three unitary model offers a strong balance between achieving economies of scale and retaining the ability to tailor services to local needs. Each authority is large enough to support sustainable service delivery and organisational resilience, while remaining sufficiently focused to respond to distinct community profiles. However, as with all local government reorganisation proposals, the transition to new structures will require careful planning to avoid service disruption. Effective implementation will be critical to ensuring continuity and maintaining public confidence in service quality.

3UA Long List Appraisal			
Criteria	Success Measures	RAG	Evaluation
	compromising quality.		
Joint-working and local support	Councils must work together, showing clear engagement with residents, partners, and stakeholders. The approach should feel locally led and widely supported.		The three unitary model presents a more locally recognisable structure, which may foster stronger community and stakeholder support. The boundaries are more reflective of existing identities and geographies, increasing the likelihood of public and political buy-in. This is reinforced by support from several councils across Lancashire, including Blackburn, Fylde, Hyndburn, Rossendale, and Wyre. However, the introduction of three separate authorities adds complexity to partnership working arrangements, particularly in coordinating cross-boundary initiatives and aligning strategic priorities. Effective joint-working will require robust governance mechanisms to ensure collaboration does not become fragmented or inefficient.
Supports devolution	Unitary authorities should be sized and structured to meet government expectations for devolved powers, with potential for combined authority or mayoral deals.		The three unitary model presents a credible platform for devolution, with each authority of sufficient scale to engage effectively with a Strategic Authority and negotiate large-scale investment programmes. The configuration maintains the population strength needed to support devolution while preserving local flexibility. Importantly, the three authorities encompass a distinct diversity of economic strengths and challenges, providing a strong foundation for a devolved authority to deliver targeted and effective economic development policy. This balance of scale and local relevance enhances the potential for meaningful place-based growth strategies.
Stronger community engagement	Decision-making should stay close to communities. The structure must support public engagement and reflect local identity, avoiding overly large		The three unitary model offers improved geographical coherence compared to larger configurations, with boundaries that are more accessible and reflective of local identity, culture, and political context. This enhances the potential for stronger community engagement and democratic legitimacy. However, while the geography is moderate in scale, some economic and community identities are grouped within single authorities, which may limit the extent to which decision-making feels close to residents. As with all larger unitary, there remains a risk that the authorities could feel distant from local communities, potentially weakening democratic accountability.

3UA Long List Appraisal			
Criteria	Success Measures	RAG	Evaluation
	authorities that feel disconnected.		

4UA Long List Appraisal			
Criteria	Success Measures	RAG	Evaluation
Single tier of local government	Logical UA boundaries that fully cover the region, with a single council delivering all local services with no overlaps or confusion.		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.
Right size for efficiency and resilience	Each unitary should be large enough for efficiency and service delivery without compromising local identity (MHCLG = 500,000 people)		The four unitary model presents a balanced approach to scale and identity. While three of the four proposed unitary authorities fall below 500,000 residents, each sits broadly within the range advised for efficient service delivery and retains sufficient mass to support resilient corporate capacity. Crucially, government guidance treats 500,000 as a guiding principle, not a target, with explicit flexibility where this better supports coherent devolution arrangements and strong place leadership. This aligns with the wider academic literature, which does not find consistent or conclusive evidence that larger councils are inherently more efficient, effective or lower cost than smaller units; studies report mixed and contradictory results, underscoring that scale alone does not determine performance. Within that policy and evidence context, the four unitary configuration strikes a pragmatic trade-off for Lancashire's large, diverse geography: it is closer to real communities and functional economic areas, strengthening local responsiveness without losing economies of scale. The model achieves broadly

4UA Long List Appraisal			
Criteria	Success Measures	RAG	Evaluation
			equal economic footprints, around £10.5bn GVA per unitary authority with the second most even spread of economic strength across all LGR options assessed, providing a strong foundation for place-based growth, equitable access to resources, and collaborative regional strategies without disproportionate dominance or lagging areas. Alignment with Lancashire’s economic geography, including full containment of the Fylde Coast corridor in the West unitary authority and effective grouping of labour-market corridors in the East unitary authority, supports coherent infrastructure planning, transport integration, and skills and housing delivery at the right spatial scale. On balance, the benefits of being closer to communities and functional economies in Lancashire outweigh the marginal proximity to an indicative 500,000 threshold and are fully consistent with both the government’s flexible guidance and the academic evidence on scale and performance.
High-quality, sustainable services	The model should improve service standards and access, backed by a credible plan to integrate services without overstressing resources or compromising quality.		The four unitary model offers a strong balance between economies of scale and the ability to tailor services to local needs. Each authority is sufficiently large to support sustainable service delivery and organisational resilience, while remaining focused enough to respond to distinct community profiles. The configuration supports shared service collaboration and provides a foundation for radical improvements in public services, with the potential to unlock economic growth through more integrated and responsive delivery models. As with all local government reorganisation proposals, careful planning will be essential to avoid service disruption during the transition and ensure continuity for residents.
Joint-working and local support	Councils must work together, showing clear engagement with residents, partners, and stakeholders. The approach should feel locally led and widely supported.		The four unitary model enables services to be tailored to the needs of communities with similar demographic and economic profiles, with each authority having clear sectoral specialisms that support locally responsive policymaking. This alignment enhances the potential for community and stakeholder buy-in, particularly as the proposal is supported by a significant number of councils across the Lancashire geography including Lancaster, West Lancashire, Preston, Ribble Valley, and Chorley—indicating broader political support. However, the increased number of authorities introduces greater complexity in partnership working arrangements, requiring robust coordination mechanisms to ensure strategic alignment and avoid fragmentation across shared priorities.

4UA Long List Appraisal			
Criteria	Success Measures	RAG	Evaluation
Supports devolution	Unitary authorities should be sized and structured to meet government expectations for devolved powers, with potential for combined authority or mayoral deals.		The four unitary model presents a strong platform for devolution, with each authority of sufficient scale to engage effectively with Strategic Authorities and negotiate large-scale investment programmes. The configuration maintains the population strength needed to support devolution while preserving local flexibility. Crucially, the alignment between UA boundaries, functioning economic geographies, sectoral complementarity, and people-based challenges creates the conditions for a potential Mayoral Combined Authority to deliver purposeful, place-centred interventions. This includes targeted strategies around skills, investment, entrepreneurship, and infrastructure, developed in close collaboration with the constituent unitary authorities.
Stronger community engagement	Decision-making should stay close to communities. The structure must support public engagement and reflect local identity, avoiding overly large authorities that feel disconnected.		The four unitary model offers strong geographical coherence and identifiable boundaries, supporting clearer connections between residents and decision-making structures. Each authority is compact enough for communities to maintain a sense of local identity and understand who represents them, while avoiding the fragmentation risks associated with smaller unitary authority models. The configuration strikes a balance between local democratic connection and strategic service delivery, preserving accountability while enabling efficient coordination across a broader geography. While engagement may feel less immediate than in smaller units, the overall structure supports meaningful participation and responsiveness.

Alternative 4UA Long List Appraisal			
Criteria	Success Measures	RAG	Evaluation
Single tier of local government	Logical UA boundaries that fully cover the region, with a single council delivering all local services with no overlaps or confusion.		The alternative four unitary option fails to meet the Government's criterion for logical, self-contained unitary boundaries with a single council delivering all local services without overlap or confusion. While it covers the whole of Lancashire, it relies on splitting the existing districts of Wyre and Ribble Valley, which runs counter to the principle that current district areas should be the building blocks for proposals. Splitting districts would fracture communities of identity and service footprints, create administrative complexity at new internal boundaries, and increase the risk of public confusion over accountability for local services. Absent a compelling, evidence-based justification for such complex boundary changes, the four unitary proposal cannot be considered compliant with the Government's preferred approach.
Right size for efficiency and resilience	Each unitary should be large enough for efficiency and service delivery without compromising local identity (MHCLG = 500,000 people)		The alternative four unitary model does not satisfy the MHCLG scale guidance that <i>each</i> unitary should be around 500,000 people to ensure efficient service delivery without compromising local identity. In this configuration, only East Lancashire exceeds the benchmark (~545,000), while West (~456,000), South (~350,000) and especially North (~199,000) fall well short leaving three authorities below the guidance and one very small outlier. This pronounced size imbalance risks undermining economies of scale and consistent service standards across the county, with the particularly small North unitary least able to sustain efficiency relative to peers.
High-quality, sustainable services	The model should improve service standards and access, backed by a credible plan to integrate services without overstressing resources or compromising quality.		The alternative four unitary option can only partially demonstrate that it would <i>improve</i> service standards and access, because its units start from very different baselines, most notably a small North authority (~199k people) and large variations in population density (~158 vs. ~1,211 people per sq km), which make consistent service coverage and economies of scale hard to guarantee. Concentrated deprivation in the East and West further skews demand, implying uneven caseloads and access pressures that any integration plan would need to resource carefully to avoid quality being stretched. In addition, key operational indicators (jobs, unemployment, economic activity) are derived from proxies and high-level diagnostics rather than service integration modelling, which introduces uncertainty about how services would be combined in practice without overstressing staff and budgets.

Alternative 4UA Long List Appraisal			
Criteria	Success Measures	RAG	Evaluation
Joint-working and local support	Councils must work together, showing clear engagement with residents, partners, and stakeholders. The approach should feel locally led and widely supported.		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.
Supports devolution	Unitary authorities should be sized and structured to meet government expectations for devolved powers, with potential for combined authority or mayoral deals.		The alternative four unitary is weakly positioned for devolution deals because its units differ sharply in population, economic weight, and needs, from North at about 199k to East at about 545k, concentrating GVA and deprivation in West and East and creating a large versus small partner dynamic that would strain governance and resource sharing within a Strategic or Combined Authority. In addition, the proposed West unitary authority does not align with travel to work patterns, mixing the self-contained Fylde Coast with the Preston and M6 corridor, so a Strategic Authority would struggle to run an agglomeration focused economic strategy that follows commuting and supply chains.
Stronger community engagement	Decision-making should stay close to communities. The structure must support public engagement and reflect local identity, avoiding overly large authorities that feel disconnected.		There is uncertainty over whether the alternative four unitary authority would effectively keep decisions close to communities. The large range in population size per unitary authority, and the split of existing Wyre and Ribble Valley boundaries risks diluting local identity and weakening engagement structures that are built around today's districts. The proposed units also cut across functional corridors so residents would not see a coherent place reflected in the authority they engage with. Together, the combination of one very large authority and much smaller neighbours increases the risk that some places feel remote from decisions while others struggle for influence in county wide arrangements.

5UA Long List Appraisal			
Criteria	Success Measures	RAG	Evaluation
Single tier of local government	Logical UA boundaries that fully cover the region, with a single council delivering all local services with no overlaps or confusion.		The five unitary 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.
Right size for efficiency and resilience	Each unitary should be large enough for efficiency and service delivery without compromising local identity (MHCLG = 500,000 people)		The five unitary model presents significant challenges in terms of scale and resilience. Several of the proposed authorities fall below the Government's recommended population threshold and the minimum size identified in academic research for efficient service delivery. While the boundaries may reflect local community identity, they do not align with Lancashire's economic geography, which could hinder the development of coherent and effective economic policy. The smaller scale of these authorities increases the risk of higher service delivery costs, reduced opportunities for economies of scale, and duplicative administrative functions. Additionally, smaller units are more vulnerable to budget shocks and may lack the capacity to invest in major infrastructure, undermining long-term resilience and strategic capability.
High-quality, sustainable services	The model should improve service standards and access, backed by a credible plan to integrate services without overstressing resources or compromising quality.		The five unitary model may offer greater scope to tailor services to local needs due to its smaller scale and closer proximity to communities. However, the limited size of each authority presents challenges in delivering specialist services efficiently. Smaller units are less likely to benefit from economies of scale, which can lead to higher service delivery costs and reduced capacity for innovation or strategic investment. This fragmentation may also result in duplicative service structures and uneven access to quality provision across the region.

5UA Long List Appraisal			
Criteria	Success Measures	RAG	Evaluation
Joint-working and local support	Councils must work together, showing clear engagement with residents, partners, and stakeholders. The approach should feel locally led and widely supported.		The five unitary model introduces significant complexity in joint-working arrangements due to the small size and fragmented nature of the proposed authorities. Effective collaboration will require robust partnership agreements to maintain a coherent understanding of residents and their participation in a cross-border economic geography. Businesses and stakeholders operating across UA boundaries may experience duplicated engagement efforts and a lack of strategic alignment, undermining the perception of a joined-up approach. Furthermore, the model currently has limited political support, with backing only from Pendle and Burnley, both within the proposed East unitary authority, highlighting a lack of consensus across the wider Lancashire geography.
Supports devolution	Unitary authorities should be sized and structured to meet government expectations for devolved powers, with potential for combined authority or mayoral deals.		The five unitary authority model presents notable challenges for supporting devolution. The smaller size and under bounding of the proposed authorities would make regional devolution difficult to manage, particularly given Lancashire's cross-boundary economic geography and the varied political dynamics introduced by a greater number of member authorities. Smaller units are less able to negotiate and deliver large-scale investment programmes, weakening the strategic voice required for effective engagement with Government and with the Strategic Authority itself. While local voices may be more prominent in smaller authorities, this comes at the cost of reduced coherence and increased risk of inconsistent political leadership, which could undermine the delivery of place-based interventions and long-term economic strategies.
Stronger community engagement	Decision-making should stay close to communities. The structure must support public engagement and reflect local identity, avoiding overly large authorities that feel disconnected.		The five unitary model offers the potential for stronger community engagement through its smaller scale, which may foster closer connections between residents and local decision-makers. This proximity can enhance feelings of involvement and accountability, with communities more likely to recognise and interact with their representatives. However, the limited size of each authority may constrain resources available for engagement activities, potentially reducing the reach and consistency of participation efforts. While the model supports local democratic connection, its capacity to sustain high-quality engagement across all areas may be uneven.

