

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL
CORPORATE LEADERSHIP TEAM'S REPORT TO CABINET

3rd February 2026

Report Title: Local Government Reorganisation and Devolution Update

Submitted by: Chief Executive

Portfolios: One Council, People and Partnerships

Ward(s) affected: All Wards

<u>Purpose of the Report</u>	<u>Key Decision</u>	Yes ☒	No ☐
To note recent developments in respect of HM Government's planned agenda for local government reorganisation and English devolution.			
<u>Recommendation</u> That Cabinet: - Notes the forthcoming statutory consultation on proposals for local government reorganisation (LGR) in Staffordshire and Stoke-on-Trent; - Establishes a cross-party LGR Cabinet Panel, chaired by the Leader of the Council. - Notes and endorses the work being undertaken to support a devolution offer for Staffordshire and Stoke-on-Trent; - Notes that the Ministry for Housing, Communities & Local Government has acknowledged receipt of the Council's intention to hold elections in May 2026 and has confirmed this will proceed.			
<u>Reasons</u> This report outlines the forthcoming stages of activity for local government reorganisation in Staffordshire and Stoke-on-Trent.			

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 Councils across England have been engaged in the process of Local Government Reorganisation (LGR) since December 2024. The Government's devolution agenda aims to create a new network of strategic authorities for the whole of England by 2029. LGR is stated as a required precursor to devolution in some areas, including

Staffordshire and Stoke-on-Trent, replacing two-tier county and borough/district councils and small unitary authorities with much larger unitary councils, which will be grouped into Strategic Authority areas.

- 1.3 Councils were invited by Government to make final submissions by 28th November 2025, following feedback from the Minister for Local Government & English Devolution (at the time) in June 2025. This collective feedback on interim plans was issued to all Staffordshire and Stoke-on-Trent authorities and did not rule in or out any proposals.
- 1.4 In September 2024, prior to the release of the White Paper and at the Government's request, the Staffordshire Leaders Board submitted its collective devolution plan to Government. This covered key themes:
 - 1.4.1 *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 since the summer.
 - 1.4.2 *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.
 - 1.4.3 *Governance has to be inclusive:* current governance arrangements across our region work because all local authorities get to participate and contribute, and we want to ensure that this is also the case in any devolved arrangements.
 - 1.4.4 *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.

2. Issues

- 2.1 The Minister for Local Government & Homelessness has reconfirmed the Government's intention for local government reorganisation to happen at pace, intending for this to be within the lifetime of the current parliament, with all new structures in place by Spring 2028. The Minister has acknowledged that this remains an ambitious timeframe for implementation.
- 2.2 There have, however, been some changes within the Devolution Priority Programme (those areas on an accelerated devolution programme), with elections delayed from an intended establishment date of 2026. This will see Mayoral elections scheduled for May 2026 for Greater Essex, Hampshire & Solent, Norfolk & Suffolk, and Sussex & Brighton deferred to May 2028, while Cumbria and Cheshire & Warrington moved to May 2027 to synchronise with existing local elections. The delays aim to ensure new unitary authorities are established before Mayors take office.
- 2.3 On 13th November 2025, HM Government announced plans to abolish Police and Crime Commissioners (PCCs) by 2028, transferring their functions to elected Mayors in combined authority areas or policing and crime boards where there is no Mayoral function established. In Staffordshire, the Police, Fire and Crime Commissioner also holds responsibility for Staffordshire Fire & Rescue Service.

- 2.4** As noted in a report to Cabinet on 13th January 2026, HM Government wrote to 63 councils with local elections in May 2026, inviting these authorities to postpone elections by one year, if they had a compelling case to focus resources on reorganisation.
- 2.5** The Leader of the Council and Chief Executive wrote to the Minister for Local Government & Homelessness on 14th January 2025, noting the Council's intention to hold local elections as planned, a copy of which is set out in Appendix 1 to this report. The Secretary of State confirmed on 22nd January 2026 that of 63 councils, 29 elections will be delayed, including two in Staffordshire (Cannock Chase and Tamworth). The elections of all other councils, including Newcastle-under-Lyme Borough Council, will proceed as planned.
- 2.6** Officers continue to meet with MHCLG officials, council networks and other authorities in the advancement of next steps.
- 2.7** Following agreement of the Council's LGR proposal at its Special full Council meeting in November 2025, the Council submitted its proposals to MHCLG. Civil servants have acknowledged receipt of proposals, and Ministers have continued to advise that a decision will be made ahead of the summer recess of Parliament in July 2026.
- 2.8** The Council's proposal for a Newcastle-under-Lyme unitary council, together with three further unitary councils covering the whole invitation area of Staffordshire and Stoke-on-Trent sets out a rationale for delivery of services within clear economic geographies. The proposal was endorsed on a cross-party basis.
- 2.9** Following submission, the Leader of the Council, supported by members from all political parties wrote to the Prime Minister and Secretary of State for Housing, Communities & Local Government to set out councillors' concerns in relation to LGR, noting that "Members from across the Council chamber made clear the view we have maintained since the launch of Local Government Reorganisation in the English Devolution and Community Engagement white paper in December last year, that is we fundamentally do not believe forced reorganisation is needed for Staffordshire, nor would it bring any clear benefit. We write collectively to express our serious concerns regarding the proposed introduction of local government reorganisation." A response from the Minister of Local Government & Homelessness is set out in Appendix 3 to this report.

