

From: Linden Kemkaran, Leader
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To: **Devolution and Local Government Reorganisation Cabinet Committee, 23 March 2026**

Subject: LGR update

Classification: **Unrestricted**

Summary:

This paper provides an update on national Local Government Reorganisation (LGR) developments since the previous Cabinet Committee on 3 November 2025. It also presents Government's current timetable for the LGR process and considers some potential scenarios if there are changes to the key milestones.

Recommendation:

The Cabinet Committee is asked to:

- (1) **Note** and **comment** on this update
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1. Introduction

1.1. This paper provides an update on national Local Government Reorganisation (LGR) developments since the previous Cabinet Committee on 3 November 2025. This covers:

- An overview of recent government LGR announcements and activity
- Devolution Priority Programme (DPP) areas & Surrey (LGR 'fast track')
- A recap of the current timetable for LGR.

2. Overview of recent Government LGR announcements and activity

- **10 March** – The Surrey Structural Changes Order (SCO) came into force. The letter formally notifying Surrey Leaders includes an accompanying guidance note on the roles of implementation bodies and predecessor councils.
- **February to March** – all non-DPP LGR submission proposers have either had, or have, a 'listening meeting' scheduled with MHCLG officials to talk through their plans.
- **25 February** – The MHCLG has set up a 'Local Government Reorganisation (LGR) Advisory Group' to support the delivery of the reorganisation programme.

- **16 February** - The Secretary of State for Housing, Communities and Local Government, wrote to council Leaders in LGR areas about the cancelling of the postponement of the May local elections in several local authority areas. Kent was not part of this arrangement. The MHCLG Minister's Miatta Fahnbulleh and Matthew Pennycook recently said in a letter to Leaders and Chief Executives that the government '*remain fully committed to delivering these important reforms within this Parliament to the timetable set out*'. At the same time as the announcement on the local elections, the MHCLG announced £63 million in additional capacity funding to the 21 local areas undergoing reorganisation - the detail of this has not yet been published.
- **12 February** - The MHCLG wrote to all council areas not in receipt of devolution, inviting them to submit an Expression of Interest (EoI) by 20 March to form a Foundation Strategic Authority (FSA). The MHCLG have said that LGR and devolution could be worked on concurrently.
- **5 February 2026** - The government announced the launch of the respective statutory public consultations, including on the proposals received for local government reorganisation in Kent and Medway. All submitted proposals from across the 14 areas are being consulted on, and the MHCLG will only formally assess the submissions and give advice to the Minister after the consultation has closed.
- **28 November** - Final proposals for LGR across the 14 areas not on the Devolution Priority Programme (DPP) (now referred to as 'Tranche 3') were submitted to the Ministry of Housing, Communities and Local Government (MHCLG). This includes the five proposals from councils in Kent and Medway.
- **19 November 2025** - The Minister of State for Local Government wrote to Leaders of all councils in LGR areas that they 'need to adhere to the Publicity Code while developing and pursuing LGR proposals'.

2. Devolution Priority Programme (DPP) areas & Surrey (LGR 'fast track')

DPP areas

- 2.1 The statutory consultations on proposals for unitary local government in the six DPP areas (now referred to as 'Tranche 2') (East Sussex and Brighton and Hove, and West Sussex; Essex, Southend-on-Sea and Thurrock; Hampshire, Isle of Wight, Portsmouth and Southampton; Norfolk and Suffolk) took place from 19 November 2025 to 11 January 2026. It was anticipated that the DPP areas would have submitted comments on their draft Structural Change Order (SCOs) – the legal mechanism for forming the new unitary councils - by now. The Ministerial decisions for DPP areas are expected before the pre-election period (as known as 'purdah') for local authority local elections, which will be no later than 30 March.