Appendix 3 – Shortlist Appraisal – Financial Analysis

This section will outline the approach to financial modelling in more detail.

Methodology

Approach to Financial Analysis

The financial analysis to support the development of this business case and support the assessment of options is formed of two key aspects:

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.

The baseline budget projections (part 1) have been modelled to forecast the starting budget position at Vesting Day (1st April 2028) using the methodology and approach outlined below.

The financial impact analysis (part 2) has been carried out to determine the costs and benefits associated with reorganisation and transformation that have been identified for each of the options.

The approaches and assumptions underpinning the two sets of analysis are set out in detail below.

1. Baseline Budget Projections

Overview

To support the Lancashire authorities with Local Government Re-organisation (LGR), LGFutures were commissioned to construct a financial baseline for 2028/29, as a consistent budget projection for all of the Lancashire authorities to use in their respective LGR business cases. The forecast baseline budget positions are based on projections for the expenditure and resources position of the options and proposed unitary authorities. This is the budget position for each option and new unitary authority before taking into account the impacts of reorganisation – the costs and savings from aggregation and disaggregation of existing authorities to the new models have been estimated as part of the financial impacts analysis.

The approach taken to construct the financial baseline was as follows:

Expenditure:

- Review the county disaggregation of its budgets
- Use existing MTFPs from the billing authorities (and the forecast expenditure shown)
- Produce a forecast expenditure position for each of the potential new unitary authorities up to 2028/29

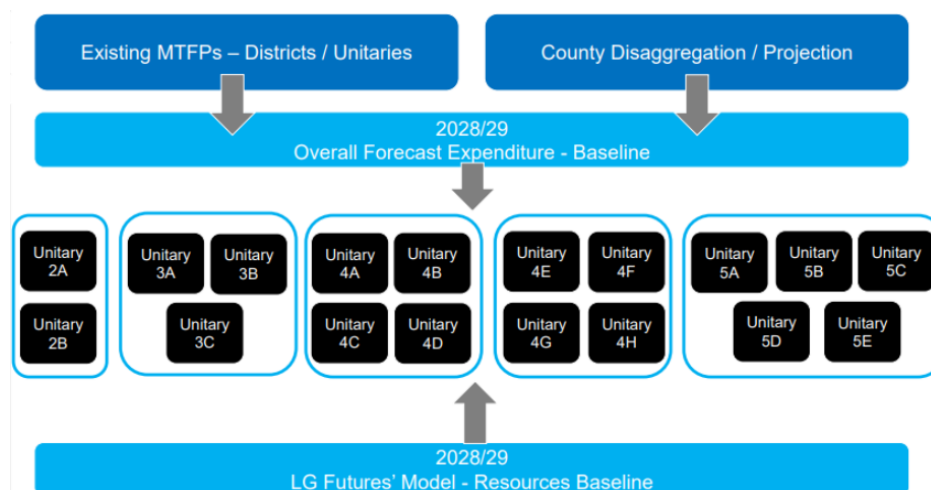
Resources:

- Project forward resources for each of the existing authorities (using LGFutures' Fair Funding Model)
- Produce a forecast resources position for each of the potential new unitary authorities for 2028/29

Output:

- Produce a forecast 2028/29 budget position for each of the potential new unitary authorities

The approach to modelling the projected 2025/26-2028/29 expenditure, resources and resulting budget positions is set out in the diagram and supporting table below.



Inputs	Description	Approach
Expenditure	Expenditure net of service-specific grants received directly by services.	Projections modelled for existing authorities from 25/26 revenue budgets and using forecast change in expenditure from 2026/27 to 2028/29 from authorities' Medium-Term Financial Plans (MTFPs). Lancashire County Council expenditure has been broken down and apportioned to the unitary and district authorities using proxy measures to determine distributions of different areas of spend (e.g., client counts, population). The resulting expenditure projections for the unitary and district authorities have then been aggregated to determine the projected expenditure for each of the proposed unitary authorities, under each option.
Resources	Core spending power based on Fair Funding 2.0, SR2024 control totals and business rates, and Council Tax projections.	Based upon the June Fair Funding 2.0 consultation document and LG Futures' understanding of the SR2024 control totals. Projection assumes a 5% average increase in Council Tax in each area. This has been reviewed by MHCLG, with no suggested changes. Produce a forecast resources position for each of the potential new unitary authorities for 2028/29.

Expenditure

Disaggregation of Budgets and projection to 2028/29

The 2025/26 county council expenditure and projected change in expenditure to 2028/29 have been split across the constituent district councils. This is based on the splits provided by LCC for existing and forecast future expenditure.

The county council provided detailed analysis of the starting budget position (2025/26) and increases in net expenditure to 2028/29 all by district. The methodology for disaggregation was reviewed by LGFutures and was deemed comprehensive with reasonable chosen methods of apportionment for each of the cost areas (client counts, population etc.).

Expenditure Projections

The current expenditure (2025/26) and projected changes for the Lancashire-14 authorities have been combined with the disaggregated county council expenditure and projections, to provide the overall expenditure projection for 2025/26 to 2028/29. These are based on net expenditure figures with spend offset against service specific ring-fenced grants (which are typically netted off at a service level).

Resources

The resource projections for the options and new unitary authorities are based on modelling of the following funding sources for 2025/26 to 2028/29:

- Settlement Funding Assessment (SFA), with impacts of Fair Funding Review 2.0
- Council tax income (including increases in tax rates and taxbase growth)
- Other grants not covered by Fair Funding Review 2.0 (e.g., Children and families grant, public health grant)

Existing Authorities

Projected changes in resources for existing authorities have been carried out using LGFutures' Fair Funding 2.0 predictive model. The model forecasts the level of resources to be received for each authority based on the Spending Review 2024 and the Fair Funding 2.0 consultation paper (published in June 2025). The consultation provided an outline of the methodology and the resulting relative need share of each authority.

The Model has been submitted to MHCLG, and the Ministry advised no changes were required. The consultation period has now closed, and the outcome of the consultation will be known at the 2026/27 Provisional local government finance settlement. The final allocations will be dependent on the outcome of the consultation, data changes and the Autumn Budget.

County Council Apportionment

In order to forecast resource projections for the new unitary authorities, the county council's projected resources have been apportioned to the constituent district councils. This apportionment has been carried out across the following elements:

- Splitting the 2025/26 baseline position
- Settlement funding and the impacts of Fair Funding Review
- County council share of council tax income growth

- Grants not covered by the Fair Funding Review

Other Grants and Council Tax

Other grants (both inside and outside Core Spending Power) are assumed to be cash flat, so the 2025/26 split prevails over time. This includes Children and Families, Public Health, Crisis and Resilience and Homelessness and Rough Sleeping funds.

Council tax projections are based on maximum use of tax flexibilities in 2026/27 and 2027/28 and the 4.99% referendum limit for 2028/29. Taxbase growth has also been included, based on MHCLG approach to projections (4-year average CTR taxbase growth, between 21/22 and 25/26).

Budget gaps and balanced budgets

Based on the approach set out above, the analysis forecasts a cumulative funding deficit of £133.5m by 2028/29 for all existing Lancashire authorities collectively. 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, based on the scenario where no action 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.) as set out above. 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, for the purpose of modelling the starting budget positions for the prospective unitary authorities as part of the business cases 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.

The result of this is that the forecast aggregate budget gap at Vesting Day in April 2028 is £36.9m for the purposes of forecasting the starting budget positions of the prospective unitary authorities for each of the options.

2. Financial Impacts Modelling

The methodology for the financial impacts modelling is outlined in the main body of the report. The following section provides the detail behind the assumptions used in the financial modelling.

The financial impacts analysis has been carried out to identify the associated costs and savings that could be delivered from reorganisation for the three and four unitary models, along with the 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 and four unitary options have been modelled across three categories:

- Aggregation and disaggregation impacts (the financial effect of consolidating existing organisations into new entities)
- Transition costs (the one-off costs required to establish the new arrangements)
- Transformation benefits (the longer-term efficiencies from service redesign and demand management)

This approach ensures that both the costs of change and the opportunities for future efficiency are transparently accounted for.

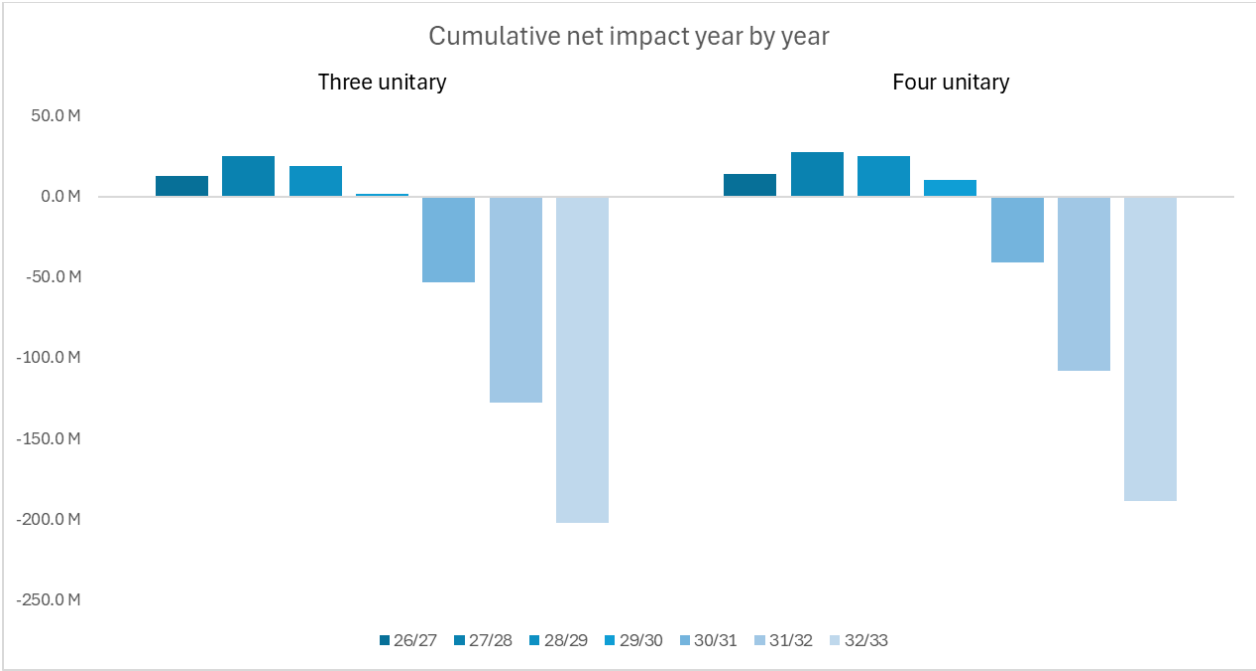
The modelling approach is comparative across all potential UA options, with a consistent methodology applied to ensure results were robust and comparable. Where more granular local data was available (for example, leadership cost structures or unit costs of social care), this was used to shape the model. Where such data was not available, high-level benchmark assumptions were applied using a consistent approach to ensure a fair basis of comparison.

Key aspects of our approach

The following principles were applied consistently in the modelling of the options:

- **Baseline dataset** – all modelling started from the same baseline financial and service data to ensure comparability across options.
- **Inflationary uplift** – applied to all relevant costs to reflect future price pressures.
- **Redundancy cost multipliers** – applied as a percentage of salary to estimate workforce exit costs, based on standard benchmarks and previous LGR cases.
- **Phasing of impacts** – costs and savings were modelled as phased in over a realistic time horizon, reflecting both implementation capacity and experience from previous reorganisations.
- **Leadership cost modelling** – detailed modelling of senior officer structures was used to estimate aggregation savings, drawing on benchmarks for executive, assistant director and head of service roles.
- **Use of high-level benchmark assumptions** – these were applied consistently across all options to ensure comparability and avoid bias. These are based on a review of other comparable examples of local government reorganisation that have taken place in recent years.

Summary of analysis



The above shows the year-on-year net impact of the four unitary and three unitary models. The figure shows the relatively similar expected financial impact positions over the period modelled. The breakeven point of the two models is between 29/30 and 30/31.

Aggregation and Disaggregation Impacts:

The financial assessment highlights that the net benefit of aggregation and disaggregation are lower in the four unitary authority model, at a net benefit of £61.1m compared to £87.5m in the three unitary authority model. This reflects the greater complexity of setting up and aligning four organisations, which drives additional cost. The higher cost of aggregation within the four unitary authority model also accounts for the intention to invest significantly in social care leadership and specialist posts in the transition and aggregation phases ensuring greater benefit can be realised in setting up social care services for success in the long term.

Transition costs:

Transition costs are also slightly higher under the four unitary authority model, at £27.2m compared to £24.8m in the three unitary authority model. This difference is modest and reflects that whilst establishing an additional authority will be resource intensive, the wider LGR transition will require significant pooled resources for however many new authorities are established.

