

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL
PORTFOLIO HOLDER'S
REPORT TO CABINET

6 May 2025

Report Title: Local Government Reorganisation

Submitted by: Leader of the Council

Portfolios: One Council, People and Partnerships

Ward(s) affected: All Wards

<u>Purpose of the Report</u>	<u>Key Decision</u> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
<p>To update Cabinet on recent activity around the submission of Newcastle-under-Lyme Borough Council's submission of an interim plan to Government and for agreement of next steps.</p>	
<p><u>Recommendation</u></p> <p>That Cabinet:</p> <ul style="list-style-type: none"> Notes the confirmation of the Council's submission of its interim plan for Local Government Reorganisation. Endorses the next steps for workstreams as set out in section 3 of this report and agrees that the Chief Executive, in consultation with the Leader of the Council, progresses the necessary activity to prepare for submissions to Government in November 2025 Notes that Newcastle-under-Lyme Borough Council did not endorse the joint progress update of Staffordshire Leaders Agrees that data be shared between authorities to assist in development of submissions Expresses and confirms its view on amendment of the terms of reference for the Staffordshire Leaders' Board as set out in Appendix 1 to this report. Calls for Newcastle-Under-Lyme's Members of Parliament to support the Borough's resolutions as set out in the report to full Council of 19th March 2025, and that they engage with Government Ministers in stating the case for the Borough. 	
<p><u>Reasons</u></p> <p>This report outlines the steps carried out in submitting Newcastle-under-Lyme Borough Council's interim plan to UK Government, planned future actions and consideration of the proposed amendments to the terms of reference for the Staffordshire Leaders Board to incorporate local government reorganisation.</p>	

1. Background

- 1.1 Following the release of its English Devolution White Paper on 16th December 2024, Government has expressed its intention to seek devolution settlements in every part of the United Kingdom, with the creation of new governance arrangements at revised population sizes.
- 1.2 The first formal stage of the Local Government Reorganisation process set out by the Government was for areas to submit Interim Plans by 21st March 2025.
- 1.3 For the Staffordshire and Stoke-on-Trent region, four such plans were submitted:
 - A submission from Staffordshire County Council advocating a single unitary council for the county (with a second existing unitary council in Stoke-on-Trent);
 - A submission from Stoke-on-Trent City Council advocating a North Staffordshire unitary authority to incorporate Newcastle-under-Lyme, Staffordshire Moorlands and the city of Stoke-on-Trent;
 - A South and Central Staffordshire proposal put forward by the six central and south Staffordshire authorities to create a new unitary on this geography; and
 - An interim plan with options for Newcastle-under-Lyme, submitted following endorsement by full Council.
- 1.4 Further detail of these submissions is set out in section 2 of the report. Following submission, the Minister for Local Government & English Devolution has written to all submitting authorities to advise that feedback will be provided from 28th April – in practice, this will be from 7th May 2025 for areas, to allow for the pre-election period. This feedback will be at a regional level – that is, it will be provided to all authorities in Staffordshire and Stoke-on-Trent as a whole, rather than the individual submitting authorities.
- 1.5 Prior to submission, the Minister and civil servants advised that the submissions formed a ‘temperature check’ for regions’ thinking around new structures, rather than a decision gateway. This has subsequently been confirmed at a webinar for local authority officers held on 3rd April, where civil servants have reiterated that they do not intend to rule options in or out at this stage. Similarly, options not previously considered within interim plans may be included in later submissions.
- 1.6 There is limited guidance on the form of the next formal stage of submissions, in November 2025 and whether this needs to include full business cases, alongside substantive evidence of need, data analysis and community engagement. Officers are of the view that further guidance is required to shape the detail of cases over the next few months.
- 1.7 For context, an overview of submissions across England shows that a small number of regions submitted a single plan for their area, some submitted no detail on the number or shape of unitary authorities, with most areas having multiple submissions and options.

