



Ministry of Housing, Communities & Local Government

APPENDIX A

Rt Hon Steve Reed OBE MP
*Secretary of State for Housing,
Communities & Local Government*
2 Marsham Street
London
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Leaders in Kent and Medway
By email

16 July 2026

Dear Leaders,

Thank you for your continued work to deliver local government reorganisation in Kent and Medway. This Government is delivering the most ambitious programme of local government reform in a generation, replacing the inefficient two-tier system with new unitary councils so that all parts of our country can access strong services, and are ready for devolution. We need to devolve power out of Whitehall so that we can rebalance wealth, power and opportunity across our country. But devolution must be built on strong local councils that can deliver good public services, support growth, and remain closely connected to the communities they serve.

Doing this right means recognising the unique contributions that different areas make to people's lives, as well as to the national economy. Some of our smaller cities are highly productive, but have been constrained by tight boundaries, set decades ago, which stop them from building the homes they need. Others are more rural, with significant demand for social care services and affordable housing. Local government should be set up to address the unique circumstances of each area and design public services tailored to each community.

Reorganisation provides us with a once-in-a-generation opportunity to ensure that councils genuinely represent the communities they serve today and stand the test of time. We know that people care about their own villages, home towns, high streets and communities. In many parts of the country, existing boundaries do not match local economies, public services, or local identities.

We won't achieve effective devolution or enable effective place-based public services with outdated and misaligned structures that slow down delivery, fragment public services, hamper housebuilding and slow down important decision making. We need to make sure that new councils are grounded in place and are genuinely connected to their communities.

Decisions

I have considered your proposals carefully against the criteria set out in the invitation letter of 5 February last year, alongside the responses to the consultation, representations made, and requests for modifications made alongside the proposals and all other relevant information.

Following this assessment, I have decided to move forward with the implementation of the four unitary proposal submitted by Dover District Council, Swale Borough Council and Thanet District Council ("my selected option").

These new councils will comprise of the current areas of:

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- Dartford Borough Council, Gravesham Borough Council and Medway Council (referred to in the proposal as 'North')
- Maidstone Borough Council, Sevenoaks District Council, Tonbridge and Malling Borough Council and Tunbridge Wells Borough Council (referred to in the proposal as 'West')
- Ashford Borough Council, Folkestone and Hythe District Council and Swale Borough Council (referred to in the proposal as 'Mid')
- Canterbury City Council, Dover District Council and Thanet District Council (referred to in the proposal as 'East').

I want to thank you for all of the work that has gone into developing options that seek to deliver new unitary councils that will help to grow the local economy and provide better public services for the people of Kent and Medway. Your ongoing collaboration will be vital to ensure that the proposal is implemented by April 2028 with the interests of residents at its heart.

Turning to the reasons for my decision, in my judgement, although all of the proposals, except the one unitary proposal, met the criteria, overall I consider my selected option to be the best option for Kent and Medway. It performed particularly well in supporting housing delivery, alignment with functional economic areas, public sector boundaries as well as place-based and locally responsive public services.

With regard to the one unitary proposal, I have significant concerns about the size of the proposed new council, which would have a very large population at over 1.9 million, far exceeding the 500,000 guiding principle referred to in the invitation and by far the biggest council in the country. I am also concerned about how services would be delivered over this footprint, and how the untested federated model would work. In addition, the option would also pose significant challenges for accessing the deepest levels of devolution for the area. Therefore, in my view, this proposal did not meet the criteria.

In more detail, my selected option performed particularly well in the following areas:

- **Alignment with sensible economic areas and supporting housing delivery:** While the three unitary option offers some strengths in terms of balance between councils and larger Housing Revenue Accounts overall, in my view, my selected option creates more sensible geographies that will support housing delivery and wider economic growth by striking a better balance between size and local connection. 'North Kent' is a nationally significant growth area within the Thames Estuary corridor with key urban centres driving growth in housing and commercial development; 'West Kent' is a hub for professional services, life sciences and creative industries with vibrant town centres and strong residential markets; 'Mid Kent' combines fast growing urban centres with rural and coastal assets and strong connectivity; and 'East Kent' has growing sectors in health, life sciences and the creative economy and regeneration potential. I judge that these new councils will be the right size to meet local needs and remain aligned to functional urban areas and economic geographies, which will allow councils to understand the needs of local housing markets and address distinct housing pressures in the areas of the new councils. I judge that the Housing Revenue Accounts remain sufficiently robust to support housing delivery and meet local housing needs by providing a sound platform to support future investment. I did not judge the geographies created by the boundary changes sought in the alternative four

unitary option or the five unitary option would outweigh the risks from the added complexity of those options.

