

Appendix A

Outline of Preferred Option for Local Government Reorganisation

Introduction

Newcastle-under-Lyme Borough Council has, since the English Devolution White Paper was launched by UK Government in December 2024, taken a strong stance that forced local government reorganisation presents a distraction both from the effective working of local authorities and from the goal – shared by all ten authorities in Staffordshire and Stoke-on-Trent – of meaningful and impactful devolution to the region. The Council remains of the view that reorganisation presents an unknown cost, risk and challenge to the delivery of services to residents and businesses in Newcastle-under-Lyme.

In our Interim Proposal, we were clear that Newcastle-under-Lyme has a long and proud history, a forward-looking view of adaptation for the future and a strong sense of place, working alongside our neighbours. This assessment recognised that across our region, we will strive for and all gain from economic investment in our region at all scales – from local businesses starting up and growing across Staffordshire and Stoke and beyond, to established global advanced manufacturing and world class service industries, with innovative regenerators of our town and city centres together with cutting edge spin-outs from our great academic institutions – all have a part to play at attracting and retaining investment, and the higher-skilled, higher-paid jobs we all aspire to be available to those who live and work here.

With this in mind, we needed to be clear on and test a number of factors:

- A majority of support from our residents to move to a new structure of local government;
- A balanced economy where places which invest and manage finances with strong fiduciary responsibility are not placed at disadvantage in ‘plugging gaps’ in areas which are struggling;
- A level of governance which demonstrates the true objective of devolution – having decisions made at the most appropriate local level, closest to those the decisions will affect;
- A geography which has meaning for investors, businesses, residents and anchor organisations (including co-terminus delivery where this makes sense)
- A population size which broadly aligns to broader objectives but has a local rationale – not so distant as to be remote governance, not an arbitrary level which confuses geography and population.

- A solution which will ensure that we continue to deliver quality services at the highest possible standard, not to the lowest common denominator or on a reduced basis to address historic financial troubles.

At its special meeting of 19th March 2025, full Council voted to endorse the Interim Proposal with its five options for investigation. These were:

1. A single unitary council based on the existing footprint of Newcastle-under-Lyme Borough Council (the preferred option of all parties);
2. The creation of a new unitary council across the existing geographies of neighbouring Newcastle-under-Lyme and Staffordshire Moorlands;
3. The creation of a new 'West Staffordshire' unitary council based on a connected M6 corridor, comprising Newcastle-under-Lyme, Stafford, Cannock, South Staffordshire;
4. The creation of a new unitary council comprising the existing unitary area of Shropshire and the existing borough geography of Newcastle-under-Lyme; and
5. The creation of a new unitary council on the footprint of the existing Staffordshire County Council.

At this meeting of Council, all parties rejected the inclusion of a North Staffordshire model (comprising Newcastle, Staffordshire Moorlands and Stoke-on-Trent) as an option for investigation.

What has changed?

Since the submission of an Interim Proposal in March 2025, and subsequent feedback from UK Government on 6th June 2025 (see Appendix B), there have been a number of changes to both the local and national context which have been included in considerations of the options for investigation. These include:

- The Government's amendment of population size from 500,000 as a hard target to asking that final submissions set out a clear rationale for their selected population size;
- The experience of local government reorganisation submissions in Surrey on 9th May 2025 and those areas within the Devolution Priority Programme (DPP) which submitted on 26th September 2025 showed that a variety of models for LGR delivery could be brought forward for consideration by Government – with no area submitting a single submission for their invitational area;
- The election of a new Administration for Shropshire Council, who are taking the necessary time to consider options for LGR (being outside of an invitational area) and devolution arrangements;
- The declaration by Shropshire Council of a 'financial emergency' has been considered where information has been available in the modelling of options – at this time, the full impact cannot be fully modelled so is considered a risk;

- The election of a new Administration for Staffordshire County Council, which has reviewed the County Council's previous position for a single unitary model and developed alternate options, including its preferred option of a two-unitary council model on a west-east footprint covering the whole of Staffordshire and Stoke-on-Trent. This model mirrors the west unitary option for investigation put forward by Newcastle-under-Lyme Borough Council in March 2025.
- The confirmation of its position by Staffordshire Moorlands District Council in favour of a North Staffordshire unitary authority comprising Newcastle-under-Lyme, Staffordshire Moorlands, Stoke-on-Trent and parts of the existing Stafford and East Staffordshire Borough Councils.

