

From: Linden Kemkaran, Leader

To: **Devolution and Local Government Reorganisation Cabinet Committee, 30 September 2025**

Subject: Kent County Council's position on Local Government Reorganisation and next steps

Classification: **Unrestricted**

Summary:

This report sets out the process by which the administration has identified its preferred option for Local Government Reorganisation in Kent and Medway, which is for a single unitary council with three Area Assemblies. The paper sets out how KCC will now develop its business case to submit to government.

Recommendations:

The Cabinet Committee is asked to:

- (1) **Note** KCC's position on the development of its business case for Local Government Reorganisation in Kent and Medway
 - (2) **Note** the commitment from KCC to continue to take part in the joint work to support the development of a shared evidence base to inform the development of all business cases for Kent and Medway
 - (3) **Note** the next steps to develop KCC's business case by the government deadline.
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1. Introduction

1.1 Kent County Council (KCC) has been undertaking preparation for Local Government Reorganisation (LGR) since receiving government's invitation in February to submit a proposal for the Kent and Medway area. This has been both jointly through the Kent Council Leaders process, as set out in a separate paper to this committee, and through internal analysis and an options appraisal which was presented to the Cabinet Committee on 28 July.

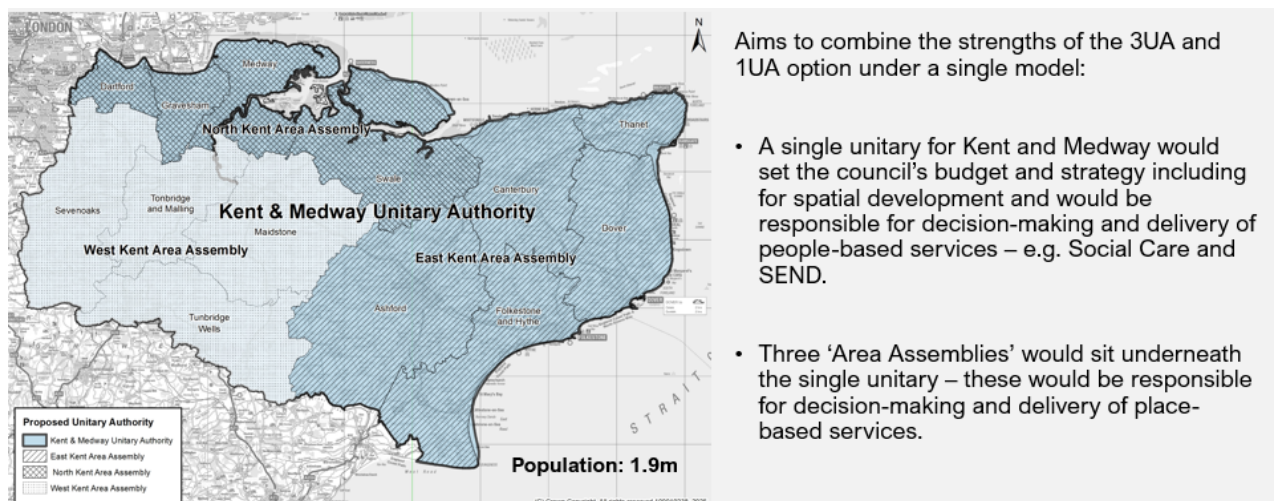
1.2 This report sets out KCC's position and next steps to develop a business case for LGR by the government deadline of 28 November 2025.

2. KCC's position on the development of a business case for LGR in Kent and Medway

2.1 The internal options appraisal presented to the Cabinet Committee on 28 July set out the six options for Kent and Medway which were known to be in consideration at the time and evaluated how they could score against

government's criteria for LGR. To support this evaluation, an evidence base was collated which included financial modelling on the costs and benefits of the different LGR options and the likely financial implications for key KCC services.

- 2.2 The report to the Cabinet Committee also identified some cross-cutting issues for LGR in Kent, many of which are unique, or more significant, compared to other areas and require special consideration. Significant disparities between the East and the West of the county and concentrations of high demand on social care services in some district areas means that splitting the county is likely to cause disadvantage for some parts. This is exacerbated by Kent's border location bringing exceptional pressure on services in the East of the county and on the county's transport system. KCC is only currently able to manage these pressures through the critical mass of capacity provided by operating as a large county. It is unlikely that any voluntary shared service or partnership arrangement between new unitaries could maintain the necessary countywide response to these issues over time, particularly with no timescale in place for the introduction of a Strategic Authority for Kent and Medway. Government has acknowledged the border issues and asked that proposals for LGR in Kent and Medway should set out how a countywide response can be maintained.
- 2.3 Taking into account the issues raised in the report presented and after a detailed debate, at the end of the Cabinet Committee meeting, a proposal was put forward for a 'hybrid' option to be considered, which would create a single unitary for Kent and Medway with three Area Assemblies, as set out below:



- 2.4 The single unitary hybrid option was put forward with the aim of combining the advantages of the single unitary and three-unitary options that were identified through the internal options appraisal. The single unitary option scored the highest on financial viability, delivering the greatest efficiencies and shortest payback period. Modelling predicts that a single Kent and Medway unitary could save £16.2 million per year on children's and adult's social care and SEND service, for example. It could also avoid additional costs of up to £40 million per year that would be incurred by separating the county into up to four unitaries. However, its overall score was lowered because it received low

scores for enabling community engagement and reflecting local identity due to its large size, and for the criteria on devolution.

