



Ministry of Housing, Communities & Local Government

Chief Executives of councils in Lancashire,
Blackburn with Darwen and Blackpool

Beatrice Andrews and Ruth Miller
*Co-Deputy Directors, Local Government
Reorganisation*

**Ministry of Housing, Communities
and Local Government**

2 Marsham Street
London SW1P 4DF
www.gov.uk/mhclg

3 June 2025

Dear Chief Executives,

The Minister of State for Local Government and Devolution is today providing an update to Parliament on Local Government Reorganisation. This will include the allocation of £7.6 million for proposal development contributions and the publication of a summary of all feedback on interim plans. After the Written Ministerial Statement has been made, the Local Government Reorganisation page on gov.uk will be updated. This letter provides some additional practical information on the allocations.

Each of the 21 areas will receive a flat rate of £135,000, plus an additional 20p per person based on the latest ONS population estimates. The allocation for your area is £449,075. Your area must agree on up to three councils to receive an equal share of the funding and notify your area lead Christian Denison (Christian.Denison@communities.gov.uk) accordingly. If you would like a payment in June, we would be grateful if you could let us know by 6 June. For a July payment, please let us know by 13 June. If your area is unable to reach an agreement on up to three councils to receive an equal portion of the fund, we are ready to provide support.

In the Statutory Guidance, the Government has outlined its expectation for all local leaders to work collaboratively and proactively by sharing information to develop robust and sustainable unitary proposals that benefit the entire area. Ideally, areas should submit their final proposals as a single submission, underpinned by a shared evidence base, which includes all options being put forward by councils. Consequently, the Government expects proposal development contributions to support this effort to build a shared evidence base, including sharing non-public data. This could be supported by a Memorandum of Understanding and a data-sharing agreement. The LGA has published helpful data-sharing principles and a checklist that you could utilise. Shortly, CIPFA and F3 Consulting will also release a template to support the presentation of financial information for proposals. This template, or any future templates are not mandatory, but we expect all areas to agree on the consistent presentation of evidence for their area, recognising it may still be used to support a range of alternative proposals.

Feedback and support

We know you have been seeking further clarity on developing your full proposals. We have provided you with feedback on your interim plans and today the Government is publishing a summary of that feedback. This includes a reiteration of the Government's position that a population size of 500,000 or more is a guiding principle, not a strict target. Government understands the need for flexibility, especially given the ambition to build out devolution and take account of housing growth alongside Local Government Reorganisation. All proposals, whether they are at the guided level, above it, or below it, should set out the rationale for the proposed approach clearly. The approach Government has taken from the outset encourages and allows for councils to determine the right fit for their area. What works in one area may not apply in the same way in another, and so it is right that the process allows for flexibility.

The Government welcomes the steps areas are taking to consider how to maintain strong community voice. Local Government Reorganisation should facilitate better and sustained community engagement and needs a clear and accountable system of local area-working and governance. Neighbourhood Area Committees, led by frontline ward councillors, offer a model of place-based engagement and leadership which maximises the structural efficiencies brought about by Local Government Reorganisation and strengthens localism and community participation across all areas. Neighbourhood Area Committees help councils fulfil their commitments to working in partnership with communities at the neighbourhood level. They can also include other service providers, such as town or parish councillors, when applicable, along with co-opted members from local community organisations.

Areas considering new town or parish councils should think carefully about how they might be funded, to avoid putting further pressure on local authority finances and/or new burdens on the taxpayer. The Government recognises the value that town and parish councils offer to their local communities, but they are independent institutions and are not a substitute for meaningful community engagement and neighbourhood working by a local authority. The Government wants to see every local authority hardwiring local community engagement into their own structures, preferably through neighbourhood Area Committees.

We are committed to collaborating with colleagues across Government, the LGA, and its sector support group, to ensure you have the information, tools, and expertise needed to develop the right solutions for their areas. The Government's goal is to set up new councils for success. Accordingly, if there is further support that you consider should be provided, please do get in touch.

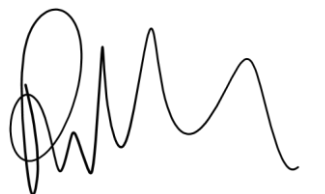
The Government also recognises that developing proposals could distract councils from their essential day-to-day activities. However, residents and businesses depend on councils to deliver crucial services and to continue the efforts needed to establish successful new unitary councils. This is particularly important for advancing local plans to allocate land for new homes. As mentioned in the invitation letters, the Government expects local planning councils to work towards adopting an up-to-date local plan as soon as possible. Local Government Reorganisation should not hinder this vital work, nor should the introduction of the new legal framework for local plan-making later this year or our strategic planning reforms. Significant financial support has already been provided to eligible councils to aid in plan-making, and we encourage councils to utilise additional support available through the Local Government Association's Planning Advisory Service.

Thank you for your continued commitment to the programme and for the collaborative approach you have taken. We would be grateful if you could share this letter with your Leaders and Police and Crime Commissioner. The Minister will be writing to MPs in your area and to sector bodies. We will also host a webinar later this month, in part as an introduction to new Leaders, as well as providing the opportunity for any questions. You can expect more details to follow shortly.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'BEA' followed by a stylized flourish.

BEATRICE ANDREWS

A handwritten signature in black ink, appearing to be 'RM' followed by a stylized flourish.

RUTH MILLER

DEPUTY DIRECTORS, LOCAL GOVERNMENT REORGANISATION