Consultation

Since December 2024, the Council has been engaged with key stakeholders in respect of the potential for shaping a meaningful local government geography. This engagement has taken place both through the Council's work directly, and in consort with other authorities across Staffordshire and Stoke-on-Trent, to reduce the consultation burden on strategic partners and explore key themes. This engagement work continues with stakeholders holding focused sessions with the Council's consultants.

Following receipt of the UK Government's response to Interim Proposals in June 2025, the Council has also carried out an online consultation with residents, businesses, those who work in and visit Newcastle-under-Lyme and Staffordshire/Shropshire. The results of this consultation are set out in Appendix C.

Modelling for a Preferred Option

The Council has engaged respected consultants, *Ignite*, to work with the authority on developing a final submission and business case, including modelling of the five options for investigation and reviewing comparator data for models being considered across the invitation area.

This modelling responds to the criteria set out in the invitation letter of January 2025, namely that a proposal:

- Supports sustainable economic growth, housing and infrastructure delivery
- Unlocks the full benefits of devolution
- Reflects and empowers Staffordshire's unique local identities and places
- Provides strong democratic accountability, representation and community empowerment
- Delivers high-quality, innovative and sustainable public services that are responsive to local need and enable wider public sector reform
- Secures financial efficiency, resilience and the ability to withstand financial shocks

UK Government has confirmed that these criteria will not be weighted in their consideration of submissions, but the modelling also seeks to demonstrate – for each option – the financial impacts including a financial sustainability baseline;

transformational and reorganisation benefits; and implementation costs.

The modelling also considers the number of times existing authorities are disaggregated; the complexity of disaggregation; the number of authorities being proposed; and the presence of continuing authorities.

Further considerations

In considering the options for investigation, the modelling for the final submission and business case will take into account the proposed governance arrangements, final shaping of a Strategic Authority area, preservation of ceremonial arrangements (with further work required post-submission in respect of the legal considerations of Newcastle's Aldermen and Burgesses), neighbourhood governance arrangements (including both the existence and absence of town and parish councils across the geography) and the presence or otherwise of a continuing authority.

Moreover, it is recognised that the reshaping of local government presents a distinct challenge, but if forced to do so the Council would wish to use the process to reshape the delivery of services at the right scale, balanced against the need to have unitary councils of the right shape and size for their population, heritage, functional economic and delivery area, and sense of place.

The Council and its consultants have elected to follow the guidance of UK Government in a preferred approach of using existing district, borough and unitary council boundaries as the building blocks of reorganisation modelling.

Newcastle-under-Lyme Borough Council's preferred option recognises that a range of public services are already delivered across a wide geography, and this will be further amended by the creation of, for example, new ICB geographies. The Council believes there are significant opportunities to reduce deficits and deliver more efficiently by implementing a 'shared-service first' approach to those parts of delivery which can best be delivered at scale, whilst retaining the local dimension for delivery at a local level to our residents and businesses. Examples of opportunities for shared service delivery include:

- Joint procurement of goods and services;
- IT and digital delivery;
- Using the Staffordshire Waste Partnership as a foundation for delivery of a single waste approach;
- Joined up, intelligence-led and customer responsive regulatory services;
- Strategic housing approaches to temporary accommodation;
- Support functionality

These known areas of challenge provide an opportunity to reshape delivery in areas where councils (of any size) face national burdens, recruitment challenges and a lack of strategic scale.

