

LOCAL GOVERNMENT REORGANISATION

Extraordinary Full Council	20 March 2025
By	Colin Carmichael, Chief Executive and Ingrid Brown, Head of Legal and Democracy & Monitoring Officer
Cabinet Portfolio Member	Rick Everitt, Leader of the Council
Key Decision	No
Decision classification	Not Exempt
Call in status	Urgent decision - not subject to call in
Ward:	All

Purpose of the Report

The Leaders of Kent County Council and Medway Council were informed by a letter dated 5 February from the Minister of State for Local Government and English Devolution, Jim MacMahon MP, that Kent and Medway have not been selected to be part of the Devolution priority programme. In a second letter of the same date the Minister formally invited all 14 Kent and Medway Leaders to work together in order to submit proposals for local government reorganisation (LGR). This report seeks Cabinet approval for the proposed interim submission that must be submitted to the Government on or before the deadline of 21 March 2025.

Recommendation(s):

It is recommended that Full Council note the following recommendations to be made to Cabinet at a meeting of even date:

That Cabinet:

1. Approves in principle the proposed general submission on behalf of the Kent Councils for Local Government Reorganisation set out at Appendix 2 of this report, and delegates authority to the Leader to agree any final amendments before submission on 21 March.
2. Note the detailed additional submission related to possible geographical models for new Unitary Councils set out at Appendix 3 of this report, as it is currently drafted, and agree, for the reasons set out in this report, that at this stage the Council should not be associated with this additional submission
3. Note that the Leader of the Council and the Chief Executive have, in accordance with their powers, sought to progress negotiations and develop the attached plan for LGR in the interests of the District.

4. Agree that the Leader of the Council and the Chief Executive continue to progress negotiations and the development of plans in order to be in a position to submit more detailed plans for LGR in accordance with the guidance set out in the letter referred to above from the Minister.

1. Summary of Reasons

- 1.1 The English Devolution White Paper published on 16 December 2024 sets out the Government's intention to significantly reform local government structures and implement devolution across England. To progress its intentions in the White Paper, the Government intends to introduce an English Devolution Bill. Consistent with the provisions of the proposed Bill the Government proposed to determine areas that it considers to be ready to move quickly through to the establishment of a new Strategic Authority, as part of what is called the 'Devolution Priority Programme (DPP).
- 1.2 The Leaders of Kent County Council and Medway Council wrote to the Government asking to be considered for the DPP. However, this request was not accepted. One of the reasons given by the government for rejecting Kent's application was the 'mixed' nature of local government in Kent. There are 12 Districts, 1 County, and 1 Unitary. Only the County and Unitary would be entitled to take part in the Strategic Authority, thereby disenfranchising all the Districts. That was a clear signal to develop proposals for LGR.
- 1.3 The White Paper also references LGR and makes clear Government expectations that all two-tier areas and smaller or failing unitary authorities should develop proposals for reorganisation, based on the creation of Unitary councils. All 14 leaders of Kent and Medway Council, (which are called 'Principal Councils' in the relevant legislation) received a letter dated 5 February 2025 from the Government inviting proposals for LGR.
- 1.4 This report seeks a decision by Cabinet to decide whether to be associated with a proposed submission by the Kent Councils, and additionally with a range of suggested geographical models for possible new Unitary councils in Kent which the Government will consider in line with the set criteria.

2. Background

- 2.1 The Government is clearly committed to facilitating a programme of LGR for the 21 remaining two tier council areas in England and for those unitary councils where there is evidence of failure of where their size or boundaries may be hindering their ability to deliver services to residents. For clarity, 'unitary' councils are those where all aspects of what is currently managed by the County Council and the District councils in Kent are instead managed by one unitary council. Local Government in Scotland, Wales, and most of the metropolitan areas of England is already managed through unitary councils. Government clearly expects two-tier areas and smaller or failing unitaries to develop proposals for reorganisation, based on unitary models

