



Ministry of Housing, Communities & Local Government

Rt Hon Steve Reed OBE MP

*Secretary of State for Housing,
Communities & Local Government*
2 Marsham Street
London
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Leaders in Lincolnshire, North Lincolnshire
and North East Lincolnshire
By email

16 July 2026

Dear Leaders,

Thank you for your continued work to deliver local government reorganisation in Lincolnshire, North Lincolnshire and North East Lincolnshire. This Government is delivering the most ambitious programme of local government reform in a generation, replacing the inefficient two-tier system with new unitary councils so that all parts of our country can access strong services, and are ready for devolution. We need to devolve power out of Whitehall so that we can rebalance wealth, power and opportunity across our country. But devolution must be built on strong local councils that can deliver good public services, support growth, and remain closely connected to the communities they serve.

Doing this right means recognising the unique contributions that different areas make to people's lives, as well as to the national economy. Some of our smaller cities are highly productive, but have been constrained by tight boundaries, set decades ago, which stop them from building the homes they need. Others are more rural, with significant demand for social care services and affordable housing. Local government should be set up to address the unique circumstances of each area and design public services tailored to each community.

Reorganisation provides us with a once-in-a-generation opportunity to ensure that councils genuinely represent the communities they serve today and stand the test of time. We know that people care about their own villages, home towns, high streets and communities. In many parts of the country, existing boundaries do not match local economies, public services, or local identities.

We won't achieve effective devolution or enable effective place-based public services with outdated and misaligned structures that slow down delivery, fragment public services, hamper housebuilding and slow down important decision making. We need to make sure that new councils are grounded in place and are genuinely connected to their communities.

Decisions

I have considered your proposals carefully against the criteria set out in the invitation letter of 5 February last year, alongside the responses to the consultation, representations made, requests for modifications made alongside the proposals and all other relevant information.

Following this assessment, I have decided to move forward with implementation of the **four unitary proposal submitted by City of Lincoln Council**. In accordance with the provisions of the Local Government and Public Involvement in Health Act 2007, I will exercise my power to modify the proposal to achieve the boundary change requested alongside their proposal. For ease, this is now referred to as “my selected option”.

These would comprise the current areas of:

- City of Lincoln Council, plus 12 wards from North Kesteven District Council and seven wards from West Lindsey District Council (referred to in the proposal as ‘Lincoln City’);
- Boston Borough Council, East Lindsey District Council, South Kesteven District Council, South Holland District Council, North Kesteven District Council less 12 wards and West Lindsey District Council less seven wards (referred to in the proposal as ‘Rural Lincolnshire’)
- **North East Lincolnshire:** to remain unchanged
- **North Lincolnshire:** to remain unchanged

In my view, my selected option will enable a better outcome overall for the area than the unmodified proposal as described below. I want to thank you for all the work that has gone into developing proposals that seek to deliver new unitary councils that will help to grow the local economy and provide better public services for the people of Lincolnshire, North Lincolnshire and North East Lincolnshire. Your ongoing collaboration will be vital to ensure that the proposal from City of Lincoln, with requested modification (hereafter referred to as ‘my selected option’) is implemented by April 2028 with the interests of residents at its heart.

Turning to the reasons for my decision, in my judgement, although all the proposals met the criteria, I consider my selected option to be the best option overall. In particular, my selected option supports place-based growth by recognising the economic role of Lincoln, and enabling increased housing delivery within the city, alongside balancing the distinct urban and rural character across the area.

In more detail, my selected option performs well in the following areas:

- **Supporting place-based growth and housing delivery:** In my view, my selected option best addresses Lincoln’s current under-bounding with a geography that balances sensible economic areas with retaining the distinct urban and historic identity of Lincoln as a city. I judge that my selected option will give Lincoln the space it needs to grow, whilst allowing Lincoln to better align its geography and governance with its functional urban economic area. I consider that this will strengthen housing delivery and enable more coherent planning and infrastructure service integration within the city footprint, allowing this council to focus on the distinct economic needs of the city region – and I note the plans to deliver around 17,000 homes in the expanded Lincoln area by 2038, rising to around 30,000 by 2050. I judge that my selected option, with the requested boundary changes, performs strongest here given none of the other proposals strike the right balance between enabling this growth of Lincoln, strengthening housing delivery, whilst preserving the distinct urban identity - for example the two unitary option and alternative four unitary option both restrict growth to the south, including separating Lincoln from North Hykeham; and the three unitary option and alternative four unitary

option merge Lincoln entirely with various areas with different identities across the wider invitation area.