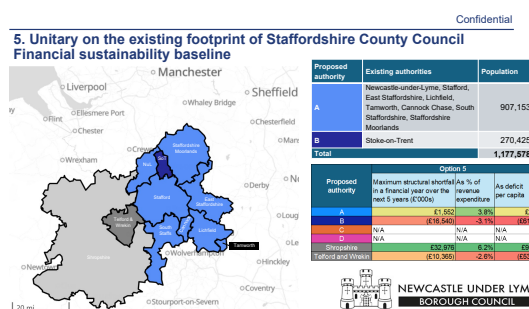
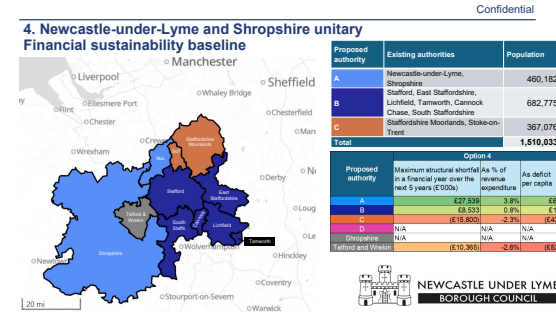
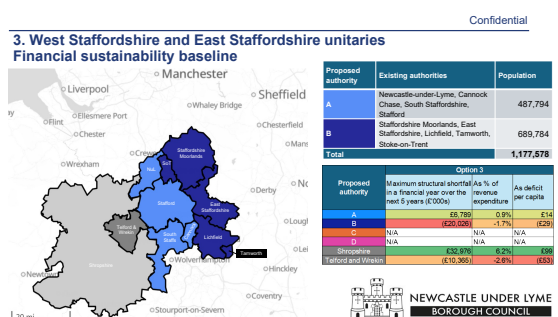
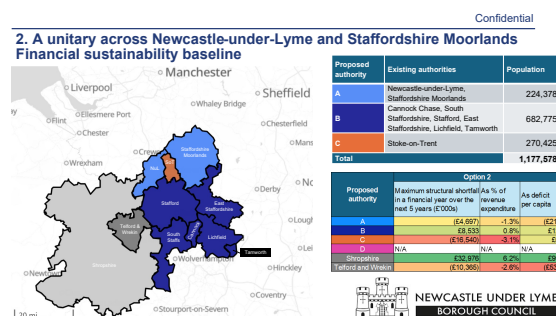
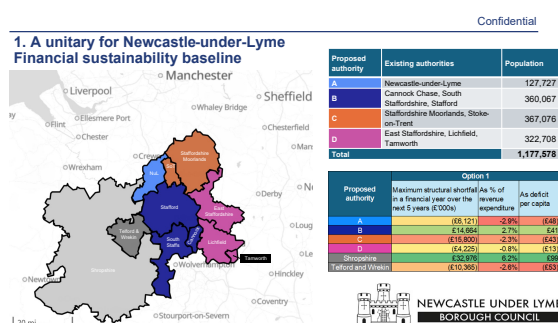
Preferred Option

UK Government has specified that each local authority within an invitation area can only support one preferred option for local government reorganisation within that area. The form of submission can be via a single submission with one proposal from more than one authority, a submission with multiple proposals from more than one authority, or a single proposal from one authority.

As set out above, the five options for investigation have been considered against relevant factors including population size and financial sustainability, as indicated below for each option for investigation. Financial modelling is subject to:

- Final agreement on approach and timing of council tax harmonisation
- Inclusion of transition and transformation cost/benefit profile

In each model, a notional strategic authority area of Staffordshire, Stoke-on-Trent and Shropshire was adopted.



1. A unitary authority for Newcastle-under-Lyme (Preferred Option)

The considerations around this model included the minimisation of impact to existing residents and businesses within Newcastle-under-Lyme, the projected growing population of the geography (as quantified in the Newcastle-under-Lyme draft Local

Plan, currently under examination), continuity of governance arrangements and public support.