- 2.2 The process of LGR that the government has initiated needs to be managed under current legislation, pending the passing of a Devolution Act. That legislation requires voluntary submissions to be made to the Secretary of State, who in law is entitled to accept, reject, or modify those proposals. The final decision on the number and geographical boundaries of the new unitary councils will therefore be decided by the Secretary of State. However, given that the powers of the Secretary of State will be primarily to accept or modify whatever proposals are submitted, it is clearly worth the councils involved putting considerable effort into developing a submission that makes sense to the existing councils. Having said that, it will be difficult to get to a position where all 14 Kent councils can agree on one single model, and the government recognises that a submission from an area may contain 2 or more geographical models, which the government will consider against the criteria set out in Appendix 1.
- 2.3 In order to initiate the process in a more coordinated way, the Secretary of State wrote on 5 February to the Leaders of all the Principal Councils (Districts, Counties and Unitaries) in the two-tier areas of England to invite submissions. That letter is attached as Appendix 1. It sets out deadlines for submissions of 21 March 2025 for a preliminary submission, which will not bind us legally at this stage, and 28 November 2025 for the final 'legal' submission. It also sets out the criteria against which submissions from the councils involved will be measured. The criteria in the letter set out expectations about issues such as scale of population, and the ability to deliver sustainable financial arrangements; but it also recognises that submissions may propose changes to those criteria provided that those changes can be justified. Such changes to the scale of population could, under the criteria, be justified on the basis of the need for council decision-making to be meaningful to local communities; to be able to take decisions that recognise local considerations; and which do not place a considerable burden on the Councillors elected to the new councils due to the scale of electors to whom councillors relate. It is the different weighting given to the various criteria that is leading to the different geographical models under discussion. For example, Leaders in Kent have taken the view so far that creating 1 or 2 Unitary councils in the Kent area would severely challenge the criteria on localities, despite the fact that councils on such a scale are likely, in principle, to appear to deliver greater savings. The proposed submission, at this stage, rules out councils on that scale.
- 2.4 Whilst there is no Ministerial Directive for LGR, civil servants have been clear that Ministers would use powers, once the Devolution Act is passed, to impose LGR on areas which were not engaging with the process and therefore new boundaries would be imposed on an area. Leaders have taken the view at this stage that it would be much better for Kent to put forward a proposal that makes local sense, than to have a solution imposed on us by the government.
- 2.5 Councillors will see from the letter of 5 February that the Government expects all councils in an area to work together to develop unitary proposals that are in the best interests of the whole area, rather than developing separate and competing proposals (although they accept that there may be different models contained within one submission, which will require a ministerial decision). The Government will also

expect all councils in an area to work with them to bring about these changes as swiftly as possible. It is important that any new unitary authorities are contiguous and allow for sensible geographies when considered as a totality. The current timetable set out by the government envisages that the new unitary councils in Kent would begin their operations on 1 April 2028.

- 2.6. The timetable set out in the letter provides for a first stage submission by 21 March 2025. That deadline is clearly intended to allow for any necessary decisions to be made before the beginning of the pre-election period for the KCC local election on 1 May. Although the letter invites councils to cover a number of areas of interest in this first stage, the civil servants with whom we are working have made it clear that this stage is not part of any 'formal' legal process. It is primarily intended to set out the current thinking, and we believe that it is not the case that we will be negatively affected by any perceived 'light' submission. The civil servants will be able to use this first stage submission to feed back on progress to us - though they will not be able to impose any change to our thinking on us at this stage, nor will the Minister make any decision based on it.
- 2.7. The deadline for a submission which will be the basis of a Ministerial decision is 28 November 2025. Clearly there will be a lot of work needed to get from this stage to this final submission. This report asks Cabinet to agree that the Leader and Chief Executive be authorised to take part in and influence discussions leading up to this.
- 2.8. Since the letter of 5 February, the Leaders and Chief Executives of the Kent councils have met on a very regular basis to consider the implications of the Minister's letter, and to discuss the possible content of the initial submission.
- 2.9. The Chief Executives, at the request of the Leaders, have produced two separate but component parts of a submission. This is due to differing views on how detailed the submission should be at this stage. Some councils are keen to include proposed geographical models. Other councils, including Thanet, would prefer to wait until more detailed analysis has been completed.
- 2.10. For that reason, it is proposed that all Kent councils will put forward the more general submission at Appendix 2, as this is potentially acceptable to all councils in Kent.
- 2.11. Some councils will also (subject to their decision-making processes) include a second part of the submission as set out at Appendix 3, which proposes four potential geographical models. These models have been initially assessed by Price Waterhouse Cooper who are engaged by the County Council through an existing contract. In line with the recommendation of this report, the Cabinet is asked not to include the geographical models as part of Thanet's submission.
- 2.12. On the basis that the 21 March is not part of any statutory deadline, it is suggested that Cabinet should avoid committing the council to any possible geographical models until further work has been undertaken using mutually commissioned and agreed data.

- 2.13 The Appendices issued with this report are the drafts as they currently stand at the date of issue. The recommendations made to Cabinet are based on the content of those drafts. There may be some final changes, which will be reported to Council and Cabinet.

3. Next stages

- 3.1 Following the submission(s) made on 21 March, we expect there to be feedback from civil servants on the content - though it has been made clear by them that, as this stage has no formal position in the statutory timetable, we will not be instructed or advised to include or eliminate any geographical options.
- 3.2 There will undoubtedly be further discussions between Leaders, Chief Executives and other officers to develop this initial submission in line with the criteria set out in Appendix 1. It is anticipated at this stage that that work will be based on input from a strategic adviser appointed for that purpose. Recommendation 4 above reflects that position.
- 3.3 The constitutional position is that Cabinet will need to approve the final 'statutory' submission to be made by 28 November 2025. It is anticipated that, as with this stage, Council will be asked to debate the proposals on an advisory basis before they are considered by Cabinet. The timing for this will depend on how much progress is made leading up to the deadline.
- 3.4 It is anticipated that there will be engagement with local people undertaken by our council leading up to the final submission by 28 November. It is worth noting that, once the government has decided which geographical option to support (that decision being expected around January 2026), the government will conduct a formal public consultation in spring 2026 before any proposals are formally adopted by them.

