

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

CORPORATE LEADERSHIP TEAM'S
REPORT TO LOCAL GOVERNMENT REORGANISATION CABINET PANEL

30th March 2026

Report Title: Draft Terms of Reference for Local Government Reorganisation (LGR) Cabinet Panel

Submitted by: Chief Executive

Portfolios: One Council, People and Partnerships

Ward(s) affected: All

<u>Purpose of the Report</u>	<u>Key Decision</u>	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
<p>This report sets out the proposed terms of reference for Newcastle-under-Lyme Borough Council's Local Government Reorganisation Cabinet Panel, including its key functions and membership, which is required to be adopted for the Panel.</p>			
<p><u>Recommendation</u></p> <p>That the LGR Cabinet Panel:</p> <p>1. Reviews and adopts the Terms of Reference set out in Appendix One to this report.</p>			
<p><u>Reasons</u></p> <p>To ensure effective governance of the LGR Cabinet Panel, a Terms of Reference should be adopted.</p>			

1. Background

- 1.1** At its meeting of 3rd February 2026, Cabinet resolved to establish a Local Government Reorganisation (LGR) Cabinet Panel to scrutinise the reorganisation process and make recommendations to Cabinet (and, where appropriate to Scrutiny Committees and full Council) in respect of necessary action for the Council in addressing issues arising from this process.
- 1.2** 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 summer 2026 onwards.
- 1.3** At that meeting, Cabinet further noted that a terms of reference would be agreed at the first meeting of the LGR Cabinet Panel.

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** Following the submission deadline for LGR proposals in November 2025, the Ministry for Housing, Communities and Local Government (MHCLG) has undertaken a statutory consultation for LGR in Staffordshire and Stoke-on-Trent. This process included all five proposals submitted for the county and city, and closed on 26th March 2026. This includes the submission endorsed by Newcastle-under-Lyme Borough Council for four unitary authorities, including a unitary authority on the existing boundaries of the Borough, in the event that LGR proceeds as planned.
- 2.3** Councils have been advised that a decision on the unitary council geographies for Staffordshire and Stoke-on-Trent will be determined before the Parliamentary summer recess, that is by the end of July 2026.
- 2.4** Following this process, MHCLG will commence work on Structural Change Orders for those areas undergoing LGR, with a view to shadow unitary authorities being created by Spring 2027.
- 2.5** The LGR Cabinet Panel will need to meet at a suitable frequency to provide suitable oversight of the LGR process. The Panel will continue until such time as it is deemed its arrangements are no longer required or necessary.

3. Recommendation

- 3.1** That the LGR Cabinet Panel reviews and adopts the Terms of Reference set out in Appendix One to this report.

4. Reasons

- 4.1** To ensure effective governance of the LGR Cabinet Panel, a Terms of Reference should be adopted.
- 4.2** These terms of reference should be regularly reviewed as the Panel progresses and LGR develops in Staffordshire and Stoke-on-Trent.

5. Options Considered

- 5.1** The effective oversight of the LGR process, at both local and national level can best be supported by the creation of a dedicated Panel, which in turn can make effective recommendations to Cabinet and where appropriate Scrutiny and full Council committees.

6. Legal and Statutory Implications

- 6.1 To ensure effective governance of the LGR Cabinet Panel, a Terms of Reference should be adopted.
- 6.2 As the first meeting of the LGR Cabinet Panel is scheduled to take place on 30th March which is during the Pre-election period (27th March – 7th May at 10pm) all members are reminded of the importance of compliance with the applicable rules during this period of increased political conditions, as set out in the attached link: ADD LINK

7. Equality Impact Assessment

- 7.1 There are no direct equality implications arising from the adoption of terms of reference for the panel.
- 7.2 The potential impacts on equalities are set out in previous Council and Cabinet committee reports, and within the final proposals submitted by the Council to MHCLG.

8. Financial and Resource Implications

- 8.1 There are no direct financial implications arising from this report. Officer resources will be required to service the LGR Cabinet Panel.
- 8.2 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.
- 8.3 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.

9. Major Risks & Mitigation

- 9.1 *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.
- 9.2 *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.
- 9.3 *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. |

- 9.4 *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. |
- 9.5 *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. |
- 9.6 *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. |

10. UN Sustainable Development Goals (UNSDG)



11. One Council

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. |

12. Key Decision Information

12.1 The adoption of terms of reference is not a key decision.

13. Earlier Cabinet/Committee Resolutions

13.1 Cabinet – Local Government Reorganisation Update Report, 3rd February 2026.

14. List of Appendices

14.1 Appendix One – Draft Terms of Reference

14.2 Appendix Two – Pre-Election Guidance: [Appendix Two – Newcastle-under-Lyme Borough Council](#)

15. Background Papers

15.1 None

Appendix One

Local Government Reorganisation Cabinet Panel

Terms of Reference (Draft)

1. Purpose

1.1 The Local Government Reorganisation Cabinet Panel (“the Panel”) is established to provide focused oversight, scrutiny, and strategic challenge in relation to the Local Government Reorganisation (LGR) process affecting the Borough.

1.2 The Panel will review, monitor and evaluate progress, risks, stakeholder impacts and statutory requirements associated with LGR.

1.3 The Panel will support Cabinet by providing findings and recommendations.

2. Objectives

2.1 Scrutinise proposals, models and options arising from the LGR programme.

2.2 Examine impacts on residents, communities, staff and partners.

2.3 Monitor timelines, programme milestones, risk registers and regulatory frameworks.

2.4 Ensure transparency by reviewing programme documentation.

2.5 Provide recommendations to Cabinet.

2.6 Identify and escalate concerns requiring Cabinet attention.

3. Membership

3.1 Membership is held on a cross-party basis, and consists of six (6) elected members, in political balance. This is currently three (3) Conservative; two (2) Labour; and one (1) Reform UK.

3.2 The Leader of the Council, as Chair of Cabinet will act as Chair of the Panel; in the absence of the Leader of the Council, the Deputy Leader of the Council will act as Chair.

3.3 Other Members, Members of Parliament, officers, stakeholders and advisers may attend at the invitation of the Chair, but without voting rights.

4. Quorum

4.1 The quorum shall be three Members including the Chair or Vice-Chair.

5. Frequency of Meetings

5.1 The Panel will meet at least quarterly, or more frequently as required.

6. Responsibilities

6.1 The Panel shall develop a work plan, to include:

6.11 A review of programme documentation including business cases and assessments.

6.12 Taking evidence from decision-makers (such as MPs) and stakeholders

6.13 Scrutiny of governance arrangements for any new authority.

6.14 Monitoring of implications for services, workforce, assets and budgets.

6.15 Ensure alignment with statutory duties.

6.16 Ensure effective engagement with partners and stakeholders.

6.17 Providing Cabinet with clear recommendations for decision.

7. Reporting and Accountability

7.1 The Panel reports directly to Cabinet.

7.2 Summary reports and recommendations will be produced.

7.3 Findings may be shared with Scrutiny Committees.

8. Access to Information

8.1 The Panel may request information from officers and partners.

8.2 Sensitive information will be handled in line with the Council's Constitution and governance policies.

9. Review of Terms of Reference

9.1 Terms will be periodically reviewed and may be amended by the Panel or by Cabinet on advice from the Monitoring Officer.

10. Meetings in Public

10.1 There will be a presumption that Panel meetings will be made available to the public, unless otherwise directed by the Chair in agreement with the Panel.