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1. A unitary for Newcastle-under-Lyme Financial sustainability baseline



Proposed authority	Existing authorities	Population
A	Newcastle-under-Lyme	127,727
B	Cannock Chase, South Staffordshire, Stafford	360,067
C	Staffordshire Moorlands, Stoke-on-Trent	367,076
D	East Staffordshire, Lichfield, Tamworth	322,708
Total		1,177,578

Proposed authority	Option 1		
	Maximum structural shortfall in a financial year over the next 5 years (£'000s)	As % of revenue expenditure	As deficit per capita
A	(£6,121)	-2.9%	(£48)
B	£14,664	2.7%	£41
C	(£15,800)	-2.3%	(£43)
D	(£4,225)	-0.8%	(£13)
Shropshire	£32,976	6.2%	£99
Telford and Wrekin	(£10,365)	-2.6%	(£53)



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It is recognised that the population size is some way below the indicative target population set out by Government, but exceeds that of existing and well-functioning unitary councils in areas not subject to reorganisation (such as in Wales), not likely to be reorganised (including the Isle of Wight) or seeking to maintain their status in any reorganisation plans (such as Rutland).

Newcastle-under-Lyme is a cohesive geography, and one that reflects its strategic location, so that some of our communities naturally look to other places – from Mow Cop with its spilt conurbation between Newcastle and Cheshire East, to Madeley at the border with rural Shropshire and the Westlands bordering Stafford, with Wolstanton and May Bank bordering our neighbours in Stoke-on-Trent, our well-connected place can and should look to have a cohesion with not one geography but exploit and maximise each and every one of its economic links.

The existing footprint has many of the features of other, larger unitary councils, including one of the largest FE provisions in the region, strategic links by road to all parts of mainland Britain, a leading university, an abundance of protected green space, room for sustainable housing growth and infrastructure and governance at a sufficiently local level which would not require major upheaval.

Implementation of shared service arrangements would be essential under this model to reduce the structural shortfall for the new unitary over the early period of its existence.

This model also looks to accommodate (where not in direct conflict with stated aims of Council resolutions) meaningful geographies across the rest of the invitation area

– i.e. the creation of a North Staffordshire authority for those authorities supportive of this model (Stoke-on-Trent and Staffordshire Moorlands), and matching geographies in the centre and south of Staffordshire), all with roughly equal populations.

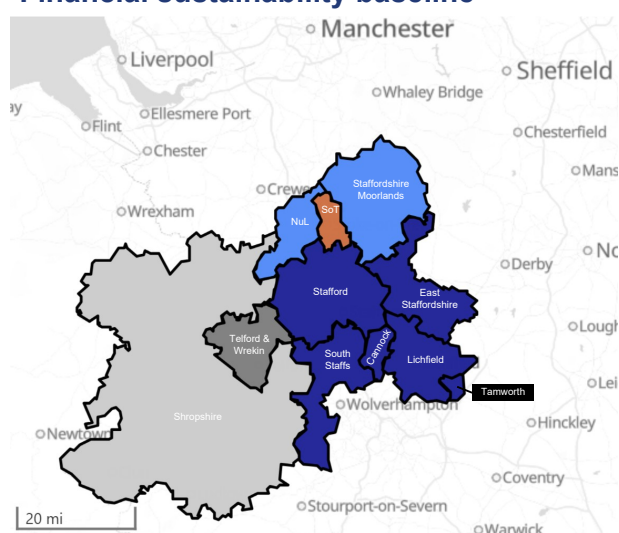
The Newcastle-under-Lyme unitary council would be a continuing authority (a unitary borough council).

2. A unitary council across Newcastle-under-Lyme and Staffordshire Moorlands

The model proposed to link Newcastle-under-Lyme with Staffordshire Moorlands focuses primarily on two factors – not burdening either existing authority area with the financial impacts of alignment with Stoke-on-Trent and a recognition of a commonality of population spread and geographic similarity, places of towns and rural villages which recognise and celebrate their size and scale, not to become city suburbs or infill.