Transformation Impacts:

On transformation, however, the four unitary authority model sees a greater net benefit of £161m compared to £138.3m under the three unitary authority model – reflecting the greater potential to deliver recurring benefits through service transformation and efficiency improvements. The base case presented above reflects that a four unitary authority option could deliver transformation benefits in line with the benefits a three unitary

authority option is able to deliver. Stretch targets have also been modelled to reflect the scale of the ambition for transformation within the four unitary authority option. When considering the impact of these stretch targets, the four unitary option significantly outperforms the three unitary authority option over the modelling period.

Net financial impact:

Taken together, the financial position of the four unitary authority model is broadly comparable to the three unitary authority option, with both delivering substantial long-term benefits relative to overall gross expenditure. While the four unitary authority model incurs slightly higher upfront aggregation and transition costs, these reflect both the additional complexity of establishing an additional authority as well as deliberate investment choices that strengthen leadership and operational capacity from day one. Given the complexity of Lancashire's current system, both options would require significant aggregation and disaggregation of social care functions, generating cost across both of the models. However, the four unitary authority model has explicitly accounted for these costs within our financial projections and is designed to deliver a more ambitious and sustainable transformation programme over time. The scale of the four unitary authority model provides the best platform for implementing transformative structural change delivering lasting improvements in efficiency, resilience, and outcomes for residents.

Four Unitary Authority annual impacts

Aggregation Benefit	0.0 M	0.0 M	-12.7 M	-19.1 M	-25.4 M	-25.4 M	-25.4 M
Aggregation Cost	0.0 M	0.0 M	16.2 M	16.2 M	4.8 M	4.8 M	4.8 M
Transition Costs	13.6 M	13.6 M	0.0 M	0.0 M	0.0 M	0.0 M	0.0 M
Annual benefit before Transformation	13.6 M	13.6 M	3.5 M	-2.8 M	-20.6 M	-20.6 M	-20.6 M
Cumulative benefit before Transformation	13.6 M	27.2 M	30.8 M	27.9 M	7.3 M	-13.3 M	-33.9 M
Transformation Impacts (net)	0.0 M	0.0 M	-6.4 M	-12.9 M	-32.2 M	-48.2 M	-61.3 M
Total annual benefits after Transformation	13.6 M	13.6 M	-2.9 M	-15.7 M	-52.8 M	-68.8 M	-81.9 M
Total Cumulative Benefit after transition and transformation	13.6 M	27.2 M	24.3 M	8.6 M	-44.2 M	-113.0 M	-194.9 M
<i>Stretch transformation impacts</i>	0.0 M	0.0 M	-8.8 M	-17.7 M	-44.1 M	-65.9 M	-84.7 M
Total annual benefits after Transformation	13.6 M	13.6 M	-5.3 M	-20.5 M	-64.7 M	-86.5 M	-105.3 M
Total Cumulative Benefit after transition and transformation	13.6 M	27.2 M	21.9 M	1.4 M	-63.4 M	-149.9 M	-255.2 M

In the early years (2026/27–2027/28), the four unitary model incurs upfront costs of £13.6m per year, reflecting transition activities including programme management, organisational set up and the cost of redundancy payments.

Additional costs are incurred through aggregation of services, specifically IT and social care. IT aggregation costs are expected to be incurred in the period post Vesting Day to reflect that during the transition period running to April 2028, the volume of work and activity to deliver the transition to LGR will not enable full IT aggregation.

From 2028/29 onwards, benefits from aggregation begin to emerge, reaching £25.4m per year by 2030/31 as staff and service integration take effect. Transformation benefits start to materialise from 2028/29 and increase substantially in the later years, reaching £61.3m per year by 2031/32–2032/33. Transformation impacts are presented as net of benefits and the costs invested to deliver these savings.

Taken together, these elements result in a **cumulative net benefit of £194.9m by 2032/33**. This profile illustrates a period of upfront investment followed by increasingly significant recurring savings, demonstrating the four unitary authority model’s ability to deliver long-term financial efficiencies across the four authorities.

Four Unitary Authority Stretch Transformation

Stretch transformation targets have been modelled for the four unitary authority option. If these stretch transformation targets can be achieved, there are opportunities for greater benefits for the four unitary authority model, climbing to a total £255.2m aggregated saving over the modelling period.

Three Unitary Authority Financial Impact

Financial Impacts	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
Aggregation Benefit	0.0 M	0.0 M	-13.0 M	-19.5 M	-26.0 M	-26.0 M	-26.0 M
Aggregation Cost	0.0 M	0.0 M	11.4 M	11.4 M	0.0 M	0.0 M	0.0 M
Transition Costs	12.4 M	12.4 M	0.0 M	0.0 M	0.0 M	0.0 M	0.0 M
Annual benefit before Transformation	12.4 M	12.4 M	-1.6 M	-8.1 M	-26.0 M	-26.0 M	-26.0 M
Cumulative benefit before Transformation	12.4 M	24.8 M	23.3 M	15.2 M	-10.8 M	-36.7 M	-62.7 M
Transformation Impacts (net)	0.0 M	0.0 M	-4.4 M	-8.7 M	-28.5 M	-48.3 M	-48.3 M
Total annual benefits after Transformation	12.4 M	12.4 M	-5.9 M	-16.8 M	-54.5 M	-74.3 M	-74.3 M
Total Cumulative Benefit after transition and transformation	12.4 M	24.8 M	18.9 M	2.1 M	-52.4 M	-126.7 M	-200.9 M

In 2026/27–2027/28, the three unitary authority model incurs **transition costs of £12.4m per year**, reflecting the investment required to implement new organisational structures and processes.

From 2028/29 onwards, benefits from aggregation are realised, reaching £26.0m per year by 2030/31. Transformation benefits begin in 2028/29 and increase over the later years, reaching £48.3m per year by 2031/32–2032/33 - lower than those predicted under the four unitary authority model.

Overall, the three unitary authority model achieves a **cumulative net benefit of £200.9m by 2032/33**. While the three unitary authority delivers slightly higher nominal benefits, the financial opportunities are broadly similar to the four unitary authority model.

Further details on assumptions

Aggregation benefits

The aggregation benefits shown for the four unitary and three unitary models are informed by underlying organisational, operational, and governance factors rather than the number of authorities alone. Savings in senior leadership, back office, service delivery, third-party spend, property, councillors, and elections reflect opportunities created through consolidation, integration, and process standardisation. Savings assumptions are prudent and reflect the reality that significant savings are unlikely to be realised in the first years after Vesting Day. Aggregation benefits are not forecast to be fully realised until 2030/31 (as discussed in the Phasing section below).

AGGREGATION BENEFITS	3UA Impact £	4UA Impact £	Notes and basis for assumptions
Senior Leadership	-6.4m	-6.0m	Significant savings are expected through a reduction in the number of senior leadership posts across councils (chief executives, directors, senior managers). The modelling approach was a detailed benchmarking exercise to estimate the number of Tier 1-3 leaders required in each of the new Unitaries. The four unitary model retains slightly more leadership roles than the three unitary model, reflecting the importance of maintaining effective oversight at a local level. Despite this, the four unitary still delivers substantial savings, and assumptions include competitive salaries to attract high-calibre senior leaders capable of driving transformation. It is expected that because the Unitaries in the four unitary model cover smaller populations, fewer leadership roles will be required per authority, with lower salaries compared to the three unitary model. This approach balances financial efficiency with the strategic need for local leadership and organisational resilience.
Back Office	-2.1m	-2.1m	Annual savings are expected in back-office functions, including finance, HR, administration, and other support services, through consolidation and streamlined processes across the four authorities. Both the four and three unitary models are prudently modelled to reduce back-office costs by 1% to reflect that whilst the four unitary options may retain more localised teams than the three unitary, it still achieves efficiencies by reducing duplication and standardising key processes. These savings are informed by the practical opportunities created through integration, rather than by simply reducing the number of authorities.
Service Delivery	-3.3m	-3.3m	Savings in service delivery are realised through the integration of operational teams and the rationalisation of overlapping functions. Both the four unitary and three unitary models are prudently modelled to reduce service delivery staff costs by 1%. The four unitary model maintains more locally embedded teams than the three unitary model, ensuring services remain responsive to communities, while still achieving substantial efficiencies through coordination, process improvement, and shared systems. These savings are informed by operational design and integration opportunities rather than authority count.
Third Party	-6.5m	-6.5m	Reduction in third-party spend arises from the rationalisation of contracts and more effective procurement arrangements. Savings are modelled at 1% of total third party spend for both the four and three unitary models.
Property	-2.2m	-2.2m	Savings from property arise from optimising estate requirements, consolidating buildings, and reducing surplus space. Both four and three unitary models are modelled to reduce property costs by 5%. The four unitary retains a slightly larger local footprint to support service delivery and local presence yet

AGGREGATION BENEFITS	3UA Impact £	4UA Impact £	Notes and basis for assumptions
			could achieve comparable efficiencies to the three unitary through strategic estate management and targeted rationalisation.
Councillors	-1.59m	-1.57m	Fewer councillors are required under the new structures, delivering savings in governance costs. The four unitary model retains slightly more elected members (280) than the three unitary model (276) to ensure robust local representation across four authorities. It is estimated that the three and four unitary models will each have a total of 296 councillors. Savings are modelled based on the expected number of electors per Councillor.
Elections	-0.4m	-0.4m	Savings from elections reflect the reduced number of elections required under the new authority structures, benchmarked against national costs per vote (£3.57). Both models achieve similar efficiencies, with figures informed by the practical consolidation of electoral activity rather than by the total number of councils.
On costs associated with staff savings	-3.5m	-3.4m	Modelled at 30% of staffing salary savings.
TOTAL	-26.0m	25.45m	

Aggregation costs

The four unitary model requires additional investment in social care leadership to ensure high-quality, locally embedded teams are in place across all four authorities. This includes posts such as directors and senior managers of adult and children's services. While the three unitary model assumes no additional cost in this area, the four unitary model reflects the need to create leadership capacity in a newly formed authority where roles are not fully built on existing structures. These costs are essential to maintain effective service oversight and to support transformation of care services.

AGGREGATION COSTS	3UA Impact £	4UA Impact £	Notes and basis for assumptions
Social Care Leadership	0	3.5m	The four unitary model requires additional investment in social care leadership to ensure high-quality, locally embedded teams are in place across all four authorities. Additional cost is modelled for the four unitary model and includes 10 Directors and 10 Assistant Directors. While the three unitary model assumes no additional cost in this area, the four unitary model reflects the need to create leadership capacity in a newly formed authority where roles are not fully built on existing structures.
Additional Roles	0	1.3m	The four unitary model requires additional specialist posts (e.g. safeguarding, commissioning, specialist support functions) that would otherwise be shared or consolidated in a larger unitary structure. It is modelled that 10 additional roles would be required for the four unitary model, as these are not built upon existing district or county provision, recruitment and establishment costs are higher.

IT Aggregation Programme	22.8m	22.8m	Both the four and three unitary models require substantial investment in IT to support aggregation of systems and services, including the implementation of new platforms and ensuring operational readiness. The cost (£22.8m) covers system integration, data migration, and security compliance. The saving is modelled as a cost of £500 per user, based on total staffing numbers across all existing authorities. While the IT programme is identical in financial terms between the two models, further detailed work is needed to understand the cost of IT aggregation post vesting day.
TOTAL	£22.8m	£27.6m	

Transition costs

Transition costs capture the one-off expenditure required to implement the reorganisation, including redundancy payments, programme management, IT implementation, organisational set-up, and communications. The four unitary model generally incurs higher costs because it involves creating a completely new authority, requiring additional staff, programme oversight, and IT systems. Both models include a contingency to reflect uncertainty, but overall, transition costs are higher for the four unitary model due to the complexity of establishing an additional authority.