- 2.5 The three-unitary option was judged to best reflect local identity and provide a good basis for engaging with local communities, with population groupings that closely meet government's expectations, but scored lower on financial criteria.
- 2.6 KCC conducted an initial options appraisal on the single-unitary hybrid option using the methodology and assumptions applied to the other options in the internal options appraisal. As with the other options considered and as set out by government, the six criteria were weighted equally. This was shared with Kent Council Leaders so that it could be considered alongside the other options identified for Kent and Medway. The initial options appraisal is attached as Appendix 1.
- 2.7 Having considered the findings of the initial options appraisal and taken part in discussions about all of the options identified by Kent Council Leaders, it is KCC's position that it will submit a business case to government for a single Kent unitary council covering the Kent and Medway area, with three Area Assemblies for North, East and West Kent.
- 2.8 The administration considers that the financial dis-benefits of the other options presented do not represent good value for money for Kent's taxpayers. Initial financial modelling on some of the four-unitary options shows that the costs might never outweigh the benefits, and in other options the payback period is multiple years during which time the additional financial pressures would need to be managed within the county, potentially impacting service delivery and Council Tax. Evidence also suggests that splitting up countywide services such as social care and highways, which represent the majority of council spend in Kent and Medway, would incur significant costs and risk disruption and reductions in service quality. Conversely, the single-unitary hybrid option is predicted to deliver financial benefits in less than a year which will continue to accrue and allow reinvestment into services for residents.
- 2.9 Kent's unique position and challenges mean that maintaining the county's scale and identity is vital. At the same time, the single unitary option allows Area Assemblies to reflect the natural groupings of Kent's communities and established service delivery patterns, while allowing delegated decision-making on place-based services to reflect local needs and circumstances. A single-unitary will have the capacity to deliver a well-designed community engagement approach, ensuring that residents are heard and providing greater clarity for them to hold the council to account for delivery.

3. Next steps

- 3.1 The decision of Kent Council Leaders not to pursue KCC's preferred option through the joint process means that KCC will develop the business case independently. Due to the internal preparation work undertaken to date, KCC is in a good position to deliver the business case by the government deadline.

The single unitary option is being further developed, informed by analysis of efficiencies and governance requirements.

- 3.2 While KCC is developing its business case independently, it continues to be important that all councils in Kent and Medway have access to information about the likely impacts of LGR on current KCC services to accurately inform the development of all business cases for the area that will be submitted to government. It is also an expectation of government that councils will contribute to a shared evidence base to inform business case development.
- 3.3 KCC is therefore committed to continuing to share relevant information and evidence with partners through the joint process as the work continues. Equally, KCC will have regard to information provided by other councils through the shared evidence base in developing its business case.
- 3.4 In order to support the shared evidence base and ensure that financial analysis of KCC's preferred option is comparable with other options being developed, KCC is working with KPMG to develop the financial case that will form part of the KCC business case. This is an additional piece of work within the existing contract with KPMG to support the joint process at an expected cost to KCC of less than £30,000. Development of the financial case will use financial data from all Kent and Medway councils to provide an accurate analysis of the costs and benefits. Aside from this, business case development will be delivered internally, minimising the costs.
- 3.5 The timescales set by government, which have been further constrained by KCC's election and change of administration, do not allow for extensive engagement on LGR in this phase of the process. However, on such a critical issue for the future of the county, it is important that KCC's business case includes the views of Kent residents and partners. KCC is planning to engage with residents through a survey that will be launched shortly. Key partners will also be contacted to seek their views in the coming weeks. The findings of the engagement will be incorporated into the business case. A statutory consultation process will be led by MHCLG in the New Year on the options for Kent and Medway that they will be considering.
- 3.6 A draft of KCC's business case will be presented to the Devolution and LGR Cabinet Committee in November for comment. A series of Member briefings are being held to inform all Members on the LGR process.
- 3.7 The business case will be presented to County Council in November before it is taken to Cabinet for approval ahead of the government deadline.

4. Recommendations

4.1 The Cabinet Committee is asked to:

- (1) **Note** KCC's position on the development of its business case for Local Government Reorganisation in Kent and Medway
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7. Appendices:

Appendix 1 – initial Options Appraisal of the option for a single unitary with Area Assemblies

8. Background documents:

Paper to Devolution and LGR Cabinet Committee, 28 July 2025, available at <https://democracy.kent.gov.uk/ieListDocuments.aspx?CId=979&MId=9870&Ver=4>

KCC webpage for Local Government Reorganisation and devolution, containing letters to and from KCC and government and further information regarding LGR and devolution, available at <https://www.kent.gov.uk/about-the-council/local-government-reorganisation-and-devolution>

English Devolution White Paper, Power and partnerships: Foundations for growth, Ministry of Housing, Communities and Local Government, 16 December 2024 available at [English Devolution White Paper: Power and partnership: Foundations for growth - GOV.UK](https://www.gov.uk/government/white-papers/english-devolution-white-paper-power-and-partnerships-foundations-for-growth)

English Devolution and Community Empowerment Bill, July 2025, available at <https://publications.parliament.uk/pa/bills/cbill/59-01/0283/240283.pdf>