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2. A unitary across Newcastle-under-Lyme and Staffordshire Moorlands Financial sustainability baseline



Proposed authority	Existing authorities	Population
A	Newcastle-under-Lyme, Staffordshire Moorlands	224,378
B	Cannock Chase, South Staffordshire, Stafford, East Staffordshire, Lichfield, Tamworth	682,775
C	Stoke-on-Trent	270,425
Total		1,177,578

Proposed authority	Option 2		
	Maximum structural shortfall in a financial year over the next 5 years (£'000s)	As % of revenue expenditure	As deficit per capita
A	(£4,697)	-1.3%	(£21)
B	£8,533	0.8%	£12
C	(£16,540)	-3.1%	£6
D	N/A	N/A	N/A
Shropshire	£32,976	6.2%	£99
Telford and Wrekin	(£10,365)	-2.6%	(£53)



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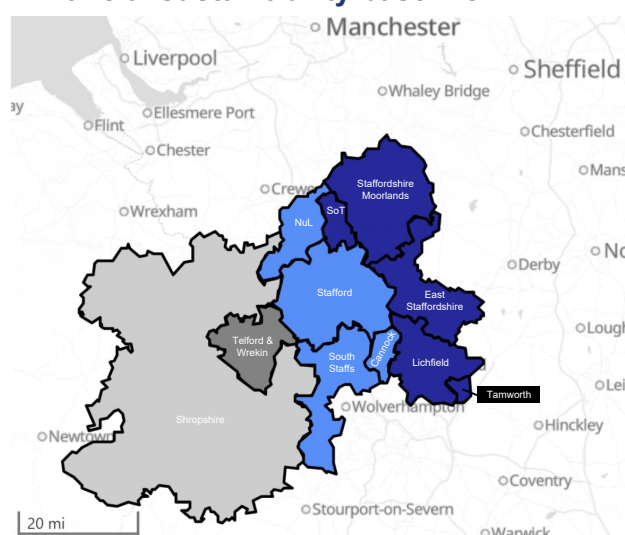
Modelling shows a slightly smaller structural shortfall than option 1, based on the ability to introduce council tax harmonisation and economies of scale, however this is offset by the assumption that Stoke-on-Trent would be 'islanded', and the expectation of Government that failing unitary authorities will be supported through the reorganisation process. The model also shows a sizeable imbalance between authority sizes across the invitation area.

3. West and East Staffordshire Authority Areas (County Council new model)

The initial option for investigation set out in the Council's Interim Proposal in March 2025 was to look at a 'West Staffordshire' unitary authority to cover the geography of Newcastle-under-Lyme, Stafford, Cannock and South Staffordshire. For the purposes of modelling, an attendant 'east' authority area was set out as below.

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3. West Staffordshire and East Staffordshire unitaries Financial sustainability baseline



Proposed authority	Existing authorities	Population
A	Newcastle-under-Lyme, Cannock Chase, South Staffordshire, Stafford	487,794
B	Staffordshire Moorlands, East Staffordshire, Lichfield, Tamworth, Stoke-on-Trent	689,784
Total		1,177,578

Proposed authority	Option 3		
	Maximum structural shortfall in a financial year over the next 5 years (£'000s)	As % of revenue expenditure	As deficit per capita
A	£6,789	0.9%	£14
B	(£20,026)	-1.7%	(£29)
C	N/A	N/A	N/A
D	N/A	N/A	N/A
Shropshire	£32,976	6.2%	£99
Telford and Wrekin	(£10,365)	-2.6%	(£53)



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This model was subsequently endorsed by Staffordshire County Council in its Cabinet paper of September 2025. The model proposes two larger unitary authorities across the Staffordshire and Stoke-on-Trent geography, and in the case of a larger Strategic Authority (SA) area (to include Shropshire and Telford & Wrekin), would see the M6 corridor as the centre point of a new SA.