TRANSITION COSTS	3UA Impact £	4UA Impact £	<i>Notes and basis for assumptions</i>
Redundancy	4.1m	4.0m	While there is likely to be a period of natural high turnover during reorganisation, significant costs are still to be expected from redundancies associated with the consolidation of leadership, back-office, and service delivery roles. Costs are modelled as 35% of total staff savings modelled in the Aggregation Savings section.
Organisational set up	1.8m	2.0m	Establishing four new authorities requires investment in corporate and governance infrastructure. Costs are modelled to include legal, HR, finance costs, as well as costs to create organisational structures to support the transition. The four unitary model incurs slightly higher costs than the three unitary due to the need to establish systems and functions across four authorities.
Closedown cost	2.0m	2.0m	Reflects the administrative and legal process of winding down existing councils. Costs were modelled at £100k per district and £250k per upper-tier council to cover statutory closure requirements, final accounts, HR/legal processes, and other one-off costs.
Comms & Marketing	0.8m	0.9m	Communication and marketing costs are included to ensure residents, staff, and stakeholders are fully informed about the

TRANSITION COSTS	3UA Impact £	4UA Impact £	<i>Notes and basis for assumptions</i>
			transition. The four unitary model requires additional engagement across four authorities, including campaigns to explain governance, service changes, and operational impacts. The four unitary model will also incur additional branding costs.
Shadow Authority Election	1.8m	1.9m	Shadow authority election costs are based on the expected cost of elections calculated in the aggregation savings section of the model. The four unitary model requires elections for four authorities, resulting in slightly higher costs than the three unitary. These elections are necessary to establish democratic legitimacy for the new councils and ensure local accountability.
Shadow Authority costs	1.9m	2.3m	Costs are modelled on the expected salaries and posts needed to run shadow authorities during the implementation period. Once elected, shadow authorities incur operational costs for planning and overseeing the transition. The four unitary model requires four separate teams, reflecting the complexity of coordinating multiple authorities.
Programme Management	7.7m	8.7m	A major change programme will be needed to deliver reorganisation. Costs include a central programme management office, project teams, external consultancy, specialist advice, and backfill for seconded staff. Modelling assumes a central change team which would work across all models to ensure consistency, with additional specific teams focusing on local issues. The cost for establishing an additional authority is therefore reflected in the modelled resource requirement.
IT Implementation	2.5m	3.0m	IT Implementation costs are calculated based on other LGR submissions. Modelling assumes that these costs are to ensure a safe and legal transition, with additional IT costs captured in the aggregation cost section above.
Contingency	2.3m	2.5m	A 10% contingency has been applied across all categories to reflect risk and uncertainty in delivery. Overall transition costs are expected to be higher under the four unitary model.
TOTAL (WITH CONTINGENCY)	24.8m	27.2m	

Transformation Impacts

The transformation programme for the four unitary model represents a significant long-term investment in efficiency, service improvement, and operational resilience. It encompasses back-office functions, service delivery teams, and non-staff areas such as procurement, contracts, and property. While upfront investment is required, the programme is designed to deliver sustained financial benefits by streamlining processes, standardising systems, and enabling more efficient resource allocation.

Transformation costs are assumed to be one off, where transformation savings are incurred year on year. The detailed phasing of these impacts is detailed in the section below.

TRANSFORMATION BENEFITS	3UA Impact £	4UA Impact £	4UA Stretch Impact £	Notes and basis for assumptions																
Back Office	-14.1m	-19.3m	-24.6m	Savings are modelled as a % reduction on overall back office spend. Savings % modelled are shown in the table below. <table><tr><td></td><td>3UA</td><td>4UA</td><td>4UA Stretch</td></tr><tr><td>County</td><td>5%</td><td>7.5%</td><td>10%</td></tr><tr><td>District</td><td>10%</td><td>12.5%</td><td>15%</td></tr><tr><td>Unitary</td><td>5%</td><td>7.5%</td><td>10%</td></tr></table> The four unitary model allows for significant transformation of back-office functions, including finance, HR, procurement, and administration. Investment in modern systems, processes, and organisational redesign will enable more efficient operations across the four authorities. The scale and footprint of the four unitary provide opportunities to standardise and streamline functions while maintaining local responsiveness.		3UA	4UA	4UA Stretch	County	5%	7.5%	10%	District	10%	12.5%	15%	Unitary	5%	7.5%	10%
	3UA	4UA	4UA Stretch																	
County	5%	7.5%	10%																	
District	10%	12.5%	15%																	
Unitary	5%	7.5%	10%																	
Service Delivery	-23.9m	-32.1m	-40.3m	Savings are modelled as a % reduction on overall service delivery spend. Savings % modelled are shown in the table below. <table><tr><td></td><td>3UA</td><td>4UA</td><td>4UA Stretch</td></tr><tr><td>County</td><td>5%</td><td>7.5%</td><td>10%</td></tr><tr><td>District</td><td>10%</td><td>12.5%</td><td>15%</td></tr><tr><td>Unitary</td><td>5%</td><td>7.5%</td><td>10%</td></tr></table> Transformation of service delivery teams is expected to generate substantial long-term savings. The four unitary model maintains locally embedded teams while consolidating and standardising		3UA	4UA	4UA Stretch	County	5%	7.5%	10%	District	10%	12.5%	15%	Unitary	5%	7.5%	10%
	3UA	4UA	4UA Stretch																	
County	5%	7.5%	10%																	
District	10%	12.5%	15%																	
Unitary	5%	7.5%	10%																	

TRANSFORMATION BENEFITS	3UA Impact £	4UA Impact £	4UA Stretch Impact £	Notes and basis for assumptions																
				operational practices where possible. Further, the four unitary model enables more close working with communities than is possible under the larger three unitary model authorities, and as such, may see greater opportunity for preventative ways of working and the associated benefits. The scale and structure of the four unitary provide opportunities to improve efficiency in staffing, processes, and delivery models, while retaining local responsiveness.																
Non Staff	-14.5m	-14.5m	-28.9m	Savings are modelled as a % reduction on overall non staff costs. Savings % modelled are shown in the table below. <table><tr><th></th><th>3UA</th><th>4UA</th><th>4UA Stretch</th></tr><tr><td>County</td><td>1.5%</td><td>1.5%</td><td>3%</td></tr><tr><td>District</td><td>3%</td><td>3%</td><td>6%</td></tr><tr><td>Unitary</td><td>1.5%</td><td>1.5%</td><td>3%</td></tr></table> Savings in non-staff areas, such as procurement, contracts, and property, are captured here. The four unitary model allows for rationalisation and optimisation of assets and third-party spend, delivering efficiency while retaining sufficient scale to maintain oversight and local accountability. These efficiencies could be realised through targeted integration and transformation activities.		3UA	4UA	4UA Stretch	County	1.5%	1.5%	3%	District	3%	3%	6%	Unitary	1.5%	1.5%	3%
	3UA	4UA	4UA Stretch																	
County	1.5%	1.5%	3%																	
District	3%	3%	6%																	
Unitary	1.5%	1.5%	3%																	

TRANSFORMATION COSTS	3UA Impact £	4UA Impact £	4UA Stretch Impact £	Notes and basis for assumptions
Redundancy	13.3m	18.0m	22.7m	Redundancy costs are modelled as 35% of the overall transformation staff savings figure. While there is likely to be a period of natural high turnover during reorganisation, costs associated with staff reductions will still be realised as roles are consolidated and duplication removed.
Programme	4.2m	4.6m	9.2m	Programme management costs are based on the assumed number of staff required to deliver the transformation savings

TRANSFORMATION BENEFITS	3UA Impact £	4UA Impact £	4UA Stretch Impact £	Notes and basis for assumptions
				programme. The four unitary stretch transformation team is expected to be much larger than the three or four unitary base case teams to reflect the more ambitious transformation agenda. The four unitary model requires additional coordination to manage multiple authorities simultaneously, ensuring milestones are met, risks are managed, and initiatives are implemented effectively.
IT	17.5m	17.5m	26.6m	IT costs for transformation are calculated as a % of existing IT budgets. Both the three and four unitary models require funding to implement modern systems, ensure interoperability across the four authorities, and enable efficiency improvements. This includes infrastructure, software platforms, data migration, and system integration. These costs are critical to unlocking the efficiency and service benefits projected in the transformation programme.

Phasing

4UA & 4UA Stretch Phasing Assumptions

	26/27	27/28	28/29	29/30	30/31	31/32	32/33
Aggregation	0%	0%	50%	75%	100%	100%	100%
Disaggregation - Staff	0%	0%	100%	100%	100%	100%	100%
Disaggregation - IT	0%	0%	50%	50%	0%	0%	0%
Transition	50%	50%	0%	0%	0%	0%	0%
Transformation Benefits	0%	0%	25%	50%	68%	80%	100%
Transformation Costs	0%	0%	25%	50%	25%	0%	0%
Transformation Staff Costs	0%	0%	25%	50%	75%	100%	100%

3UA Phasing Assumption

	26/27	27/28	28/29	29/30	30/31	31/32	32/33
Aggregation	0%	0%	50%	75%	100%	100%	100%
Disaggregation - Staff	0%	0%	100%	100%	100%	100%	100%
Disaggregation - IT	0%	0%	50%	50%	0%	0%	0%
Transition	50%	50%	0%	0%	0%	0%	0%
Transformation Benefits	0%	0%	25%	50%	75%	100%	100%
Transformation Costs	0%	0%	25%	50%	25%	0%	0%
Transformation Staff Costs	0%	0%	25%	50%	75%	100%	100%

The phasing assumptions show how costs and benefits are expected to materialise over time. **Transition costs** are largely incurred in the early years (2026/27–2027/28), reflecting the implementation of new structures and processes. **Aggregation of staff** is phased from 28/29 onwards, reaching full realisation by 2030/31, while **disaggregation** occurs partially in 28/29–29/30 before tapering off. **Transformation benefits** are introduced gradually from 29/30, increasing from 25% to full realisation by 32/33, with **transformation costs** following a similar but slightly staggered pattern. The crucial difference in the modelling is transformation benefits are expected to be incurred more slowly in the four unitary model, reflecting the additional time required to implement more radical transformation of services.

This phased approach reflects the practical timing of implementation, integration, and the progressive delivery of long-term efficiencies.

Appendix 4 - Shortlist Appraisal – Service Delivery Analysis

Objectives		3UA	Summary Narrative on 3UA	4UA	Summary Narrative on 4UA	Detailed Commentary on suitability of 4UA
Deliver radical change in creating a new public service landscape	Design and implement a new public service reform model that enables bold and radical approaches to improve public services, strengthens local economies, widens access to high-quality services for underserved communities, and drives targeted regeneration across Lancashire. This will deliver a reduction in long term costs alongside measurable improvements in local prosperity, health outcomes, skills attainment, and resident satisfaction, ensuring that all communities — regardless of location or disadvantage — can thrive.		Some similar benefits to four unitary but with the following considerations: • Larger footprints give scale for corporate efficiency but increase distance from neighbourhoods to enable genuine co-production and relational prevention. • Fewer leadership teams reduce the opportunities for exploration of innovative models, but the larger scale strengthens capacity to roll out successful new models.		Compared to three unitary: • Shorter chains of accountability between councils and neighbourhoods make prevention and co-production more feasible. • Place footprints better match NHS neighbourhoods, health footprints (such as ICB place-based partnerships) and VCSE ecosystems, enabling integrated working. • More executive teams create additional opportunities to trial new approaches, increasing the likelihood of innovation and wider adoption. • Supports targeted regeneration and place-specific reform Plus the following: • Deliver radical change in the public service landscape. More executive teams, it could be argued, offers more opportunities for bold practice (e.g., pooled community investment funds; neighbourhood outcomes	Closer democratic proximity to neighbourhoods - A 4-unitary design shortens the chain between council leadership and neighbourhood teams/VCSE partners compared with a larger 3-unitary footprint—making it easier to co-produce, share power, and adapt quickly across diverse places. Better alignment with a ‘neighbourhood health and care’ model - Four unitaries create more manageable “place” footprints over clusters of neighbourhoods and PCNs, supporting multidisciplinary, community-led teams and accountability that doesn’t get diluted across very large geographies. Stronger targeting of inequalities and regeneration across distinct local economies - Four unitaries offer finer-grained “place leadership” to marshal housing, skills, transport and public health around different local growth paths—while a 3-unitary map risks averaging out priorities and slowing targeted regeneration where it’s most needed. More credible delivery of targeted, proactive prevention at scale - The LGA/ADASS coalition show earlier action generates an average £3.17 return for every £1 invested, with multibillion net benefit

Objectives		3UA	Summary Narrative on 3UA	4UA	Summary Narrative on 4UA	Detailed Commentary on suitability of 4UA
					contracts), increasing the chance at least one unitary pioneer a model others can adopt at pace. Demos • Widen access for underserved communities. Smaller “place” footprints are better at reaching left-behind neighbourhoods through asset-based approaches and community power—central to DEMOS and NHS Confederation—improving access and trust among groups least served by formal systems. DemosNHS Confederation • Reduce long-term costs & improve outcomes. With prevention lines embedded across four authorities you create resilience and redundancy in delivery. This approach aligns with the NHS Long Term Plan’s focus on prevention and integrated care, making it more likely the system realises the £3.17 per £1 prevention value, alongside improvements in prosperity, health, skills, and resident satisfaction.	potential if scaled. To realise this, councils need consistent pipelines of neighbourhood-level interventions (falls prevention, community connectors, social prescribing link-ups, supported housing, etc.). Four unitaries provide the scale to embed and protect these prevention lines, while tailoring approaches to the distinct needs of each area (rural, urban or mixed communities). A four unitary model can also have appropriate level of scale for workforce development to support prevention based service delivery. This place-based approach diversifies delivery risk, supports faster spread and scale of effective practice across peer authorities, and still allows collaboration for back-office efficiencies. Keeps scale where it matters, locality where it counts. A 4-unitary pattern can still run <i>shared</i> corporate services (ICT, procurement, revenues & benefits, analytics) via joint committees or companies to preserve purchasing power—while leaving prevention, neighbourhood integration and regeneration firmly place-led. That balance reflects the NHS Confederation warning that top-down re-brands won’t work unless relationships with communities change on the ground.