Surrey 'fast track' area

- 2.2 Surrey County Council is the sole 'fast track' LGR area, with an accelerated timetable (now referred to as 'Tranche 1'). As such what is happening in Surrey is viewed as a model for what could happen in other areas – DPP and Non-DPP. Consequently, to aid the Committee, the following sections (2.4 to 2.10) briefly detail the implementation structures Surrey has put in place to manage their LGR processes.
- 2.3 The Surrey [SCO](#) became law on 10 March. Surrey's elections to the new shadow councils are in May 2026, with the new councils going live in April 2027. Surrey is currently in their implementation phase. The Local Government Minister and SCO state that 'throughout the whole [LGR] process all councils must be involved' in the implementation of the new councils. Once the SCO comes into force, it will be a statutory requirement for the current councils in Surrey to develop an *Implementation Plan* that supports transition to unitary local government.
- 2.4 The government nominated the Chief Executive of Surrey County Council as the 'Implementation Team Leader' and 'Senior Responsible Officer' (SRO) for LGR implementation in Surrey. This is specified in the SCO.
- 2.5 To facilitate good governance, Surrey voluntarily put in place two Joint Committees in January this year, one each for the two new unitary councils. The Committees are also referred to as '*Implementation Bodies*'. This voluntary arrangement was in advance of the Committees becoming mandatory when their SCO was approved by Parliament. Each of these Committees comprises Members from Surrey County Council and Districts and Borough Councils. The Committees are responsible for:
- overseeing development of the Implementation Plan
 - preparing draft constitutions and governance frameworks for the new councils
 - recommending interim statutory appointments to the shadow authorities
- The Committees will be dissolved and replaced by a new, different implementation body made up of the members elected in the inaugural elections to the new unitary council.
- 2.6 The Implementation Team Leader is responsible to the Joint Committees and later the Shadow Councils for the work of the Implementation Team (rather than the predecessor councils).
- 2.7 Surrey's '*Implementation Team*' drives the day-to-day officer leadership for executing the Implementation Plan to transition to the new unitary councils. This includes:
- Providing a Programme Management Office (PMO) and supporting officer governance to prepare the Implementation Plan
 - Working towards Day 1 readiness for the new unitary councils to function from 'Vesting Day'
 - Supporting appointments to leadership roles in the new authorities

- Managing aggregation and disaggregation of services
- Identifying and managing other risks
- Supporting governance and legal processes

2.8 The 'Implementation Team' acts as the '*Implementation Programme Board*'. The Board oversees the programme design and delivery (structure and governance). The Chief Executive of Surrey County Council (as Implementation Team Lead/SRO) chairs the Board. Membership of the Board includes all council Chief Executives, theme sponsors (where these are not Chief Executives), Commissioners and the Programme Director.

Officers appointed onto the Implementation Team are those with the expertise and experience required for the appropriate oversight of a safe and legal LGR transition. Prior to the formation of the Implementation Team, the joint Surrey Chief Executives group mandated that any LGR work had to be commissioned through them.

2.9 The *Programme Management Office* (PMO) coordinates programme governance, planning, and delivery assurance. The PMO is overseen by the Programme Director.

2.10 The work of the Implementation Programme Board is organised into *thematic areas*. This is intended to support effective programme governance and delivery, not infer a future structure for the new councils. Each theme is sponsored by a Chief Executive or Senior Officer of one of the current councils and supported by a series of workstream/SME leads who co-ordinate working groups involving subject matter experts from each of the councils (where appropriate and as needed). The themed areas are Adults, Children's, Housing and Communities, Place, Finance & property, Procurement and Contracts, People and Governance, Customer and Corporate Services, IT and Data. Several time-limited workstreams also report into the Implementation Team/ Board.