The option would give strong initial financial stability for the West Staffordshire unitary council and deliver an option for Newcastle to be located within a more akin geography. However, neighbourhood governance arrangements would need to be put in place – potentially with some significant cost – to support local accountability, democracy and delivery.

This model also has potential as the basis of a shared services approach across wider geographies.

4. A Newcastle-under-Lyme and Shropshire Unitary

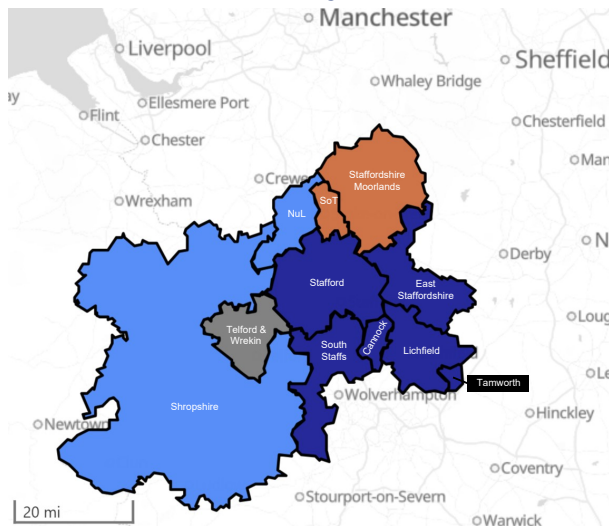
This model would give a close fit to the Government's initial target figure of 500,000 of population. Newcastle and the existing unitary council of Shropshire share a long border, extending to Shropshire addresses and postcodes for many residents in the west of Newcastle. Newcastle and Shropshire share a cohesive sense of place – historic market towns with an established and characteristic rural hinterland. The council would also incorporate two sides of the M6 corridor (as noted above) with onward links to the M54

corridor. This model would also fit alongside revised ICB arrangements for health, but would require new legislation (currently being enacted) in respect of Police authorities.

Following the election of a new Administration at Shropshire Council, commitment to shared working remains uncertain and financial modelling will need to take account of Shropshire's challenging financial position.

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4. Newcastle-under-Lyme and Shropshire unitary Financial sustainability baseline



Proposed authority	Existing authorities	Population
A	Newcastle-under-Lyme, Shropshire	460,182
B	Stafford, East Staffordshire, Lichfield, Tamworth, Cannock Chase, South Staffordshire	682,775
C	Staffordshire Moorlands, Stoke-on-Trent	367,076
Total		1,510,033

Proposed authority	Option 4		
	Maximum structural shortfall in a financial year over the next 5 years (£'000s)	As % of revenue expenditure	As deficit per capita
A	£27,539	3.8%	£60
B	£8,533	0.8%	£12
C	(£15,800)	-2.3%	(£43)
D	N/A	N/A	N/A
Shropshire	N/A	N/A	N/A
Telford and Wrekin	(£10,365)	-2.6%	(£53)



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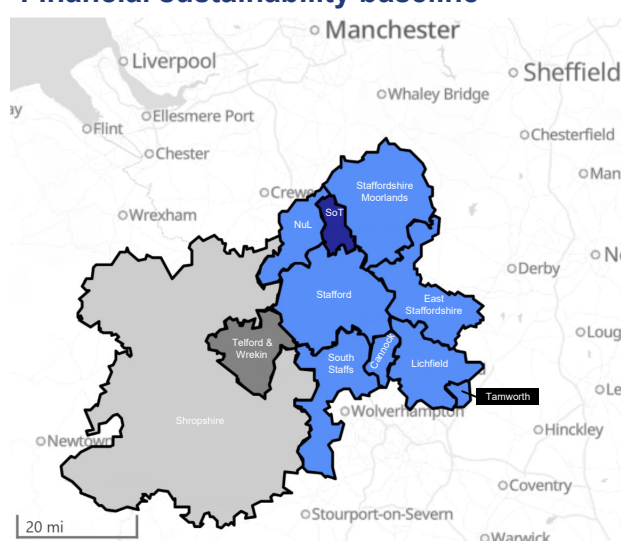
5. A single unitary council on the existing footprint of Staffordshire County Council

This option was included following confirmation of Staffordshire County Council's interim submission in March 2025. Since that time, as noted above, the County Council has developed alternate options.