Objectives		3UA	Summary Narrative on 3UA	4UA	Summary Narrative on 4UA	Detailed Commentary on suitability of 4UA
Achieve the right scale for efficient service delivery, whilst ensuring greater responsiveness to residents	To design a model of unitary authorities that are large enough to deliver high-quality, cost-effective services, but locally rooted, creating the conditions for greater connectedness, stronger relationships, and a system that is accessible and responsive to residents and maintains a strong sense of place, community identity, and civic pride.		Some similar benefits to four unitary but with the following considerations: - Larger organisations achieve economies of scale but risk losing civic identity and democratic proximity – there is a lack of evidence of huge efficiencies from other reorganisations so the larger scale benefit may be limited - Responsiveness weakens: councillors and executives cover wider geographies, reducing their connection to residents. - Harder to reflect Lancashire’s diversity (rural, coastal, post-industrial) in service design		Compared to three unitary: - Still achieves efficient scale for corporate functions while retaining manageable footprints. - Strengthens civic identity and resident connectedness — each unitary is close enough to reflect distinct community priorities. - Place boundaries align better with NHS and neighbourhood delivery structures, improving joint commissioning and responsiveness. Plus: Deliver high-quality, cost-effective services at scale Four unitaries are each large enough to achieve efficiencies through shared back-office, commissioning power and workforce pipelines, while retaining resilience across multiple organisations. This meets the efficiency test without creating oversized “super-authorities” that risk higher costs of bureaucracy and weaker resident responsiveness. Maintain strong local roots and civic identity	Right scale for efficiency — without losing local roots Large enough unitary authorities are needed for commissioning power, economies of scale (procurement, digital platforms, specialist teams) and resilient workforce pipelines. A four-way design retains those advantages (each authority reaches a viable threshold) while avoiding the “super-authority” effects of very large footprints (where distance from neighbourhoods increases and responsiveness drops). This aligns with the LGA/ADASS case that prevention requires stable investment and capacity at place, but also that councils need organisational muscle to scale evidence-based interventions. Local Government Association Maintains responsiveness and civic identity Demos’ Preventative State stresses that prevention depends on social foundations — civic networks, trust and local relationships. Smaller place footprints (as four units create compared to three) increase democratic proximity and civic leadership capacity, helping to preserve place identity, local pride and community engagement that underpin responsive services. In short: four gives leaders

Objectives		3UA	Summary Narrative on 3UA	4UA	Summary Narrative on 4UA	Detailed Commentary on suitability of 4UA
					Compared with three very large units, four creates place footprints that better reflect Lancashire's diverse local economies and communities (coastal, rural, post-industrial). This strengthens civic pride and sense of place — key ingredients for accessibility, responsiveness and engagement that Demos and NHS Confederation evidence stress are prerequisites for prevention and trust. Enable neighbourhood-led integration and responsiveness NHS Confederation highlight that effective health and care integration happens at <i>neighbourhood</i> level. A four unitary design maps more naturally to PCN clusters and community networks, creating organisational spans small enough for strong relationships with neighbourhood teams. This makes the system more agile in responding to resident needs. Create organisational redundancy and learning capacity More executive teams, it could be argued, offers more opportunities for innovative bold practice and	manageable spans of control to stay connected to residents. Demos Better fit for neighbourhood-led delivery (health, social care and prevention) NHS Confederation's neighbourhood model argues for hyper-local integration across primary care networks, community services and local government. Four unitary boundaries produce place populations that map more naturally to clusters of neighbourhoods/PCNs and voluntary sector ecosystems than a few very large authorities would — making joint working, multidisciplinary teams and shared neighbourhood outcomes contracts simpler to design and govern. That reduces transaction costs and improves responsiveness. NHS Confederation Economies of scale and organisational redundancy Efficiency is not only about being big — it's also about resilience. With four authorities you can centralise high-cost specialist services (analytics, procurement, IT) via shared arrangements while avoiding single-point failures that can occur with one huge authority. The Future of Prevention programme emphasises enablers (data, workforce, joint commissioning) that are easier to pilot, protect and iterate in multiple medium-scale organisations than across one monolith. Four units mean four

Objectives		3UA	Summary Narrative on 3UA	4UA	Summary Narrative on 4UA	Detailed Commentary on suitability of 4UA
					associated opportunities for shared learning and to adopt new models at pace. Target services to local needs more precisely Lancashire’s challenges vary — coastal deprivation, rural isolation, industrial legacy. Four units provide the scale to run efficient services but small enough footprints to tailor strategies for adult social care prevention, skills, housing and health inequalities. This supports both efficiency and responsiveness by aligning services with real community demand. Enhance accountability and resident connectedness More manageable spans of control mean councillors and officers remain closer to communities, improving accountability and speed of response. The preventative state literature underlines the importance of relational governance and services aligned with local needs, co-produced with local residents — something	operational testbeds and four leadership teams capable of mutual learning and rapid iteration. Future of Prevention Programme Interim Report Targeted service models for diverse local economies and demand Lancashire contains coastal, post-industrial and rural areas with different service demand and economic levers. Four authorities allow more focused local strategies—e.g., targeted adult social care prevention programmes, local housing-linked interventions, and skills-led regeneration—reducing the risk that a single large authority will smooth away place-specific priorities. This is consistent with the LGA economic and prevention modelling showing greater returns when interventions are targeted to local need. Local Government Association+1 Simpler governance for neighbourhood outcomes and resident responsiveness Smaller place leaders and scrutiny bodies make it easier for residents to hold local services to account and for councillors to maintain relationships with neighbourhood delivery partners. The evidence repeatedly shows prevention and neighbourhood integration depend on relational governance — something more achievable

Objectives		3UA	Summary Narrative on 3UA	4UA	Summary Narrative on 4UA	Detailed Commentary on suitability of 4UA
					that is far more feasible with four units than with three larger ones.	with four, not three, very large administrative footprints.
Strengthen effective place-based, preventative approaches	To transform local systems, establish integrated place-based delivery models and build upon successful local partnerships that deliver early intervention and prevention, exploring new models of delivery and, where successful, ensuring continuity of integrated working with health, education, police, and voluntary sector partners.		Some similar benefits to four unitary but with the following considerations: • Larger footprints complicate alignment with PCNs, schools, and police divisions, risking loss of neighbourhood focus. • Governance more distant from VCSE partners and community groups, reducing continuity of local partnerships. • Fewer organisations reduce the number of innovation testbeds for prevention pilots.		Compared to three unitary: • Creates place footprints that align more naturally with neighbourhood health and care models. • Closer partnerships with local VCSE organisations, improving trust and sustainability of prevention programmes. • Four organisations = four laboratories for piloting integrated place-based delivery models, with rapid cross-learning. • Easier to tailor prevention strategies to local risk drivers (e.g., youth unemployment, coastal health inequalities) Plus: Make neighbourhoods the foundation of delivery Four unitaries create place footprints that can align naturally with Primary Care Networks, schools, police teams, and VCSE networks. This enables neighbourhood teams to deliver	Make neighbourhoods the primary delivery unit A four unitary model creates place footprints that are small and coherent enough to align with neighbourhood teams, Primary Care Network clusters, and VCSE ecosystems. That alignment enables genuine co-production, quicker referral pathways between health, social care, education and police, and locally tailored prevention packages (e.g., social prescribing, early help in schools, community safety interventions). In practice this means neighbourhood-level multidisciplinary teams become the operational norm rather than the exception. Institutionalise integrated commissioning at the right scale Four unitary authorities provide a pragmatic scale for pooled budgets and joint commissioning with NHS partners and other system players while remaining close enough to local partners to co-design services. This supports longer-term pooled arrangements for prevention (e.g., integrated place-based prevention funds, joint investment in housing-linked interventions, and school-based early help)

Objectives		3UA	Summary Narrative on 3UA	4UA	Summary Narrative on 4UA	Detailed Commentary on suitability of 4UA
					early intervention and prevention consistently and responsively. Establish integrated commissioning at the right scale Each unitary is large enough to pool budgets with NHS, police, and education partners, while still being close enough to communities to co-design interventions. This supports long-term, integrated prevention funds and joint commissioning. Protect and sustain successful local partnerships With four authorities, there are more local leaders who can back proven VCSE and community models, ensuring continuity and stability where pilots work, rather than losing them in larger, more distant structures. Create multiple testbeds for innovation Four units mean four learning environments. Each can trial new delivery models — from neighbourhood outcomes contracts to youth prevention hubs — and then spread proven innovations across the others,	and reduces the governance friction that larger, more remote authorities often face. Protect and mainstream successful local partnerships The literature shows prevention succeeds when local relationships and credible local partners are sustained. Four authorities mean more local ‘place leaders’ who can champion proven local models, secure long-term funding for VCSE delivery partners, and ensure continuity where pilots work — rather than having a single mega-authority that may re-prioritise or diffuse successful local initiatives. Build workforce and relational capacity where it matters Place-based prevention depends on relational practice (community connectors, trusted link workers, multidisciplinary clinicians and teachers). Four units make it easier to design locally relevant workforce strategies — targeted recruitment, local training hubs, and rotational posts across partners — increasing retention and embedding preventive skills in the workforce footprint. Improve data flows and local performance accountability Four authorities can agree a common minimal dataset and neighbourhood outcomes framework, making data-sharing with health, schools and police easier to

Objectives		3UA	Summary Narrative on 3UA	4UA	Summary Narrative on 4UA	Detailed Commentary on suitability of 4UA
					speeding up adoption while limiting risks. Build local workforce and relational capacity Prevention relies on trusted, relational practice. Four unitaries allow tailored workforce strategies (training link workers, youth workers, social prescribers) matched to local demand and context, improving recruitment and retention. Improve data-sharing and accountability Smaller, clearer footprints make it easier to agree shared outcome frameworks and data protocols with health, schools, and police. This strengthens early warning systems and accelerates neighbourhood responses. Target prevention to diverse local needs Lancashire's places differ sharply — rural isolation, coastal deprivation, post-industrial towns. Four authorities give enough scale for efficiency but small enough footprints to tailor prevention strategies to these different drivers of demand.	govern and faster to act on. This strengthens early-warning systems (rising demand signals, cohort risk stratification) and focuses attention on prevention metrics rather than short-term reactive outputs.

Objectives		3UA	Summary Narrative on 3UA	4UA	Summary Narrative on 4UA	Detailed Commentary on suitability of 4UA
Reinforce democratic connection and accountability to communities	To create and implement governance and engagement structures that improve the visibility and accessibility of local democratic leadership, ensuring that residents remain connected to decision-making and feel represented by authorities that understand and reflect their communities.		• A single tier of local government via a 3UA simplifies accountability, giving residents a clear point of contact and removing confusion between county and district responsibilities. • Larger authorities strengthen corporate and political leadership, supporting consistent standards in governance, scrutiny, and decision-making across wide areas. • Councillors would represent larger populations and geographies than under the four unitary option, which could reduce the immediacy of the democratic link in some communities. • Strategic decision-making benefits from stronger capacity, but risks becoming more distant from neighbourhood-level priorities without		• Four unitaries create a clear single tier of governance, removing the two-tier split and giving residents clarity on who is responsible for local services. • The footprint of four authorities is closer to community scale, allowing councillors to remain accessible and better connected to the residents they represent. • Localised authority structures allow decisions on prevention, regeneration, and place-based services to be shaped by more directly accountable leadership. • With four cabinets and scrutiny bodies, there is greater scope for transparency, democratic oversight, and healthy challenge, supporting more responsive governance. • Balances strategic capacity with stronger local connection, reducing the risk of decision-making feeling too remote from residents.	Retain democratic connection DEMOS' Preventative State stresses resilience depends on maintaining strong civic relationships. Four unitaries are small enough to preserve proximity to residents, but large enough to enable strategic decision making on significant pressure areas with accountable leadership

Objectives		3UA	Summary Narrative on 3UA	4UA	Summary Narrative on 4UA	Detailed Commentary on suitability of 4UA
			effective engagement mechanisms.			
Build organisational resilience and future delivery capacity	To create unitary authorities with the scale, skills, and structural resilience needed to respond to future challenges and opportunities, adapt to changing demands, and continue delivering high-quality services in the face of economic, social, and environmental pressures		Some similar benefits to four unitary but with the following considerations: • Workforce planning can become more generic across larger areas, losing flexibility to local needs. • Fewer leadership teams reduce bandwidth for innovation, national engagement, and attracting investment. • Less scope for tailored resilience strategies		Compared to three unitary: • Four viable organisations each with sufficient scale for resilience, while avoiding over-concentration risks. • Four leadership teams create greater capacity for innovation, adaptation, and investment attraction. • Workforce plans can be tailored to local conditions, while still pooling specialist recruitment county-wide - Four unitaries allow tailored workforce strategies (training link workers, youth workers, social prescribers) matched to local demand and context, improving recruitment and retention. • Allows differentiated resilience strategies matched to Lancashire's varied geographies. Plus Secure scale and stability without over-centralisation Four unitaries are each large enough to deliver strong corporate services and financial sustainability, but not so large	Secure scale and structural resilience without creating fragility Four unitaries are each large enough to run robust corporate functions, specialist teams, and sustainable budgets, but without the risks of over-centralisation. Develop adaptive, preventative service models LGA/ADASS evidence shows prevention reduces long-term costs and strengthens resilience by lowering demand pressures. Four authorities provide the governance and budget cycles to embed prevention lines more consistently, while creating parallel spaces to experiment with new models. This builds capacity to adapt to changing demographic, economic, and health demands. Retain responsiveness while investing in long-term capacity DEMOS' Preventative State stresses resilience depends on maintaining strong civic relationships. Four units are small enough to preserve proximity to residents, but large enough to generate the surpluses and investment power needed to develop digital platforms, green infrastructure, and new workforce pipelines that underpin long-term resilience.

