Kent Interim Plan for Local Government Reorganisation

Preamble

Kent Councils commit to a unitary structure being implemented across Kent with effect from 1 April 2028 and with elections to the shadow authority being held in May 2027.

We have a strong and productive history of working together as a large, complex group of 14 authorities and have already had initial engagement with a wide range of partners as we work towards a single proposition for Kent, which not only addresses LGR but also responds to the wider agenda of public service reform. We recognise that there remains much more to do, and we are confident, with our strong foundation of joint-working built over many years, that we can formulate and deliver a solution that responds positively to all the criteria.

Our submission follows the criteria set out in the Ministerial letter of 5 February, but it has not been possible in the time available to engage as meaningfully as we would otherwise have hoped or to provide a detailed assessment against all of the criteria.

In the submission that follows, 'Kent' is used to describe the geographical area covered by Kent County Council, Medway Unitary Council and all 12 district councils.

We are keen to explore how our submission for LGR can be aligned with an accelerated timetable for devolution (ideally to align with the timetable for LGR) to facilitate local service reform, providing expected delivery and financial efficiencies. Because Kent was not chosen to be part of the DPP, KCC elections are due to take place on the 1 May and KCC's position will obviously be subject to the views of any administration taking office once the election has taken place.

a) Barriers or challenges where further clarity or support would be helpful.

Kent Council Leaders are keen to raise the following issues and challenges where we would appreciate either further clarity or support:

<u>Geography</u>

- Kent occupies a strategic position as the Gateway to Europe and is home to the Channel Tunnel in Folkestone and the Port of Dover – one of the busiest maritime passenger ports in the world – as well as the inland border facility at Sevington, near Ashford. Its geographical position between the continent and the rest of the UK mainland brings with it a range of unique and significant challenges including managing transport disruption (including requirements to stand up 'Operation Brock') and the new Entry/Exit Scheme. ***We would want reassurance that any new unitary structures – particularly those responsible for the major points of entry – have sufficient financial resources to manage these challenges. We would also be keen for the major ports of entry (and associated infrastructure) to be included within a single unitary structure.***
- Similarly, Kent's position as the 'frontline county' also presents challenges and costs associated with the logistical, financial and other consequences of small boats and unaccompanied asylum-seeking children. ***We would want to ensure that any future local government structures have sufficient financial resources to manage these challenges.***
- Some areas of the county are subject to widespread and significant planning constraints (either through designated protections, viability gaps or nutrient neutrality, coastal constraints). ***We would want government to ensure that any agreed geographies***

take account of such planning constraints in the context of planning deliver targets and to work proactively with the government and Homes England and Natural England to agree an approach to addressing issues of viability and nutrient neutrality which act as impediments to housing delivery.

Finances

- The upper tier authorities in Kent have relatively high levels of debt and debt interest payments that have the potential to undermine the viability of any new entities. It also has the potential to undermine negotiations as some councils are debt free and the debt is perceived to have been incurred in certain geographic areas. ***We would want a discussion with government to agree how legacy debt is managed, apportioned and reassurance that the new unitary authorities have the financial headroom to manage the associated debt interest payments.***
- There is significant variation in levels of Council Tax, taxbase and potential for generating income across the county. Any LGR would need to preceded by a through financial analysis (which, for Kent, will be complex given the number of local authorities involved). We will use this analysis (which is underway) to inform both our preferred structure and innovation in service delivery.
- Many Kent councils have significant structural deficits arising from exceptional issues relating to both cost and demand pressures with some arising specifically from our geography – in particular, associated with unaccompanied asylum-seeking children, adult social care, children's services (including home to school transport), , homelessness and contract inflation. Whilst we will do all we can to deliver efficiency savings and value for the taxpayer from any process of local government reorganisation we are concerned that any new unitary authorities should be financially resilient and self-sufficient. **We would want to discuss additional opportunities for fiscal devolution to support this.**
- Absence of agreed Government funding to support the work required to develop proposals and move towards new unitary councils. **We would be looking for government to fund the cost of working up and implementing proposals for moving to new unitary structures** (including those set out under 'g' below) and would emphasise the New Burdens Doctrine (the requirement that any new burdens should be properly assessed and fully funded by the relevant department).
- There are areas of Kent in receipt of significant government funding and there will be understandable concern that this funding should remain in the areas to which it was allocated. We would appreciate a discussion to understand whether and how this can be achieved.
- There are eight Councils with HRA's across Kent, all are at different positions regarding financial stability and investments, advice is sought about how the Housing regulator expects the amalgamation of these accounts will ensure that tenants are treated fairly.