- **Place-based and locally responsive services:** While I acknowledge the additional risks from disaggregation of public services compared to the three unitary proposal, in my view, my selected option will better support the delivery of strong, locally responsive public services. I judge that it provides the best platform to design and deliver place-based public services that will be able to better reflect distinct local circumstances and tailor service delivery models to those circumstances. It performs particularly strongly through its alignment with existing public sector boundaries, which could better facilitate integration with the NHS on health and social care services. The alternative four unitary model has similar strengths but carries more disruption risks due to the particularly complex boundary changes. The five unitary option could provide a model for closer service delivery but I do not judge that this potential benefit outweighs the greater financial and transition risk carried by this option, particularly as it would split the existing unitary council of Medway.
- **Neighbourhood empowerment:** My selected option offers strong neighbourhood governance through establishing neighbourhood area committees, which create clear neighbourhood level structures and empowerment. This could provide an avenue for local communities to shape their own local priorities and influence how services are designed around local circumstances. This is particularly important in Kent and Medway, where communities vary significantly between urban, rural and coastal areas, and so local community representation and empowerment is critically important for ensuring strong local accountability and local identity.

I considered the expected costs and benefits set out in the proposals, as well as the ability of each new council to be financially resilient. I am satisfied, based on our assessment against the criteria, that my selected option is likely to generally represent an overall improvement in, or be similar to the sustainability of current structures. The single unitary proposal could be more likely to deliver savings but did not meet the criteria overall.

I also considered the fact that two of the new councils would be below the 500,000 population figure, albeit both of these councils will have populations close to that number. The 500,000 figure has, however, always remained a guiding principle, not a fixed threshold. For all the reasons set out above, I am satisfied that creating these two councils under that threshold is justified on the basis that the four unitary model would produce a better overall outcome for local government in Kent and Medway.

I recognise that local government reorganisation in Kent and Medway raises important issues regarding the future delivery of services and responsibilities relating to Unaccompanied Asylum-Seeking Children. MHCLG is working collaboratively with the Home Office, the Department for Education and will work closely with relevant councils, to ensure that arrangements are in place to support the continued safe, lawful and effective discharge of these responsibilities under the new structures. Details of any necessary legislative provisions will be set out as part of the implementation legislation. We will continue to work collaboratively across government and with local councils throughout the implementation period to ensure these arrangements are developed and delivered effectively.

Next steps

In relation to next steps, as you are aware a Structural Changes Order, which will be subject to Parliamentary approval, is required to abolish existing councils, establish new structures and make transitional arrangements. I have carefully considered the information in the proposals as well as the further representations you have made on the content of this Order.

My officials will shortly write to your Chief Executives setting out the next steps and timeline for implementation, including my initial decisions on transitional arrangements that will be included in the draft legislation. This will enable you to take forward the work needed to begin preparation for implementation, in advance of Parliamentary approval of the Order. Critically, and drawing on learning from previous rounds of reorganisation, this will include a single Implementation Team formed of officers from across the area, and elections to the new unitary councils in May 2027. For the avoidance of doubt, these elections to the new unitary councils will replace any scheduled local elections, and affected councillors will have their terms extended.

A broad support offer is in place for councils, including support to councils through our sector advisors and through funding to the Local Government Association for an enhanced support offer. We have already announced £63m in capacity funding to support the reorganisation process, and I am pleased to provide further detail today on how this funding will be allocated.

Of the £63 million capacity funding, as well as the unprecedented £900,000 transition support to each new unitary already announced, we are also committing up to £150,000 per each new unitary as supplementary funding for Leadership Capacity and Continuity in Children's Services, Adult Social Care and Public Health. This is part of a wider package of support worth up to £10m for children's services, adult's social care and public health leadership, which will also fund targeted development, mentoring and peer support for current, new and aspiring leaders.

In addition, up to £1m of funding overall will be available to support the small number of areas with complex fire and rescue authority transitions.

Taken together, this means that areas undergoing local government reorganisation will receive more than £1 million per new unitary created. This is the first time reorganisation has been supported in this way and shows this Government is committed to supporting councils to get these reforms right. We will confirm details of these allocations in due course.

I look forward to continuing to work closely with you to deliver the vital improvements that reorganisation can facilitate.

I am copying this letter to your Chief Executives, MPs, and the Kent and Medway Police and Crime Commissioner.

Yours sincerely,

A handwritten signature in dark ink, reading "Steve Reed". The signature is fluid and cursive, with a horizontal line underneath the name.

RT HON STEVE REED OBE MP

Secretary of State for Housing, Communities and Local Government