Objectives		3UA	Summary Narrative on 3UA	4UA	Summary Narrative on 4UA	Detailed Commentary on suitability of 4UA
					that they become unwieldy. This creates structural resilience while avoiding the risks of over-concentration. Embed prevention to reduce future demand pressures By mainstreaming early intervention across four organisations, Lancashire can consistently lower long-term costs and pressures on services, strengthening the system's ability to cope with demographic and economic change. Balance long-term investment with local responsiveness Four authorities have the capacity to invest in digital, infrastructure, and workforce pipelines, while keeping close enough to communities to adapt quickly when demands change. Strengthen cross-sector partnerships Four units align more effectively with NHS, schools, police, and VCSE partners, enabling coordinated responses to future shocks such as pandemics, climate risks, or economic restructuring.	Strengthen system-wide partnerships for future challenges Resilience requires cross-sector collaboration. Four authorities align more effectively with NHS footprints, police divisions, school clusters, and VCSE networks than fewer, larger bodies. This makes it easier to co-invest in prevention, share data across agencies, and mobilise joint responses to shocks such as climate events, pandemics, or economic restructuring. Build and sustain a skilled workforce Future resilience hinges on the right workforce. With four units, each can tailor workforce strategies to local demand (social care, community health, youth work, housing) while collaborating at Lancashire scale for specialist recruitment, leadership development, and staff wellbeing. This balance protects frontline capacity while building system-wide resilience. Increase innovation capacity through multiple leadership teams Having four executive and political leadership teams creates more bandwidth to engage with national programmes, attract investment, and pilot innovative service models. This diversity of leadership increases the chance of successfully adapting to emerging challenges and scaling what works across the county.

Objectives		3UA	Summary Narrative on 3UA	4UA	Summary Narrative on 4UA	Detailed Commentary on suitability of 4UA
					Build workforce resilience Each unitary can shape its workforce plan to local needs while collaborating county-wide on specialist recruitment and leadership development, protecting frontline capacity and future delivery skills. Increase innovation capacity With four leadership teams, Lancashire gains multiple centres for piloting, learning, and scaling innovation, enhancing adaptability to future opportunities and challenges. Tailor resilience strategies to diverse local pressures Different parts of Lancashire face different risks — coastal flooding, industrial transition, rural isolation. Four unitaries allow focused local resilience plans while still pooling resources for shared county-wide issues.	Ensure resilience to external shocks and future uncertainty Environmental and economic pressures will hit Lancashire’s places differently. Four authorities mean each can focus on localised adaptation strategies (e.g., flood resilience for coastal areas, economic transition for industrial towns, connectivity for rural areas) while pooling resources where common solutions are needed. This balance is central to long-term system resilience.

Appendix 5 – Shortlist appraisal - Economic

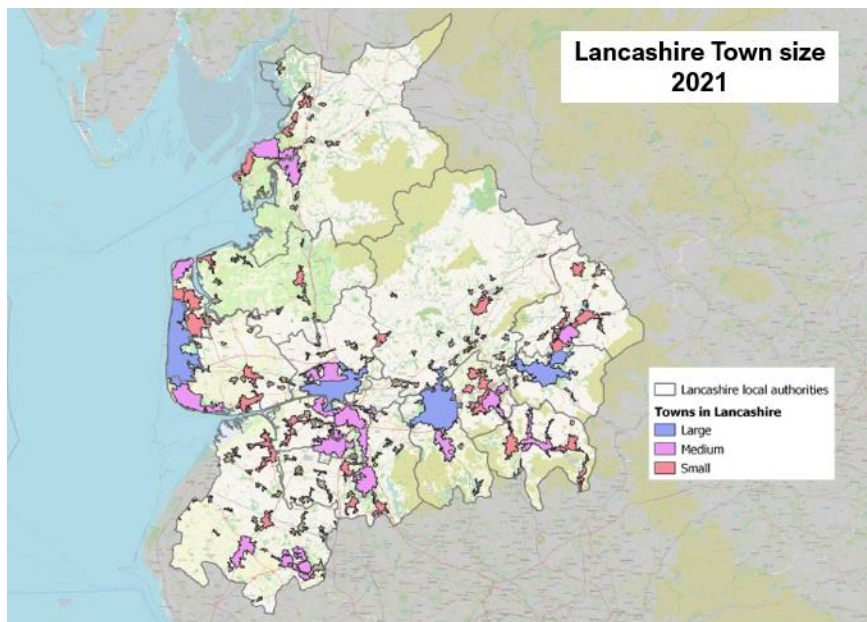
Strategic Objective: *Establish the strongest platform for partnership with a future Lancashire Mayoral Strategic Authority*

Lancashire took its first steps towards devolved government with the creation of the Lancashire Combined County Authority in February 2025, which has a vision to “build upon [Lancashire’s] strengths to become a globally recognised, highly competitive, and sustainable region celebrated for its quality of life, connectivity, and opportunity”. Under this foundation level deal the region’s devolved administration will be pursuing interventions around local transport planning, skills improvements and sectoral development; however, a further evolution into a Mayoral Strategic Authority (MSA) will be required if the region is going to utilise additional powers such as a multi-year integrated transport settlement, development corporations to accelerate site development, or gainshare funding.

The effectiveness of an MSA is dependent on the strength and coherence of its constituent local authorities. While the MSA provides the strategic direction, leverages devolved powers, and coordinates investment across the region, it relies on constituent authorities to deliver interventions on the ground, provide local intelligence, build investable propositions and new ideas for projects, and ensure that strategies are responsive to the unique assets and challenges of each area. In practice, this means that the MSA’s ability to develop and implement Local Growth Plans, skills strategies, and transport frameworks is only as strong as the capacity, economic coherence, and collaborative culture of its member authorities.

Both the three unitary and four unitary options are well positioned to serve as the foundation for a future Lancashire MSA. For an MSA to deliver region-wide economic development, it is essential that its constituent authorities function as coherent economies, each with sufficient scale and a relevant mix of economic and community assets; the evidence base demonstrates that both the three unitary and four unitary models achieve this.

Both options feature unitary authorities which have population and economy sizes equivalent to those seen in existing MSAs such as Greater Manchester and the West Midlands. Each proposed unitary authority contains a diverse mix of large, medium, and small towns, underpinning a polycentric pattern of growth. This structure sees no single area dominate, allowing for both local distinctiveness and collective strength. Each unitary authority in both three unitary and four unitary proposals include a strong education offer, have north-south road and rail connectivity, and generally contain a mix of rural and urban typologies.



In terms of economic geography, evidence from the Lancashire Independent Economic Review (2021) shows that the three unitary and four unitary options best align with the four economic growth corridors reflective of workforce commuting patterns. The three unitary East includes the corridors from Clitheroe to Darwen through Blackburn, and from Colne to Rawtenstall via Burnley, highlighting the potential for a UA centred on manufacturing specialisms. The three unitary South acknowledges commuting patterns via the M6 and West Coast mainline, with Preston identified as a primary destination for workers.

The 4UA option similarly encompasses the corridor between Clitheroe to Darwen through Blackburn, and from Colne to Rawtenstall via Burnley within its East unitary authority; the exclusion of Ribble Valley from this UA means that some small element of work commuting will occur across UA boundaries for Ribble Valley residents. The four unitary authorities North and South also fully recognise the M6 axis stretch from Lancaster to West Lancashire, creating a platform for collaboration between the two unitary authorities and an MSA on advantageous infrastructure plans.

Importantly, the four unitary configuration offers a unique advantage: it is the only proposal that fully contains the Fylde Coast corridor - Blackpool, Fylde, and Wyre - within a single unitary authority. This is significant, as the Fylde Coast is characterised by highly localised labour markets and economic containment; keeping these areas together within one authority enables more coherent planning and delivery of transport, skills, and regeneration initiatives.



Taken together, the economic components, spatial configuration, and asset distribution achieved through both the three unitary authority and four unitary options support the Government’s vision for MSAs: to create strategic authorities that are large enough to drive transformational change yet locally attuned enough to deliver place-based interventions. By aligning administrative boundaries with real economic geographies and ensuring each unitary authority is both viable and distinctive, these models provide a robust and future-proof platform for Lancashire’s devolution journey.

However, it is important to acknowledge that, on needs-based indicators such as deprivation, earnings, health, and business concentration, both the three unitary and four unitary represent inequality between constituent authorities. For example, the analysis shows that in the four unitary model the East unitary authority has a significantly high level of deprivation, with 59% of the population living in neighbourhoods ranked in the bottom three national deprivation deciles in 2019. This is a level of deprivation concentrated in one single unitary authority that is slightly higher than the three unitary authority East at 52%. The four unitary authority option also features areas of high inequality between authorities on aspects of demography and earnings. Under the four unitary option, the annual earnings gap between UAs is £7,354, which is larger than the three unitary gap.

Whilst the four unitary option has a greater number of indicators where there are high inequalities between UAs, the 3UA has the greatest inequality between unitary authorities for Gross Value Added or economy size. The three unitary option splits Lancashire’s economy into a North unitary authority which contributed £11.4bn to the national economy in 2022, East at £12.7bn and a South unitary authority higher at £15.5bn; this means there is a £4.1bn difference between the largest and smallest unitary authority economically. This means that the economic weight and fiscal capacity of each unitary authority would vary considerably, potentially affecting their ability to contribute equally to region-wide initiatives.

Perfect equity between local authorities is rare and arguably not necessary for success. In fact, much of the purpose of MSAs is to enable a place-based and spatially targeted approach that is joined up to a realistic picture of the regional economy. The evidence suggests that spatial inequalities are best addressed through

collaboration with authorities that are attuned to the neighbourhoods and communities facing the greatest challenges. For example, the asset and population cluster analysis shows that both the three unitary and four unitary models are well placed to allow for strategies that are responsive to the specific needs of deprived areas, while also leveraging the strengths of more prosperous areas.

In conclusion, the three unitary and four unitary LGR proposals provide the strongest platform for partnership with a future Lancashire Mayoral Strategic Authority. They align with government criteria for scale, economic coherence, and governance; group local authorities in ways that reflect real economic geographies and sectoral strengths; and distribute assets and opportunities in a way that supports both regional growth and targeted interventions. While both models present challenges in terms of managing inequality and political dynamics, these are outweighed by the opportunities for collaborative, strategic economic development that MSAs are designed to deliver. With effective governance and a commitment to partnership, either the three unitary or four unitary model would provide a robust foundation for Lancashire’s future under a Mayoral Strategic Authority.

Strategic Objective	3UA	4UA
Establish the strongest platform for partnership with a future Lancashire Mayoral Strategic Authority		

Strategic Objective: *Ensure Lancashire plays a stronger role in the North’s growth*

The *Lancashire Independent Economic Review (2021)* makes clear that closing Lancashire’s productivity gap with the rest of the UK is both an economic and social imperative. Lancashire currently faces a structural productivity problem: across almost all sectors, productivity is lower than the English average, and this underperformance is the single biggest contributor to the county’s output gap. This is not simply a matter of sectoral mix; it reflects low “in-work” productivity, weak engagement with high-value supply chains, and relatively low levels of innovation adoption and diffusion.

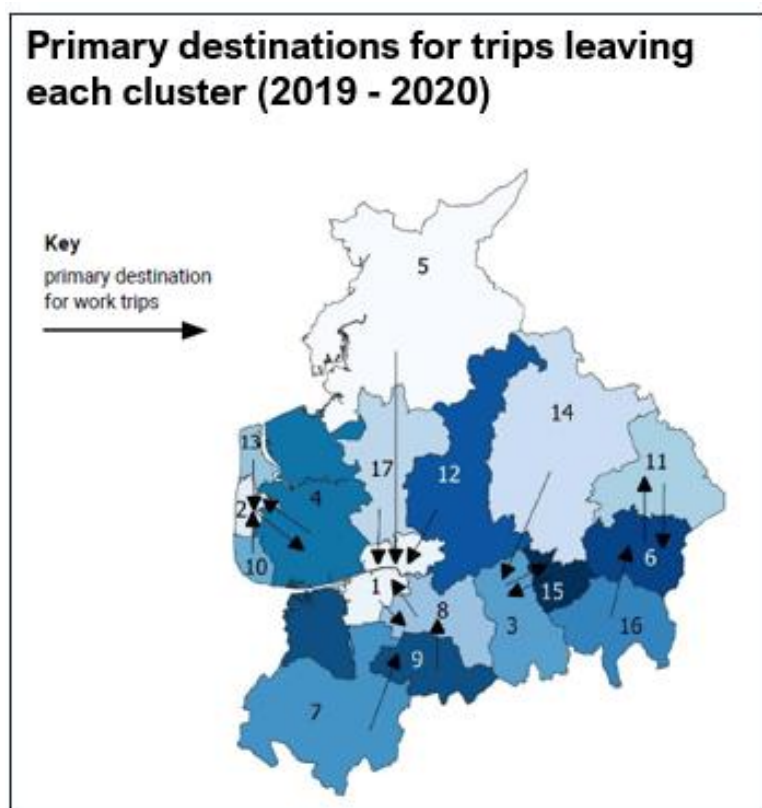
The consequences are profound: a preponderance of low-wage, low-value jobs, reduced spending power, and economic precarity, all of which limit Lancashire’s ability to contribute fully to the North’s growth and to national GVA. Addressing this gap is essential not only for regional competitiveness but also for improving life chances, as higher productivity underpins better wages, stronger public services, and healthier, more resilient communities. As the LIER argues, productivity must be placed in the service of prosperity, understood broadly to include income, health, wellbeing, and environmental sustainability, so that growth translates into tangible benefits for people and places across Lancashire.