Whilst the single unitary council would have some strong levels of financial power, the primary challenges lie with the remoteness from local accountability, the overall size (larger than nearly all existing unitary councils) and leaving Stoke-on-Trent islanded. For these reasons, the option is not being further investigated.

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5. Unitary on the existing footprint of Staffordshire County Council Financial sustainability baseline



Proposed authority	Existing authorities	Population
A	Newcastle-under-Lyme, Stafford, East Staffordshire, Lichfield, Tamworth, Cannock Chase, South Staffordshire, Staffordshire Moorlands	907,153
B	Stoke-on-Trent	270,425
Total		1,177,578

Proposed authority	Option 5		
	Maximum structural shortfall in a financial year over the next 5 years (£'000s)	As % of revenue expenditure	As deficit per capita
A	£1,552	3.8%	£2
B	(£16,540)	-3.1%	(£61)
C	N/A	N/A	N/A
D	N/A	N/A	N/A
Shropshire	£32,976	6.2%	£99
Telford and Wrekin	(£10,365)	-2.6%	(£53)



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6. A North Staffordshire Unitary Authority

Newcastle's full Council rejected investigation of a North Staffordshire Unitary authority at its meeting of March 2025. However, given the current stated intention of Stoke-on-Trent City Council and Staffordshire Moorlands District Council to submit a proposal covering a North Staffordshire geography of Newcastle-under-Lyme, Stoke-on-Trent and Staffordshire Moorlands, an assessment was made of this option. Together with strong public support to remain unaligned with Stoke-on-Trent, the structural shortfall (as echoed in all other options) of aligning with Stoke were significant, and risks to service delivery, local identity and heritage were prominent. This option cannot therefore be supported.

Devolution

The Government has set out that, in addition to the creation of new local authority structures to unlock devolution, it wishes to establish new Strategic Authorities (SAs) at a wider geography to provide the basis of greater levels of regional representation and investment. The primary models set out by the Government are:

We are supportive of the creation of a new Strategic Authority to serve the collective needs of Staffordshire and Stoke. Given its connection along council boundaries and the M6 as our point of economic linkage, we believe it makes sense to also consider a Strategic Authority area which includes Shropshire (and if appropriate Telford & Wrekin) which would have the additional advantage of ensuring no area is 'orphaned' within the SA process. We anticipate that these areas will work collectively in the shaping of an SA which meets the needs of our collective geography and builds on our collective devolution ambitions, as set out to the Government in Autumn 2024, where we noted that our devolved region should have the following key features:

- Devolution must work for all: plans must reflect and respond to a deep understanding of local needs and opportunities. That is what our authorities have been working hard at over the summer.
- Form must follow function: if we are to accept another layer of governance in the county, at additional cost to the people of Staffordshire and Stoke-on-Trent, then the prize in terms of devolved functions, powers and resources has to be significant.
- Governance has to be inclusive: the existing model works because all local authorities get to participate and contribute, and we want to ensure that this is also the case in any devolved arrangements.
- Commitment to subsidiarity: devolution should be to the most appropriate level of governance for the function in any question, and that should mean a combination of county-wide, local authority level and, perhaps most importantly, community level. We seek a devolution deal that gives us flexibility to make those judgements together.

Devolution at a Strategic Authority level is not about local service delivery, but rather setting the conditions at a strategic level, making the case for and directing funding towards, for example, areas to develop infrastructure at a local level. To support the final submissions, a joint devolution growth framework will be developed and submitted by, for and on behalf of all authorities in Staffordshire and Stoke-on-Trent.