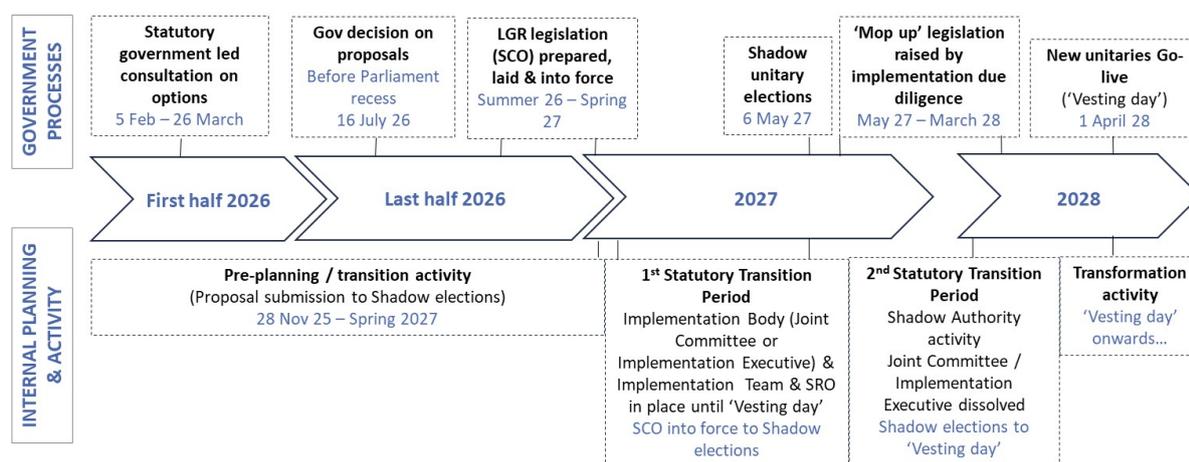
2.11 Additionally, around 40 '*workstreams*' also exist. All Chief Executive's recommended officers as a lead and deputy lead for these, and staff have been redesignated in roles which gave them a role very early on, so they had some agency.

2.12 Surrey's existing, predecessor, councils will continue to operate and have legal competence, independence and authority throughout the transition period. They will deliver business-as-usual (BAU) services and prepare for the transfer to new unitary councils.

2.13 A key message from Surrey is their immediate focus is on transition, and they are trying to avoid blurring *transition* with *transformation*, as that is for the successor councils to determine.

3. The current timetable for LGR

- 3.1 The letter from the Minister of State for Local Government and English Devolution inviting all councils in Kent and Medway to reorganise, sent on 5 February 2025, and the government's summary of the LGR process, from 25 July 2025, detail the stages and timescales for LGR. The diagram below summarises the high-level government processes and timelines and the internal processes within Kent County Council.



4. Potential scenarios if the LGR timetable changes

- 4.1 At the agenda planning meeting, Members asked officers to include the following 'what if' scenarios, given the uncertainties arising from the Government's decision to reinstate regular elections in 2026 in some areas undergoing LGR.
- 4.2 **Scenario 1: Government does not decide on non-DPP areas in July but holds Vesting Day to April 2028:** MHCLG misses its summer recess target for announcing decisions on non-DPP areas (including Kent and Medway) but publicly reaffirms commitment to the April 2028 Vesting Day. A decision slips to Autumn 2026.
- 4.3 **Potential Impact:** There are two significant impacts under this scenario. The first relates to the compression of the implementation timetable: by holding Vesting Day to April 2028 but not firing the 'starting gun' until later than planned, the available implementation window shrinks further - and non-DPP areas are already at a disadvantage, with Ministers' decision due almost three months later than for DPP areas despite sharing the same Vesting Day target. Whilst councils can proceed with some preparatory activity in advance (i.e. no-regrets work), the full range of implementation activity cannot begin until a formal decision is made.
- 4.4 The second relates to the Structural Changes Order (SCO). Once a decision is taken on which proposal to implement, MHCLG must prepare the necessary SCO for Parliamentary approval. In this scenario the SCO would need to be

drafted, laid, and approved in an exceptionally compressed timeframe (likely only weeks) in order to maintain the May 2027 shadow unitary elections date.