2. Submissions

- 2.1 On 21st March 2025, following the resolution of full Council, Newcastle-under-Lyme Borough Council submitted its interim plan to UK Government, setting out its strong preference for retaining the status quo, but considering options for new unitary models were these to be imposed, including:

- 2.1.1 Supporting the investigation of a new unitary council on the footprint of the existing borough of Newcastle-under-Lyme (preferred unitary option);
- 2.1.2 Supporting the investigation of a unitary council covering the existing geographies of Newcastle-under-Lyme and Staffordshire Moorlands;
- 2.1.3 Supporting the investigation of a unitary council covering Newcastle-under-Lyme and Shropshire;
- 2.1.4 Supporting the investigation of a unitary council covering the geography of West Staffordshire;
- 2.1.5 Not currently favouring a single unitary authority for Staffordshire;
- 2.1.6 Not supporting a North Staffordshire unitary authority including Stoke-on-Trent.
- 2.2 The submission also noted that the Council was wholly supportive of the creation of a new Strategic Authority at an appropriate geography. The Council's preference for this to not be led by a Mayor was recorded.
- 2.3 Whilst in agreement with all other Staffordshire authorities in relation to the creation of a Strategic Authority, Newcastle-under-Lyme Borough Council was unable to support the submission of a joint progress report made by the Staffordshire Leaders Board, which set out the preferred positions of the two upper tier authorities in Staffordshire and Stoke-on-Trent. Specifically, Newcastle was unable to sign up to the submission of a North Staffordshire plan, noting that the submission could be accepted if reference is made only to the number of unitary authorities to be investigated for Staffordshire (including Stoke-on-Trent).
- 2.4 At a meeting of Staffordshire leaders on 19th March 2025, the Council sought for the wording of the joint progress report to be altered, this was not resolved and therefore Newcastle was unable to sign off the document or participate further in discussions.
- 2.5 The Staffordshire Leaders Board has asked for consideration of a change to the terms of reference of the Board to include local government reorganisation, as set out in Appendix 1 to this report. This would require a significant move away from the agreed terms of the Board as established, and as amended in 2024 with the inclusion of Stoke-on-Trent City Council. These revised terms would alter the balance and focus of activity and the Council is of the view that it would be more suitable to establish an alternate mechanism for progression of reorganisation. The current terms embed the principles and actions for devolution, which remain supported by the Council. It is not deemed appropriate to support the further changes to the terms of reference.

3. Development of November Submission

- 3.1 The next stages of development of submissions will rely on a number of factors, which will be informed by discussions with civil servants in coming weeks. These will likely include:
 - 3.1.1 Further discussions following County Council elections with other local authorities as set out in the interim plan;

- 3.1.2 Development of data analysis to set out projected service delivery principles for new unitary structures, including reviewing existing assets, staffing provision, service delivery mechanisms and forecast demand;
 - 3.1.3 The establishment of programme management arrangements and workstreams to cover legal, financial, cultural, people and resource implications of reorganisation;
 - 3.1.4 The design in principle of shadow unitary authority governance arrangements;
 - 3.1.5 Confirmation of election arrangements for Newcastle in 2026, with current indications being that these will proceed as planned.
- 3.2 In addition, data sharing agreements will need to be put in place with the County Council and other parties, to effectively access material for design arrangements set out above. The Council will formally request that data be shared on an 'open book' basis (respecting the confidentiality of such data), in line with Ministerial advice.

4. Recommendation

4.1 It is recommended that Cabinet:

- Notes the confirmation of the Council's submission of its interim plan for Local Government Reorganisation.
- Endorses the next steps for workstreams as set out in section 3 of this report and agrees that the Chief Executive, in consultation with the Leader of the Council, progresses the necessary activity to prepare for submissions to Government in November 2025
- Notes that Newcastle-under-Lyme did not endorse the joint progress report from Staffordshire Leaders
- Expresses and confirms its view on amendment of the terms of reference for the Staffordshire Leaders' Board as set out in Appendix 1 to this report.
- That data be shared between authorities to assist in development of submissions
- Calls for Newcastle-Under-Lyme's Members of Parliament to support the Borough's resolutions as set out in the report to full Council of 19th March 2025, and that they engage with Government Ministers in stating the case for the Borough.