Consultation

- 2.10** The Government's White Paper sets out that it seeks "universal coverage in England of Strategic Authorities (SA's) - which should be a number of councils working together, covering areas that people recognise and work in". Strategic Authorities are intended to reduce duplication and give cities and regions a bigger voice, while utilising economies of scale.
- 2.11** HM Government has maintained that local government reorganisation must first take place in areas without a Strategic Authority area. In November 2025, proposals for new unitary council structures were submitted to MHCLG. Five proposals were submitted covering the Staffordshire and Stoke-on-Trent area, details of which are set out in Appendix 2.
- 2.12** MHCLG has advised that it intends to consult on all proposals that seek to meet the terms of the invitation. We expect to launch consultations in early February 2026, for 7 weeks. At this time, MHCLG has not advised of any proposals which do not meet the invitation criteria.

- 2.13** In accordance with the Local Government and Public Involvement in Health Act 2007, the Secretary of State for Housing, Communities & Local Government will consult with named consultees (including neighbouring local authorities, education institutions and other public services, and business representative organisations), together with inviting views from the public. All consultees will have access to each of the proposals being consulted upon in Staffordshire and Stoke-on-Trent.

Forward Planning

- 2.14** The Council will continue to develop plans for implementation of a new unitary authority for Newcastle-under-Lyme in advance of the decision by the Secretary of State for Housing, Communities & Local Government, which MHCLG advises will take place by the summer parliamentary recess in 2026.
- 2.15** As part of this preparatory work, the Council will explore the option of creating new neighbourhood arrangements, as described in the submission to Government. This will also enable the Council to plan for the establishment of new town & Parish councils in the event of reorganisation on a differing unitary council footprint being determined by Ministers. This work will also enable the Council to plan to protect the whole Borough's heritage and traditions and support local governance. This is in line with work ongoing across councils within Staffordshire and nationally.
- 2.16** To support decision-making on the Council's LGR process, a cross-party Cabinet Panel, chaired by the Leader of the Council, will be established. The Panel will gather evidence from a range of stakeholders, including local MPs, to understand how Government policy may impact services for residents. If the LGR process proceeds, the Panel will meet regularly throughout the next phases from the summer onwards. Full terms of reference will be agreed at the Panel's first meeting.

Devolution

- 2.17** The Council has been clear in its view that authorities in Staffordshire and Stoke-on-Trent are ready to deliver a dynamic and meaningful devolution agenda, and will continue to work together in making the strongest possible case for securing powers and devolution outcomes for the region. Local Government Reorganisation should not have been a precursor to devolution, and presents a significant risk to Staffordshire and Stoke-on-Trent's economy, skills, transport and strategic plans that our county falls behind other regions in securing funding and powers.
- 2.18** The Council continues to work with other authorities to develop a Local Growth Plan (strategic devolution plan) for Staffordshire and Stoke-on-Trent, using the submission to HM Government in September 2024 as the basis of this plan. The 2024 submission has been used as the basis for the Council's proposed devolution approach within the Submission for Local Government Reorganisation. It is intended that this plan will be in place by late Spring 2026.
- 2.19** It is noted that areas including Staffordshire, which do not have an existing Strategic Authority or Mayoral arrangements in place will, from 2026-2027, not receive any direct allocations of funding to replace Levelling Up/UK Shared Prosperity funding.
- 2.20** The Council will continue to lobby for devolution powers and funding on a rapid timescale.

3. Recommendation

- 3.1 Notes the forthcoming statutory consultation on proposals for local government reorganisation (LGR) in Staffordshire and Stoke-on-Trent;
- 3.2 Establishes a cross-party LGR Cabinet Panel, chaired by the Leader of the Council.
- 3.3 Notes and endorses the work being undertaken to support a devolution offer for Staffordshire and Stoke-on-Trent;
- 3.4 Notes that the Ministry for Housing, Communities & Local Government has acknowledged receipt of the Council's intention to hold elections in May 2026 and has confirmed this will proceed.

4. Financial and Resource Implications

- 4.1 As noted in the report to full Council of 22nd January 2025, the Government has, to date, not provided an investment case or intended savings arising from local government reorganisation.
- 4.2 The act of reorganisation brings significant but as yet not fully quantifiable costs. The modelling of the options for investigation sets out forecast financial sustainability arising from revenue generation, transformation benefits and implementation costs. These vary across each option for investigation, but across all options are viewed as more marginal than some comparator area submissions.
- 4.3 As set out in the Local Government Reorganisation report to Cabinet of 8th July 2025, the Council has set aside funding for work on reorganisation. For the current financial year, £200,000 has been allocated, with the majority of this funding utilised in the delivery of Newcastle-under-Lyme's LGR proposal. For 2026-2027, £400,000 has been allocated for required work on reorganisation, and £200,000 has been allocated for 2027-2028.