One of the most significant barriers to higher productivity identified by the LIER is Lancashire’s relatively low level of innovation adoption and diffusion among its key sectors. While the county benefits from a strong manufacturing base, accounting for 19% of GVA and employing over 86,000 people, innovation performance lags behind national comparators, with Lancashire ranking 23rd out of 36 UK regions for innovation spend. The review highlights that innovation does not occur in isolation; it thrives in ecosystems where businesses interact across sectors and technologies, often in collaboration with research institutions. These networks are currently underdeveloped in Lancashire, limiting the ability of firms to move up the value chain and embed themselves in high-value supply chains. To address this, the LIER recommends that local government take an active role in fostering these connections, for example through “Grand Challenges” that bring together businesses, academia, and investors around shared missions such as industrial decarbonisation or health

innovation. In the context of local government reorganisation, this means that unitary authorities with coherent sectoral profiles and complementary specialisms will be better placed to design targeted interventions that stimulate innovation and drive productivity growth.

Both the three unitary and four unitary options, as established in the short-list options appraisal and the economic evidence base, divide Lancashire's economy into boundaries that pull out distinctive sectoral specialisms in each UA. However, the four unitary option does this most successfully and is, on balance, the most likely to enable Lancashire to play a stronger role in the North's growth.

Rural Lancashire is part of East unitary authority, providing the area with valuable local knowledge, business links, and insight into manufacturing development and investment opportunities. Similarly, the three unitary South is well placed to build on its professional services and administrative specialism, with Preston as a key economic centre. However, the three unitary North brings together the distinct tourism and visitor economy specialism of Blackpool, Fylde, and Wyre with the defence and agricultural specialisms of Lancaster. This amalgamation risks diluting the focus on the visitor economy, making it harder for the North unitary authority to develop interventions that meaningfully promote interaction within sectors that share a value chain.



The challenge is compounded by commuting patterns: the three unitary North encompasses an insular western economy (Blackpool, Fylde, Wyre) and a northern economy (Lancaster) that is more closely linked, in terms of sectoral and commuting synergy, to areas southwards rather than westwards.

In contrast, the four unitary model avoids these potential barriers by drawing boundaries that more accurately reflect Lancashire's economic geography and sectoral strengths. The four unitary East encompasses the manufacturing belt of Pennine Lancashire, putting it in a strong position to foster connections between manufacturing firms and to collaborate with the MSA on targeted interventions. The four unitary North is more coherent, reflecting a distinct rural specialism and more logical southward linkages for professional business services commuting. Most notably, the four unitary West encompasses the self-contained economic geography of Blackpool, Wyre, and Fylde. By keeping these areas together, the four unitary West is better

positioned to be close to the businesses, workers, and labour market that drive the visitor economy, and to foster innovation in this specialism; this is particularly important consideration given the West’s higher unemployment and economic inactivity rates.

The evidence shows that the four unitary model’s approach to sectoral clustering and economic geography is more likely to support the kind of cross-sectoral innovation and diffusion that the LIER identifies as critical for closing the productivity gap. By creating unitary authorities with more distinct and internally coherent sectoral profiles, the 4UA model enables local government to develop more targeted, sector-led approaches to business support, skills development, and innovation diffusion. This, in turn, creates the conditions for Lancashire to play a more significant role in the North’s growth, both by raising its own productivity and by contributing more effectively to the wider regional and national economy.

Strategic Objective	3UA	4UA
Ensure Lancashire plays a stronger role in the North’s growth		

Strategic Objective: *To ensure geographical coherence that reflects communities and functional boundaries*

For residents, the success of local government reorganisation (LGR) in Lancashire will depend on whether the chosen configuration of boundaries preserves local affinity with democratic structures while delivering tangible improvements in public services and economic opportunity. People need to feel that their local authority reflects their sense of place and identity, while also being large enough to plan and deliver services effectively. Therefore, a key objective of LGR is to create a geography that is coherent aligned with both community identity and functional economic and social boundaries.

Among all the LGR proposals the three unitary and four unitary models achieve this balance most effectively. However, the evidence suggests that the four unitary option performs better overall because it proposes unitary authorities that are closer in scale to existing communities, minimising disruption during transition, and because its boundaries more accurately reflect Lancashire’s functional economic geography.

The three unitary model proposes population sizes that are significantly larger than residents are accustomed to under the current two-tier system. While these sizes broadly align with the government’s nominal 500,000 population benchmark for efficiency, various research commissioned by the County Council Networks infers a broader population range, and research by the District Councils Network sets out that local democracy and citizen engagement is more likely to be damaged the larger local government becomes.

The four unitary option, with its smaller population units, therefore, offers a compelling alternative: it retains the potential for radical service improvement while remaining closer to communities. This proximity matters. Smaller unitary are likely to foster stronger engagement between residents and local government, enabling councillors and officers to maintain closer relationships with communities and develop deeper local intelligence - factors that are critical for responsive service delivery and effective place-based policy.

Boundary alignment with functional economic areas further strengthens the case for the four unitary model. The LIER highlights Lancashire’s complex economic geography characterised by distinct economic corridors and labour markets rather than a single dominant centre. The four unitary option respects these patterns more faithfully than the three unitary model. For example, the three unitary configuration groups Lancaster with the Fylde Coast, despite evidence that Lancaster’s economic and commuting ties are stronger southwards

towards Preston and eastwards into Ribble Valley. In contrast, the four unitary creates a distinct West UA encompassing Blackpool, Fylde, and Wyre - an area with a relatively self-contained economy and strong internal labour market linkages. This alignment reflects not only functional economic geography but also local perceptions of identity and community, which the LIER identifies as critical for building legitimacy and trust in governance structures.

Building unitary authorities that are representative of both local identity and functional economic geography provides the strongest foundation for success. It ensures that residents feel connected to their local government, sustaining participation in democratic processes, while enabling authorities to develop a nuanced understanding of the opportunities and challenges facing their areas. In turn, this creates the conditions for more effective, place-based strategies that can improve productivity, tackle deprivation, and enhance quality of life.

Strategic Objective	3UA	4UA
Ensure geographical coherence that reflects communities and functional boundaries		

Appendix 6 - LGR Resident Survey Methodology and Results

Lancashire Local Government Reorganisation engagement Survey and promotion summary Methodology

Overview

All Lancashire councils worked together to produce survey wording. This was designed to discover not only people's preferences for the structure of their local councils, but also what they felt was most important in designing the new councils.

People also had a chance to think more widely about the potential benefits and any concerns relating to the reorganisation.

The survey itself was built using the interactive GiveMyView survey platform, which uses quick, image-focused, enjoyable question formats to encourage respondents to engage.

While primarily promoted as a digital survey, paper copies were available, as was assistance from council staff in filling out the survey online.

Outreach

Promotion of the survey was carried out by each council using existing communications channels, and by paid advertising online.

The Lancashire LGR working group, comprising representatives from councils across the county, provided a toolkit to all councils to help them inform staff and residents, and to promote the survey through their channels, including social media and newsletters.

Paid advertising targeted all age ranges across the whole county on Facebook and Instagram. The advertisements were viewed 719,735 times, and 13,411 clicked through to view the website, with more of a focus on postcodes with lower response rates.

Survey wording

In which capacity are you answering this survey? (choice of up to 3)

- Lancashire resident
- Work in Lancashire
- Councillor
- Business owner
- Charity or community group
- Member of council staff
- Don't live/work in Lancashire
- Other

What is the first half of your postcode? (open text)

How do you identify the place you live? (select one)

- Village
- Town
- City
- District

- Borough
- County
- I do not live here
- Other

How important is access to parks and green spaces? (rating out of 5 stars)

How important is Affordable Housing? (rating out of 5 stars)

How important are benefits, financial advice and support? (rating out of 5 stars)

How important is reliable and accessible transport? (rating out of 5 stars)

How important are good health and care services? (rating out of 5 stars)

How important are schools and opportunities for children and young people? (rating out of 5 stars)

How important is adult education, training, skills and apprenticeships? (rating out of 5 stars)

How important are local job opportunities and support for businesses? (rating out of 5 stars)

How important is a strong sense of community and community support services? (rating out of 5 stars)

How important is leisure and culture (museums, libraries, leisure centres etc.)? (rating out of 5 stars)

How important is access to digital services and connectivity? (rating out of 5 stars)

How important is environmental sustainability and climate action? (rating out of 5 stars)

How important are waste and recycling services? (rating out of 5 stars)

How important is planning (e.g. housing, new developments and infrastructure)? (rating out of 5 stars)

Are there any other aspects of local government that are important to you? (rating out of 5 stars)

How would you rate your experience with council services in your area? (slider rating from very sad to very happy, optional open text for further feedback)

What is your preference?

- New larger unitary councils
- Retain the current councils
- Not sure

How important is easy access to all council services in one place? (rating out of 5 stars)

How important are consistent and reliable services? (rating out of 5 stars)

How important is providing good value for money and efficient use of resources? (rating out of 5 stars)

How important is clear and accountable decision-making? (rating out of 5 stars)

How important is a visible and active presence in local communities? (rating out of 5 stars)

How important is having a variety of ways to contact the council? (rating out of 5 stars)

How important is involving residents in decision-making? (rating out of 5 stars)

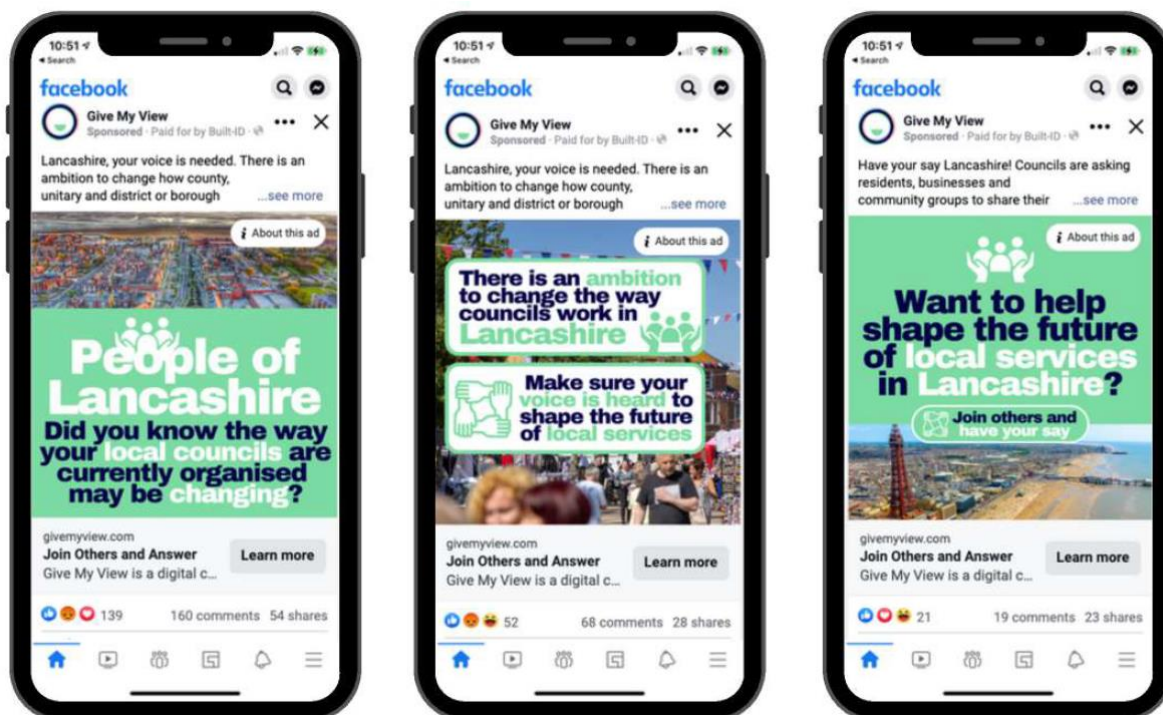
How important is working closely with other public services (e.g. NHS, police)? (rating out of 5 stars)

How important is using technology and innovation to improve services? (rating out of 5 stars)

What benefits, opportunities and improvements, if any, do you feel new larger unitary councils will offer? (open text)

What concerns, if any, do you have with creating new larger unitary councils? (open text)

Marketing examples





Overview results



Survey results

In which capacity are you answering this survey?
13,410 respondents answered this question



Postcode data



What is the first part of your postcode for your home / business / organisation?

Out of 11,989 respondents who answered this question, the most frequent postcodes provided you can see to the right. We received the highest response from the FY8 postcode and the lowest from BB18.

52%

...of people described the place they live as a town in response to the question 'How do you identify the place you live?'

23% of people said that they consider it a village.

1% of respondents selected the option 'other' which allowed them to write how they identify the place they live. The most frequently used word was 'town' followed by 'village', other responses highlight a mix of urban, rural, suburban identities, with some taking this opportunity to share concerns.



Survey results



The following questions were asked in the format of a 5 star rating, respondents were asked to rate the importance of the following council services and offerings:



The data showcases to us that good health & care services is considered the most important amongst this community. Benefits, financial advice & support was given the lowest rating, although still not considered a negative score it indicates that this is still of importance amongst community members.



Are there any other aspects of local government that are important to you?