5. Financial and Resource Implications

- 5.1 The resource implications for reorganisation cannot be fully assessed without further information from Government, and no figures or investment case has been provided to date.
- 5.2 Full Council considered the financial implications of reorganisation at its meeting of 19th March 2025. It was noted that the costs to authorities of both work to develop plans and to carry out reorganisation were unknown, but are likely to be substantial, and called on the Government to fully fund these costs.
- 5.3 Example costs include the procurement of specialist advice on likely service levels for new unitary authorities and support for development costs should a full business case be required.

- 5.4 Full Council also called for funding of a public referendum ahead of any changes to council structures.

6. Major Risks & Mitigation

- 6.1 Much remains unknown of detail at this stage so mitigation measures cannot yet be fully considered. Potential risks at this stage include staff recruitment and retention, a reduction in service delivery under a larger local authority, a potential 'democratic deficit' as elected members may be reduced in number and further from residents and a need to focus on reorganisation rather than get on with the day job of service provision.
- 6.2 *Financial sustainability* – Over recent years, the Council has delivered a balanced budget based on efficiencies across its services and investment in the borough whilst seeking to maintain optimum delivery for residents. It is unknown at what stage in a reorganisation process would restrict spending or borrowing, or whether areas in a much worse financial position would be prioritised over Newcastle.
- 6.3 *Effectiveness of change* – There is a lack of proven success where local government reorganisation has taken place elsewhere in the country to date, and at this stage limited detail on the business case/benefits of the approach being described in the White Paper.

7. UN Sustainable Development Goals (UNSDG)



8. One Council

- 8.1 Please confirm that consideration has been given to the following programmes of work:

One Commercial Council ☒

The reorganisation of local government would change the commercial asset holding of councils, for example leisure centres and museums, and decisions would be made on these at a unitary level. The exact nature of changes is unknown at this stage.

One Digital Council ☒

It is probable that newer, larger councils would need to align digital systems, the cost for which is not known.

One Green Council ☒

Newcastle Borough Council has declared a climate emergency and has developed its sustainability programme to meet a 2030 net zero target for its scopes 1 and 2

emissions. Other local authorities are at different stages of implementing net zero approaches.

9. Key Decision Information

- 9.1 This is a key decision as Local Government Reorganisation may affect residents in all wards.

10. Earlier Cabinet/Committee Resolutions

- 10.1 Cabinet – 4th June 2024 – Staffordshire Leaders Board Joint Committee
- 10.2 Cabinet – 6th January 2025 – English Devolution White Paper
- 10.3 Council – 22nd January 2025 - Devolution and Local Government Reorganisation: White Paper
- 10.4 Council – 19th March 2025 – Local Government Reorganisation

11. List of Appendices – TO BE ADDED

- 11.1 Appendix 1 – Staffordshire Leaders Board Draft Terms of Reference
- 11.2 Appendix 2 – Letter to Deputy Prime Minister and Minister for Local Government and English Devolution
- 11.3 Appendix 3 – Letter from Minister for Local Government and English Devolution
- 11.4 Appendix 4 – Covering Letter to Minister for Local Government and English Devolution and Newcastle-under-Lyme Borough Council's Interim Plan

12. Background Papers

- 12.1 [English Devolution White Paper](#), December 2024, HMSO.

Appendix 1: Staffordshire Leaders Board Draft Terms of Reference

Appendix 2: Letter to Letter to Minister for Local Government and English Devolution

Appendix 3 – Letter from Minister for Local Government and English Devolution

**Appendix 4 – Covering Letter to the Minister for Local Government and English Devolution
and Newcastle-under-Lyme Borough Council Interim Plan**