4. Relevant Issues

- 4.1 These are set out in detail in the body of this report.

5. Alternative Options

- 5.1 Cabinet may agree with the recommendations as drafted. Alternatively it may refuse to approve either draft. For the reasons set out in this report this is not the preferred option. The government has indicated its intention to progress LGR and for the reasons set out in this report it is in Thanet's interests to work towards this.
- 5.2 It is also available to Cabinet to propose amendments to one or both drafts for submission or to consider submitting the more detailed appendix, appendix three. These options are not recommended. As set out in paragraph 2.8, it is considered premature to submit the detailed appendix and commit the Council to a range of options without considerably more work and exploration.

- 5.3 For the reasons set out in this report the preferred option is as set out in the recommendations. This option ensures that the Council properly responds to the invitation from the Government in accordance with the guidance without committing the Council to an option or range of options without considerably more work and consideration of the implications.

6. Consultation

- 6.1 There is no statutory duty to consult in relation to reorganisation proposals under the Local Government and Public Involvement in Health Act 2007. The Minister in the Guidance attached to his letter inviting proposals has indicated however that engagement with key stakeholders and wider consultation will be expected as proposals are developed and prior to submission of more established and concrete proposals by 28 November 2025.
- 6.2 As set out in paragraph 3.4, the government will undertake statutory consultation on their preferred model in spring 2026

7. Corporate Implications

7.1 Finance and Resources

- 7.1.1 There are no immediate financial implications from the decision sought in this report. There are clearly very significant financial implications arising out of LGR but these will be addressed in further detail in a future report in respect of the final proposals.

7.2 Legal and Constitutional

- 7.2.1 In accordance with the provisions of section 2 Local Government and Public Involvement in Health Act 2007 Council Leaders in Kent have been invited to put forward proposals for a single tier of local government. In accordance with section 3 of the same Act, in responding to any invitation the Council must have regard to any guidance from the Secretary of State as to what a proposal should seek to achieve and matters that should be taken into account in formulating a proposal. Section 3(6) provides that where invitations are given to more than one authority any authority that has received an invitation may respond either by making its own proposal in accordance with the invitation or making a proposal jointly with any of the other authorities.
- 7.2.2 The interim proposals that are the subject of this report have been prepared in accordance with the guidance issued by the Secretary of State in respect of these interim proposals. They are therefore in accordance with the statutory provisions. As the report indicates more detailed proposals must be submitted by 28 November 2025. These will need to adhere to the more detailed guidance issued and include a requirement to engage and consult locally.

7.2.3 To note that whilst the Government has indicated its intention to introduce the power to direct or impose LGR the statutory provisions currently do not provide any powers of direction or compulsion.

7.2.4 The decision to submit a proposal for an interim plan in relation to LGR is an executive decision. This is because all functions not specified as non-executive in the Local Authority (Functions and Responsibilities) (England) Regulations 2000 or elsewhere are the responsibility of the executive. Accordingly the decisions sought in this report are decisions that should be taken by cabinet. Given the significance of this decision, Councillors are being offered the opportunity to debate this issue at an extraordinary meeting arranged for the 20th March 2025. To note that Cabinet may take into account any recommendations arising out of the debate but are not obliged to do so.

7.2.5 The Chair of the Council has agreed that in view of the tight timescale for submission of proposals, this decision is an urgent decision. In accordance with the provisions of the Council's procedure Rules this decision is therefore exempt from call-in.

7.3 Council Policies and Priorities

7.3.1 This report relates to the following corporate priorities: -



7.4 Risk

7.4.1 As indicated above, although there is currently no legal provision for the Government to impose LGR, it is likely that the Devolution Bill will introduce such a power in which case there is a risk that arrangements could be imposed on the Council that it had no part in formulating or negotiating.

7.5 Climate Change and Biodiversity

7.5.1 There are no climate change or biodiversity implications arising from the decision sought in this report.

8. Equality, Equity and Diversity Implications

8.1 An Equality Screening Tool has been completed in relation to the decisions sought in this report. This illustrates that there are no particular equalities implications arising from the decisions sought at this stage

9. Crime and Disorder Implications and Community impact

- 9.1 There are no Crime and Disorder and Community Impact implications arising from the decision sought in this report.

10. Subject History

- 10.1 This matter is to be considered by Full Council and then Cabinet on the 20th March 2025.

Appendices

Appendix 1- Letter from the Minister dated 5th February 2025

Appendix 2- General submission on behalf of the Kent Councils for Local Government Reorganisation

Appendix 3- Detailed additional submission related to possible geographical models for new Unitary Councils

Background Papers

There are no background papers

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Report Sign Off / Signed off by / Date sent / Date signed off / Initials

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