KENT COUNTY COUNCIL – PROPOSED RECORD OF DECISION

DECISION TO BE TAKEN BY:	DECISION NO:
Cabinet	25/00101

For publication

Key decision: YES

Key decision to be taken by Cabinet.

Subject Matter / Title of Decision

Kent County Council Local Government Reorganisation: Strategic Business Case Submission to Government

Decision:

Cabinet agrees to:

- APPROVE the KCC Strategic Business Case for Local Government Reorganisation in Kent and Medway;
- DELEGATE authority to the Chief Executive, in consultation with the Leader of the Council, to take the required actions to submit the finalised Strategic Business Case Submission to Government by the 28 November deadline.
- DELEGATE authority to the Chief Executive to take other necessary actions, including but not limited to negotiating and entering into contracts or other legal agreements, as required to implement the decision.

Reason(s) for decision:

Kent County Council (KCC) has the option to submit a Strategic Business Case setting out its preferred option for Local Government Reorganisation (LGR) in Kent and Medway following a statutory invite from Government on 5 February 2025.

KCC has undertaken preparatory work since the February invitation, both through a joint options appraisal (completed by KMPG on behalf of Kent Council Leaders) and through an internal options appraisal conducted by KCC. Having considered the findings of both the internal and joint options appraisals, the proposal is to submit an independent Strategic Business Case to Government for the single-unitary option covering Kent and Medway, incorporating three Area Assemblies.

One of the primary reasons KCC is proposing to support a single unitary for Kent and Medway is because it is considered to be the most financially viable option, in both the short and the long term. Modelling predicts that recurring financial benefits will be delivered quicker than they would be in the other multi-unitary options, providing greater scope for reinvestment into services for residents. Given the significant and unique challenges that Kent faces due to the county's disparities and its nationally important position as the gateway to Europe, it has also been determined that a single unitary is the most viable option for LGR in Kent and Medway as it maintains countywide scale and avoids the service delivery risks that could come with the disaggregation of key services. Finally, the model aligns well with Government's criteria for LGR and will allow the benefits of developing a single tier of local government in Kent and Medway to be realised.

Cabinet Committee recommendations and other consultation:

The Devolution and Local Government Reorganisation Cabinet Committee considered updates on the LGR workstream in July and September 2025.

The draft proposal for KCC's Strategic Business Case was considered by the Devolution and Local Government Reorganisation Cabinet Committee on 03 November and then by County Council on 06 November. A summary of the points raised by Members during these meetings is provided below.

<u>Concerns:</u>

- Option 1a was not compatible with Government's current requirements for devolution. This could therefore potentially exclude Kent and Medway from accessing the funding and powers that come with being a Mayoral Strategic Authority in the future.

- Area Assemblies were not legally protected and so future administrations could disband them, leading to a loss in local decision-making.

- There would be fewer Councillors making decisions on behalf of more residents. As a result, there would be a considerable reduction in democratic representation.

- The workload for Councillors could be far too high, with Councillors unable to adequately represent residents. Some Members noted that the level of casework is often higher at district level for lower-tier services.

- In order to avoid the continued rise in service costs, there needed to be a move away from a large single authority. The LGR process was intended to be an opportunity to do something different.

- The public survey found that more respondents would rather have council services managed by a smaller council covering a more local area (although it is important to note that preferences were different for different age groups as set out in the interim Public Survey report).

<u>Support:</u>

- Option 1a offered the lowest transition costs and the largest future savings.

- Option 1a minimised the risks and costs of disaggregation. These costs and risks increased as the number of unitary authorities created increased.

- Multiple smaller unitary authorities were unlikely to achieve significant cost savings compared to a large single authority that could leverage economies of scale.

- Dividing Kent and Medway into smaller unitaries could exacerbate existing inequalities, notably in North and East Kent.

- Option 1a protected the existing identity of Kent.

- The public survey indicated that most respondents wanted costs to be reduced.

General comment:

- Some Members objected to the principle of LGR being imposed by Government but conceded that an option needed to be submitted and that option 1a was the best proposal under the current circumstances.

Any alternatives considered and rejected:

An internal options appraisal was conducted by KCC earlier this year to assess the relative opportunities and challenges of options for LGR in Kent and Medway that were known at the time against Government's criteria. Details of the options and the findings of the options appraisal were presented to the Cabinet Committee for Devolution and Local Government Reorganisation on 28 July 2025.

KCC then conducted a subsequent options appraisal to assess option 1a – a single unitary for Kent and Medway with three Area Assemblies in North, East and West Kent. The new proposal sought to combine the strengths of both the single unitary and three unitary options under a single model. The initial appraisal of option 1a was presented to Members of the Devolution and Local Government Reorganisation Cabinet Committee on 30 September 2025.

KCC also contributed to the joint options appraisal conducted by KPMG, which assessed options identified by Kent and Medway councils against the Government criteria, including option 1a. This is appended to the Strategic Business Case.

KCC's administration has considered the findings of all of the options appraisals presented for LGR in Kent and Medway in developing its position that option 1a is the best option for Kent and Medway.

Further information on the options appraisals carried out is provided in section 4 of the Strategic Business Case, whilst a summary of the reasons why the administration has chosen to support a single unitary option and not the other options is set out in section 7.

Any interest declared when the decision was taken and any dispensation granted by the Proper Officer:

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signed date