5. Major Risks & Mitigation

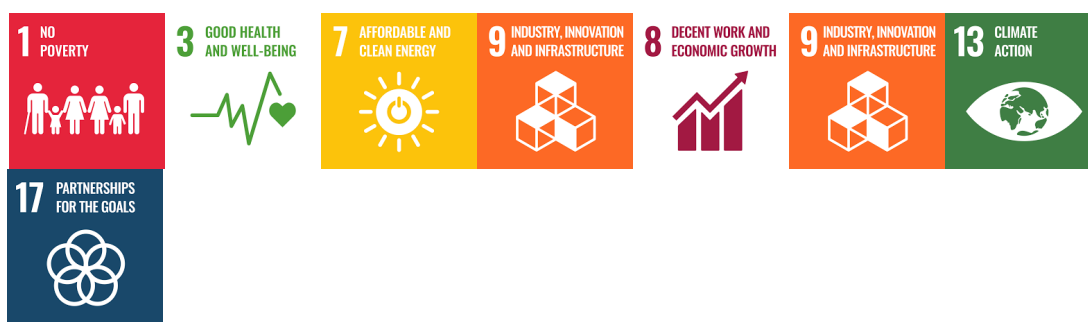
- 5.1 *Potential risks and mitigation* - Much remains unknown of detail at this stage so mitigation measures cannot yet be fully considered. Potential risks at this stage include staff recruitment and retention, a reduction in service delivery under a larger local authority, a potential 'democratic deficit' as details of local governance arrangements continue to be developed.
- 5.2 *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.
- 5.3 *Greater spend responsibilities* - A unitary council would have significantly greater spend responsibilities than existing borough and district councils, with statutory provision taking precedence over non-statutory and discretionary service delivery.
- 5.4 *Effectiveness of change* – There is a lack of proven success where local government reorganisation has taken place elsewhere in the country to date, and to date the

Government has provided limited detail on the business case/benefits of the approach being described in the White Paper.

5.5 Restructuring and staffing - The process of local government reorganisation to new councils and the creation of a Strategic Authority would result in changes in employing organisations and structures. TUPE will apply to staff moving between organisations for the same roles as those that they undertake presently. This will be the responsibility of the vesting (new) authority. Following that process, the new authority will conduct an assessment of resource need.

5.6 Impact across the Borough - It is likely that implementation of Local Government Reorganisation will have significant impact across the Borough, this initial stage is commencing the development of the outline proposals to be submitted to Government. The Legislation will be subject to an impact assessment.

6. UN Sustainable Development Goals (UNSDG)



7. One Council

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

One Commercial Council ☒

We will make investment to diversify our income and think entrepreneurially.

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.

One Digital Council ☒

We will develop and implement a digital approach which makes it easy for all residents and businesses to engage with the Council, with our customers at the heart of every interaction.

A new approach to digital delivery will become necessary through LGR, including the mapping of shared service opportunities.

One Sustainable Council ☒

We will deliver on our commitments to a net zero future and make all decisions with sustainability as a driving principle

Newcastle Borough Council has sustainability programme to meet a 2030 target for its scopes 1 and 2 emissions. Other local authorities are at different stages of implementing sustainability approaches.

8. Key Decision Information

- 8.1 This is a key decision as local government reorganisation may affect residents in all wards.

9. Earlier Cabinet/Committee Resolutions

- 9.1 Cabinet – 4th June 2024 – Staffordshire Leaders Board Joint Committee
- 9.2 Cabinet – 9th January 2025 – Devolution and Local Government Reorganisation: White Paper
- 9.3 Full Council – 22nd January 2025 – Devolution and Local Government Reorganisation White Paper
- 9.4 Special Full Council – 19th March 2025 – Newcastle-under-Lyme Borough Council Response to Local Government Reorganisation
- 9.5 Cabinet – 8th July 2025 – Local Government Reorganisation
- 9.6 Cabinet – 4th November 2025 - Local Government Reorganisation Update
- 9.7 Special Full Council – 19th November 2025 - Local Government Reorganisation and Devolution Update

10. List of Appendices

- 10.1 Appendix 1a – Letter to Alison McGovern MP re. Local Elections
- 10.2 Appendix 1b – Letter from Steve Reed OBE MP re. Local Elections
- 10.3 Appendix 2 - Summary of Local Government Reorganisation Proposals for Staffordshire and Stoke-on-Trent
- 10.4 Appendix 3 – Response to the Leader of the Council from Alison McGovern MP

11. Background Papers

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