Representation and localism

- Kent is a large and diverse county with significant differences across the county in terms of geography, deprivation, rurality, economic growth, unemployment, benefits uptake and more. **We would be keen to engage with government to understand whether any support can be given to develop mechanisms to promote local representation and accountability.**
- Councillors are concerned to ensure democratic representation for the new unitary councils and are concerned about the specified minimum population thresholds and the maximum suggested councillor numbers and what this might mean for the ratio of elected councillors to population. **We would want the government to consider the**

diversity of Kent's population and geography in determining any unitary geographies and to support local identity as expressed by residents.

Planning and the NPPF

- Kent councils fully recognise the Government's stated intention (and firm commitment) to deliver 1.5 million homes within the lifetime of the Parliament and the majority of Kent councils have seen increases in housing delivery targets (some of them are very significant increases). There are major housing sites across the county and ensuring delivery momentum is maintained is a critical consideration through LGR. Councils are at various stages of developing and adopting their local plans and **we would be keen to discuss with Government how we manage the transition from existing local planning authorities to new local planning authorities and from existing local plans to new local plans with a view to maximising delivery and minimising abortive costs and work. Maintaining the momentum of the Collaboration Agreement with Homes England in delivering the Garden Town at Otterpool Park, while unblocking nutrient neutrality across Ashford and Canterbury, will be key considerations of a new unitary council.**

Devolution

- Whist Kent was not prioritised for the Devolution Priority Programme both the Minister and officials have suggested that it might be possible for Kent to be considered as part of any future 'waves' of devolution. There are a number of critical economic development functions that sit most appropriately at a county-wide level and which we would be looking to be subsumed into any CCA/MSA/ESA (e.g. 'Visit Kent', 'Locate in Kent') and **we would appreciate support to ensure that we can align the delivery of new unitary structures with a devolution deal to protect these important place-based pan-county services.**

b) identify the likely options for the size and boundaries of new councils that will offer the best structures for delivery of high-quality and sustainable public services across the area, along with indicative efficiency saving opportunities.

Given that Kent includes a county, 12 districts and a unitary council, we will be looking to make a 'Combined proposal'. We are also clear that we would not collectively support either fewer than three or more than four unitaries within Kent given the criteria set out by the government, the population of Kent (current and future projected) and various other factors including identity, economic geographies, travel to work areas, public sector alignment, the resilience of service delivery and the need for appropriate political representation.

Work is underway to identify a preferred proposition which will feature in the full proposal (to be submitted by 28 November). Our intention is to produce a single preferred model, but we recognise that this might not be possible (and that it might be necessary to submit alternative proposals).

One issue that is presenting a challenge to us is the tension between the 'floor' of 500,000 population and how this manifests itself geographically and how it sits alongside concerns we have about scale, identity, localism and the need to provide effective democratic representation to respond to the unique needs of our local communities. Accordingly, we would welcome the minister's view on taking forward a four-unitary proposal that significantly changes several district/borough boundaries (we recognise

this option would also likely take much longer to deliver than the current 2028 ambition and require primary legislation and the involvement of LGBCE).

c) include indicative costs and arrangements in relation to any options including planning for future service transformation opportunities.

This is addressed in Annex 2b.

d) include early views as to the councillor numbers that will ensure both effective democratic representation for all parts of the area, and also effective governance and decision-making arrangements which will balance the unique needs of your cities, towns, rural and coastal areas, in line with the Local Government Boundary Commission for England guidance.

Kent Council Leaders are clear that any new unitary structures must provide for effective democratic representation for residents.

We have given some thought to broad councillor/elector ratios using the criteria set out by the LGBCE. For a three unitary model, the crude ratio would be 6,333electors to each councillor and for a four unitary model, the ratio would be 4,750 (based on the LGBCE guidance of a maximum of 100 councillors per unitary). Further work will be undertaken on this before the November 2025 submission, including the potential for the initial set up of unitaries to have a slightly higher figure, reducing over a manageable period of time to align with the guidance.

Whichever model is chosen, we would be looking to design in mechanisms by which we could enhance and amplify democratic representation and local place engagement. We have been engaging with KALC and are exploring ways in which we can devolve greater powers, funding and responsibilities to parish and town councils.

A number of district councils are exploring the potential for community governance reviews where there are geographical areas without existing parish or town councils.