- **Services tailored to local needs:** My selected option will support better service delivery by creating a distinct new urban authority as well as a new more rural authority. I note that this will enable local services to be tailored to reflect different needs across different communities. I judge that my selected option will therefore better balance the delivery of high-quality services through a locally responsive approach, retaining scale where needed while tailoring services such as housing that would most benefit from being focussed on distinct urban and rural needs. I found that the two unitary option and the alternative four unitary option both had limitations in terms of service delivery and coherent public service geographies, including in particular cutting off Lincoln from its direct neighbour North Hykeham. The two unitary option cuts across other major public service boundaries causing complexity, and the alternative four unitary option risks service delivery becoming misaligned with how people live, work, travel and use services. I have judged that the unmodified base proposal for my selected option leaves Lincoln on its existing, under-bounded footprint; the modification brings surrounding communities that rely on Lincoln for work, services, infrastructure and housing into the same authority, reducing the mismatch between service demand and decision-making and allowing for better place-based service delivery. While I recognise the benefits of the three unitary option in limiting disaggregation of services, I judge that the proposed large single Lincolnshire authority in the three unitary option risks being less responsive to local communities and in particular the distinct needs of urban and rural areas when compared with my selected option.
- **Support for devolution, with clear place-based governance and representation:** In my view, my selected option will support devolution most effectively, by creating distinct place-based authorities that are close to the needs of their populations. It will also give Lincoln a dedicated voice within the Combined Authority with a council that aligns economic levers within its economic area, which will be important in supporting the Mayor to drive economic growth given Lincoln's economic significance to the area. It separates Lincoln from the wider rural county, creating a dedicated urban authority focused on growth and regeneration, whilst also allowing the 'Rural Lincolnshire', North-East Lincolnshire and North Lincolnshire Councils to focus on their local priorities.

My selected option includes a boundary change to expand Lincoln by incorporating surrounding wards from North Kesteven and West Lindsey, with the remaining areas forming a separate Rural Lincolnshire authority while North and North East Lincolnshire remain unchanged. I acknowledge the added complexity this may introduce but, following careful consideration, in my view there is a strong public services and financial sustainability related justification for this boundary change as it will deliver the best outcomes overall from reorganisation for the reasons set out above. In summary, this change will help resolve the under-bounding of Lincoln, the boundaries of which no longer reflect how people live, work and access services, whilst retaining Lincoln's distinct urban identity and character. The expansion around Lincoln will also better align economic powers and governance with Lincoln's functional economic urban area, strengthen housing delivery in Lincoln, and enable more coherent planning and service integration.

I considered the expected costs and benefits set out in the proposals, as well as the ability of each new council to be financially resilient. I have noted that my selected option may take longer to pay back the upfront costs of reorganisation than the other proposals; however I am satisfied, based on our assessment against the criteria, that this option could perform similarly or represent an improvement in sustainability over current structures.

I also considered the fact that three of the councils in the area would be below the 500,000 population figure, albeit the current two unitaries – North Lincolnshire and North East Lincolnshire – remain unchanged. The 500,000 figure has always been a guiding principle, not a fixed threshold. While I recognise that the population sizes of the proposed new councils are uneven and the proposed Lincoln City unitary is small, I am of the view that this is acceptable as I believe that my selected option strikes a better balance across the criteria and avoids the risk of remoteness from the three unitary option and the risk of fragmented public services and boundaries under the other options. For all the reasons set out above, I am satisfied that creating a new council under the 500,000 figure is justified on the basis that it will produce a better overall outcome for local government in Lincolnshire, North Lincolnshire and North East Lincolnshire.

Next steps

In relation to next steps, as you are aware a Structural Changes Order, which will be subject to Parliamentary approval, is required to abolish existing councils, establish new structures and make transitional arrangements. I have carefully considered the information in the proposals as well as the further representations you have made on the content of this Order.

My officials will shortly write to your Chief Executives setting out the next steps and timeline for implementation, including my initial decisions on transitional arrangements that will be included in the draft legislation. This will enable you to take forward the work needed to begin preparation for implementation, in advance of Parliamentary approval of the Order. Critically, and drawing on learning from previous rounds of reorganisation, this will include a single Implementation Team formed of officers from across the area, and elections to the new unitary councils in May 2027. For the avoidance of doubt, these elections to the new unitary councils will replace any scheduled local elections, and affected councillors will have their terms extended.

A broad support offer is in place for councils, including support to councils through our sector advisors and through funding to the Local Government Association for an enhanced support offer. We have already announced £63m in capacity funding to support the reorganisation process, and I am pleased to provide further detail today on how this funding will be allocated.

Of the £63 million capacity funding, as well as the unprecedented £900,000 transition support to each new unitary already announced, we are also committing up to £150,000 per each new unitary as supplementary funding for Leadership Capacity and Continuity in Children's Services, Adult Social Care and Public Health. This is part of a wider package of support worth up to £10m for children's services, adult's social care and public health leadership, which will also fund targeted development, mentoring and peer support for current, new and aspiring leaders.

In addition, up to £1m of funding overall will be available to support the small number of areas with complex fire and rescue authority transitions.

Taken together, this means that areas undergoing local government reorganisation will receive more than £1 million per new unitary created. This is the first time reorganisation has been supported in this way and shows this Government is committed to supporting councils to get these reforms right. We will confirm details of these allocations in due course.

Taken together, this means that each new unitary authority will receive over £1m each in capacity funding. This is the first time reorganisation has ever been supported in this way and shows the Government's commitment to supporting councils to get these reforms right.

I look forward to continuing to work closely with you to deliver the vital improvements that reorganisation can facilitate.

I am copying this letter to your chief executives, MPs, the Greater Lincolnshire Mayor and the Police and Crime Commissioner for Lincolnshire.

Yours sincerely,

A handwritten signature in purple ink that reads "Steve Reed". The signature is fluid and cursive, with a horizontal line drawn underneath the name.

RT HON STEVE REED OBE MP

Secretary of State for Housing, Communities and Local Government