- 4.5 **Scenario 2: Government moves Vesting Day to 2029:** MHCLG announces a one-year slip in Vesting Day from April 2028 to April 2029. This may be caused by a number of reasons – but the most likely is MHCLG programme or legislative capacity to concurrently undertake LGR across 21 areas simultaneously.
- 4.6 **Potential Impact:** A slip to 2029 would likely represent a significant but manageable programme event, as an additional 12 months would give officers across all councils more time to prepare services for transfer and establish an operating model for the new unitary councils. Whilst there may be some direct costs incurred due to the need for implementation teams be funded for longer, the additional time would likely lead to better quality implementation decision-making. The other two key risks are: uncertainty around the shadow unitary authority elections currently planned for May 2027; and Vesting Day potentially falling only weeks or months before a general election.
- 4.7 If shadow unitary authority elections were to take place as scheduled in May 2027 with a Vesting Day of April 2029, then those shadow council members would be in place for two years. All precedent suggests that the government would seek to move those shadow unitary elections to the May in the year prior to Vesting Day, as shadow councils are generally expected to be in place for approximately a year before Vesting Day.
- 4.8 A 2029 Vesting Day has a particular complication in that the next UK General Election must be held no later than 15 August 2029. If the General Election were to be held in May 2029 (as is common) a Vesting Day of 1st April 2029 would therefore fall during a potential election period. Incoming unitary councils would be responsible for organising and administering election arrangements, yet much of the preparation would necessarily have been undertaken by predecessor authorities - creating an inherent risk in switching administering authorities at such a sensitive moment.
- 4.9 **Scenario 3: Government pushes Vesting Day beyond the next General Election:** Vesting Day is pushed to April 2030 or later, but beyond the mandatory latest date for the next UK General Election (15 August 2029) meaning LGR in Kent and Medway would be implemented, if at all, under a potentially different government.
- 4.10 **Potential Impact:** This scenario would represent a significant threat to the current programme. A new government has the power to halt, scale back, or fundamentally redesign the programme. A change of government would not automatically unwind SCOs already made (secondary legislation, once enacted, has legal force) but it could halt further SCOs and revoke decisions not yet legislated (even if they had been laid before Parliament). If Vesting Day slips beyond the election, there is a real risk that Kent and Medway's LGR is simply never completed. This would leave the area in a deeply difficult limbo: councillors and officers will have invested years in transition planning,

with significant sunk financial and opportunity costs; service and financial planning will have been built on the assumption of structural change, and workforce planning will be significantly disrupted.

- 4.11 **Scenario 4: Government abandons LGR policy:** The government formally withdraws or indefinitely suspends the LGR programme, either due to legal pressure, political reversal, a change of administration, or fiscal constraints. No Vesting Day is set, and no SCOs are made for non-DPP areas.
- 4.12 **Potential Impact:** While this scenario is the least likely in the short term given the scale of political and legislative investment already made, it cannot be dismissed. Abandonment would have differential impacts depending on the stage reached: where an SCO had already been made it would retain legal force, whereas decisions not yet legislated could be halted or revoked. The financial pressures driving LGR would not disappear; they would simply be unaddressed. It would require managing sunk transition costs, addressing political and officer exhaustion, and rebuilding a longer-term strategic case for the future of local government in Kent and Medway. There may be opportunities to formalise the voluntary joint working arrangements between KCC, Medway and district councils and explore whether a voluntary shared services framework built upon the learning from LGR preparation.

Recommendations

The Cabinet Committee is asked to:

- (1) **Note** and **comment** on this update
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Background documents:

Previous papers to the Devolution and LGR Cabinet Committee, available at <https://democracy.kent.gov.uk/ieListMeetings.aspx?CId=979&Year=0>

'Future Surrey', the official website for Surrey's Devolution and Local Government Reorganisation, available at <https://www.surreylgrhub.gov.uk/>