We are also engaging with other areas that have been through recent processes of LGR to establish other ways in which we can engage local areas and localise decision-making. There are further opportunities to explore as proposals are developed about the use of Area Committees by the new unitaries to provide meaningful reach to local communities. Functions and funding can be matters delegated by the new Councils under their constitutional arrangements and there are examples elsewhere in the country that offer a tried and tested route map. In addition, the future role of Town & Parish Councils is a matter for further work as proposals are developed.

e) include early views on how new structures will support devolution ambitions.

We note the Minister's view that Kent would benefit from delivering local government reorganisation before a mayoral institution is established and we are keen to explore whether and how we could deliver devolution in parallel with our proposals for local government reorganisation and to use the opportunity to explore wider public sector reform (including the potential for some current council functions to be delivered at MSA level). Our proposals are likely to include unitaries of roughly equal size which would address the concerns set out in our DPP response letter. In view of the need for a

number of services to be delivered cost-efficiently on a pan-county basis, this is an urgent request of government.

f) include a summary of local engagement that has been undertaken and any views expressed, along with your further plans for wide local engagement to help shape your developing proposals.

We believe that local engagement should be meaningful and not rushed, particularly given that the nationally the Government narrative has focused on devolution rather than local government reorganisation. Kent councils already have mechanisms in place to promote ongoing dialogue with other public sector bodies with lead representatives from Kent Police, the Police and Crime Commissioner, Kent Fire and Rescue Service, DWP and Health all attending meetings of 'Joint Kent Chief Executives'. In addition, all councils have undertaken extensive staff and councillor engagement, and many have utilised existing forums to engage residents, partners and businesses (e.g. Business Improvement districts, meetings of parish chairs, local strategic partnerships). The two major universities in the area have been engaged at both district (where they operate within a district boundary) and county / unitary level.

In terms of messages that are emerging, partners are keen to be engaged meaningfully in the process, to explore how any changes could promote a whole 'systems thinking' approach and promote a preventative agenda and to ensure that public sector investment is most efficiently made with delivery geographies aligned to the best extent possible. Engagement with staff has led to some concerns being expressed about uncertainty/lack of clarity, capacity, potential conflicts between doing the right thing for current organisations whilst protecting the position of new organisations, skills shortages and issues with recruitment and retention (there is already a suggestion that the uncertainty associated with LGR is impacting on people's willingness to apply for roles).

The councils will undertake wider engagement before submitting a proposal and will set out the results as part of the proposal.

g) set out indicative costs of preparing proposals and standing up an implementation team as well as any arrangements proposed to coordinate potential capacity funding across the area.

We would seek government support (under the New Burdens Doctrine) to meet the costs of scoping up, preparing for and managing any transition to unitary structures including:

- Support from a Strategic Partner to produce the initial and developed business plan
- Survey work to produce both qualitative and quantitative feedback on proposals.
- Costs associated with any additional elections
- Costs associated with the running of any shadow unitary councils (including members' allowances, statutory officers and other necessary staff for the shadow period)
- Programme and project management support
- Implementation support (including miscellaneous professional and consultancy fees – including property valuation, legal advice, HR support and redundancy cost).

h) set out any voluntary arrangements that have been agreed to keep all councils involved in discussions as this work moves forward and to help balance the decisions needed now to maintain service delivery and ensure value for money for council taxpayers, with those key decisions that will affect the future success of any new councils in the area.

Kent Council Leaders have been working positively, productively and intensively on the issues of devolution and public sector reform. Prior to suggestions the government was seeking proposals for devolution and local government reorganisation, Kent Council Leaders have been meeting bi-monthly and Kent Chief Executives have been meeting monthly. In recent months, both groups have been meeting weekly and a special working group has been set up to focus and prioritise work in this area. We are also utilising our county-wide professional council officer groups (e.g. HR Officers, Section 151 Officers etc) to assist with the evidence collection and to look for opportunities for greater alignment of working arrangements to support a smoother transition to the new unitary arrangements.

Our DPP submission was signed by all 14 principal council leaders, and we have been developing a set of overarching principles that govern how we work together including working collaboratively (and as equals) for the good of our communities and putting organisational boundaries and self-interest to one side. We have committed to sharing resources and expertise (recognising that we all have different capacity and skills to offer) and to try to do things once and together through a coordinated programme management and project structure. We have also committed to seek opportunities to align policies, systems, process and procurement activity to be open, transparent and fair to our collective workforces, to be open and honest with residents, partners and staff and to collaborate to maximise engagement with others.