8,036 respondents answered this question with a written response, the most common themes that we can see from the answers are showcased below:

Local identity & representation

(3,601 comments)

People are strongly protective of their local identity and want decision-making to stay close to home. The respondents are often emotional, with themes of pride, belonging and fear of being overlooked in larger systems.

Roads, transport & infrastructure

(2,115 comments)

Daily frustrations dominate here such as road quality, parking, congestion and public transport reliability. People want practical improvements that make day-to-day life easier.

Public services & accessibility

(1,496 comments)

There's worry about losing access of face-to-face services and concerns around digital-only solutions. Residents want services to remain local, fair and broadly, easily accessible.

Social care & health

(1,187 comments)

This is a key emotive theme with concern for elderly care, NHS links and vulnerable groups. The respondents here seem anxious about stretched provision and the need for more compassion for the locals.

Housing & planning

(1,017 comments)

There is some support here for affordable housing but it is matched with resistance to overdevelopment and loss of cherished countryside. People want options that balance growth with preserving heritage and key infrastructure.

Cleanliness & environment

(908 comments)

A blend of frustration and aspiration surrounding the topics of clean streets, green spaces and recycling are linked to pride of place and general wellbeing.

Policing & safety

(801 comments)

Crime, antisocial behaviour and lack of visible policing drive a sense of insecurity in the local area. There is a sense of urgency and calls for stronger community policing.

Council tax & value for money

(743 comments)

Residents feel they pay too much for too little, with calls for transparency and less monetary waste has the potential to foster a less negative view towards council spending.

Survey results



How would you rate your experience with council services in your area?

This question was posed as a slider, therefore all respondents were asked to move the slider up or down the scale to indicate how they feel about the council services in their area. The value on the slider determined the emoji face that was seen, for example, the highest value being love-heart eyes and the lowest being a red angry face. The overall average slider value was:

63%

To the left you can see how the slider value changes based on the postcodes given.

The postcode that gave the highest slider value and therefore has had the best experience with the council services was FY8, the postcode with the lowest average slider value was PR2, indicating that they have had on average the worst experience.



After the respondents gave their slider feedback score, they were asked to explain why they felt that way. 7,000 written responses were left, here is a snapshot of what was said:

Positive slider values

(4,350 comments)

Service quality & responsiveness (1,662)

Infrastructure & facilities (964)

Community & activities (626)

Residents in this group are generally satisfied, highlighting reliable services, decent infrastructure, and strong community activities as reasons for their higher scores. While broadly positive, some still mention concerns about fairness or waste, showing that trust is not universal even among the satisfied.

Neutral slider values

(1,361 comments)

Service quality & responsiveness (404)

Infrastructure & facilities (299)

Negative perceptions / distrust (135)

This group shares inconsistent experiences, with some services working well while others don't. Their feedback often notes patchy infrastructure and uneven support.

Negative slider values

(1,187 comments)

Infrastructure & facilities (363)

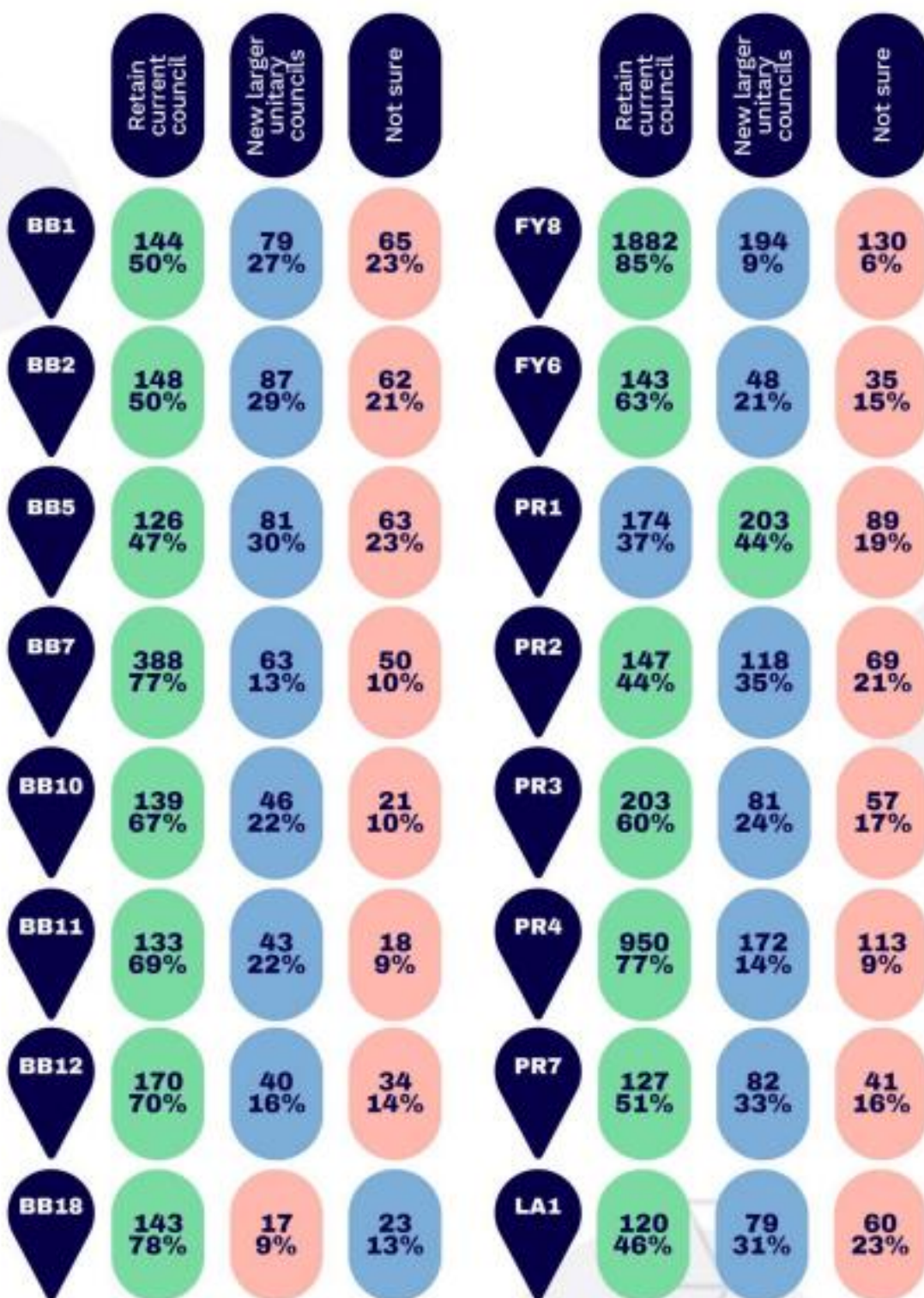
Service quality & responsiveness (358)

Negative perceptions / distrust (236)

Respondents here feel let down, especially on infrastructure, service quality, and trust, which dominate their concerns. The tone is one of frustration and disconnection, with a strong sense that the council is not meeting their needs.

Survey results

The respondents here were asked to select one option out of 3 in response to the question "What is your preference?" regarding local council reorganisation options. You can see below the highest selected options per each postcode.



Survey results



The following questions were asked in the format of a 5 star rating, respondents were asked to rate the importance of the following council operating elements:



The data showcases a consistent and reliable service is considered the most important element that the council can deliver. The use of tech and innovative solutions was given the lowest rating, although still not considered a negative score it indicates that this is still of importance to the community.



Survey results



What benefits, opportunities and improvements, if any, do you feel new, larger, unitary councils will offer?

7,728 people answered this question, here is a snapshot of what they said:

Scepticism / No Benefit (3,308 comments)

Most people believe larger councils will bring no real advantages, with many expressing cynicism and frustration. The prevailing view is that this change is unnecessary and unlikely to improve local life.

Quality of Services & Delivery (1,689 comments)

Some respondents hope for streamlined, joint services, while others fear that service quality will decline, especially in smaller or more remote areas. Concerns centre on consistency and accessibility.

Service Efficiency & Cost Savings (1,637 comments)

A portion of the community sees potential in reducing duplication and achieving economies of scale. However, this optimism is tempered by fears that "bigger" could also mean inefficiency, slow processes and lack of flexibility.

Local Representation & Democracy (1,578 comments)

There is a concern that local voices will be drowned out, leaving communities feeling disempowered and disconnected from decision-making. Many fear that larger councils will impact accountability and democracy.

Community Investment & Infrastructure (665 comments)

Some people hope bigger councils could channel more resources into infrastructure and community development. There is equal worry that unique local needs will be overlooked and investment unevenly spread.

Fairness & Rural Concerns (297 comments)

Residents in rural or smaller towns feel vulnerable, fearing they will be ignored in favour of larger urban centres. This theme reflects worries about fairness and distribution of resources.

What concerns, if any, do you have with creating new, larger, unitary councils?

8,642 people answered this question, here is a snapshot of what they said:

Loss of Local Identity & Representation (4,314 comments)

The strongest concern is that local voices, community identity and representation will be lost in a larger system. Many feel they will lose their sense of belonging and any influence they had over local decisions.

Service Quality & Accessibility (2,300 comments)

Residents worry that services will become harder to access, slower or of lower quality, particularly for smaller towns and villages. There is fear of becoming less connected to decision-makers.

Unfair Distribution of Resources (1,135 comments)

Many feel smaller communities risk being ignored, with funding and investment directed disproportionately toward larger urban centres. Concerns focus on fairness in treatment.

Bureaucracy & Inefficiency (1,114 comments)

Larger councils are seen as more wasteful, bureaucratic and costly, with fears of "faceless" systems that consume resources without improving delivery.

Confusion & Transition Risks (722 comments)

Respondents anticipate disruption and uncertainty during the transition, with doubts about whether diverse local needs can be effectively and efficiently addressed.

Scepticism / No Concerns (341 comments)

A minority of responses expressed no concerns, or are either indifferent or unconvinced that changes would affect them personally.

Digital Marketing Results

Facebook & Instagram



13,411
Link Clicks

From the digital advertising



182,680
Reach

The amount of people who were shown the ads at least once

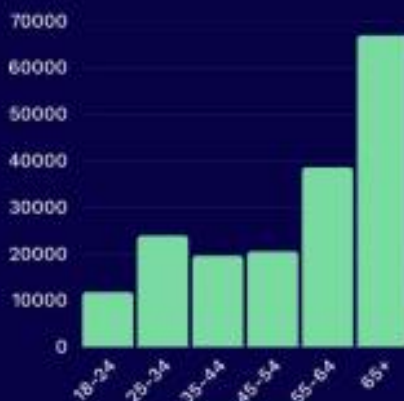


719,735
Impressions

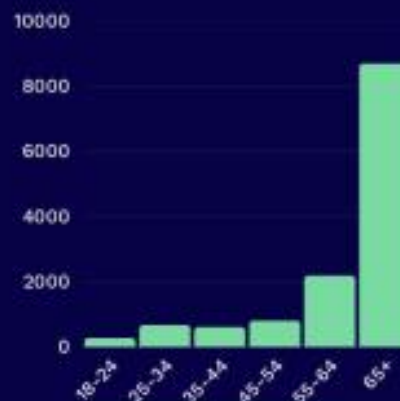
The number of times that adverts were viewed in total

Link clicks are any interactions like clicks, taps, or swipes on the ad's text, media, or call to action that lead to destinations or experiences.

Ages Targeted

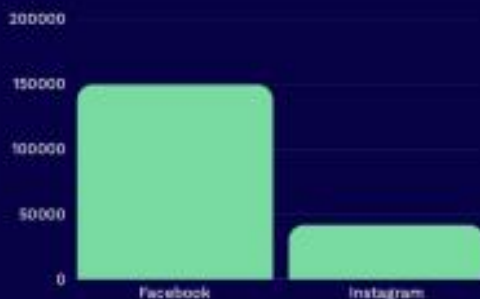


Reach

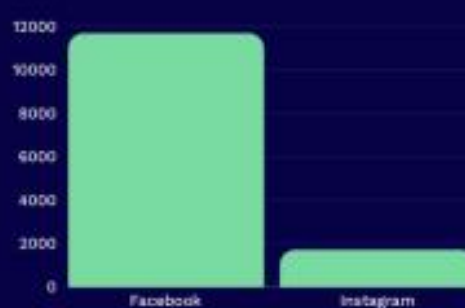


Link Clicks

Ad Placement



Reach



Link Clicks

Top Performing Ads Facebook & Instagram



Clicks: 3,996
Reach: 84,549
Impressions: 206,504



Clicks: 3,819
Reach: 69,260
Impressions: 145,109



Clicks: 2,700
Reach: 81,388
Impressions: 192,137

Digital Marketing Summary



This campaign had the highest engagement in terms of clicks from older members of the community; those over 65 showed the greatest level of engagement, followed closely by those aged 55–64. Although different age groups also saw the ads, it was still the older generation that responded the most. This is typical, as younger people are generally harder to engage, especially when it comes to certain topics. We also observed that the most cost-efficient age group was those aged 65+, meaning they were the easiest to convince to engage with the ads.

Facebook was the most successful platform in terms of engagement, likely because older community members use it more frequently than Instagram. However, Instagram still played a valuable role, particularly in reaching younger age groups.

The first ad shown in this summary received the highest number of clicks and was also the most cost-efficient among the top three. Ads with more green included also performed better than those with more white. Additionally, ads calling out Lancashire in larger font size performed better than the smaller text.