

## Local government reorganisation: July 2025 update

On 24 July, Jim McMahon, Minister of State for Local Government and English Devolution, wrote to councils in the 21 areas subject to local government reorganisation [LGR]. The letter covered:

1. an invitation to consider partnership options for joint working across the new unitary authorities for the delivery of adult and children's social care
2. further details on the process of LGR – seven stages and a final vesting date for most new unitary authorities of 1 April 2028
3. the financial decisions that will need to be made before reorganisation takes place
4. areas where there are likely to be multiple proposals for configurations of new unitary authorities, proposals should be submitted together and be based on the same data
5. there is some flexibility in the guideline population size of 500,000 for a new unitary authority, but councils are expected to give a rationale for proposals that are greater or smaller than this figure.

### Joint working for delivery of social care

Government envisages that partnership working between new unitary authorities could support authorities in managing the continuity of adult social care and children's social care services during the reorganisation process. It could also maximise opportunities for future collaboration at a strategic level, such as on health and care integration and with other public services. Recognising the market and strategic challenges that reorganisation may bring in covering new geographies, there is encouragement for forming unitary authorities to consider partnership working to:

- ensure the continuity of adult and children's social care services during reorganisation
- encourage areas to consider where partnership working presents opportunities that are specific to the needs of your local residents
- explore a range of approaches to partnership working
- help to mitigate risks during change [recognising that this is not the only solution to risk management]
- support future strategic collaboration such as on health and care integration and with other public services
- build on existing structures for collaboration, such as partnerships with Integrated Care Boards and Regional Improvement and Innovation Alliances
- continue to work with partners on integrated service delivery, such as through Family Hubs, Discharge and Transfer of Care Hubs, and the development of Neighbourhood Health Services.

The continuity of high quality, safe, legal and sustainable services for those in receipt of support through adult and children's social care should be a priority for all areas throughout the LGR process.

## The process of LGR

The statutory process for making structural changes to councils is as follows.

**Stage one: inviting unitary proposals** – submitted by 21 March 2025.

**Stage two: submission of formal unitary proposals** – by 26 September 2025 for devolution priority areas and 28 November 2025 for all other two tier council areas except Surrey.

**Stage three: statutory consultation** – which includes any council affected that has not submitted proposals and is open to all. The proposed changes for Surrey are already out for consultation.

**Stage four: decision to implement a proposal** – ministers take the final decision subject to Parliamentary approval. In making a decision, Ministers will have regard to all the representations that were received, including the consultation responses, and any other relevant information available to Ministers. The decision taken by Ministers will be subject to collective agreement across Government.

**Stage five: making secondary legislation** – the Structural Changes Order has to go through Parliamentary approval to establish a new single tier of local government and abolish the predecessor councils. The Structural Changes Order will specify arrangements for the first elections for the new unitary councils, councillor numbers, the functions and powers the new council has in the transition period. The Order usually takes 6 to 9 months to prepare and take through Parliament.

**Stage six: transition period** – once the Structural Change Order has been made, existing councils carry on delivering services and fulfilling their duties until vesting day, while preparing to transfer all assets, functions and staff to the new unitary authority. The 'transition body' will power an implementation plan which will enable everything to be in place to start work formally on vesting day.

**Stage seven: new unitary authority goes live** – this is vesting day. A minimum period of around one year is allowed to enable safe and legal transfer of key services from the point the legislation is made to when they go live.

## Financial Decisions

Section 24 of the Local Government and Public Involvement in Health Act 2007 will apply to this local government reorganisation [as it has to previous reorganisations] to ensure that new agreements will be in the best interests of the new unitary authorities and the residents of the area. The implications of this are that written consent from the successor unitary authorities will be required in the following circumstances:

- land disposals worth more than £100,000

- contracts of more than £1 million for capital expenditure
- contracts of more than £100,000 for non-capital expenditure [whole life costs].

No date has yet been given as to when this regulation will come into effect, but is likely to be invoked at the point when a Structural Change Order is passed by Parliament. [This is likely to be 6-9 months after the final scheme is approved by the Secretary of State]. This clearly has implications for all contracts up for renewal in the next 2 to 3 years, including those for local infrastructure and the VCSE.

### Indicative Timetable

|   |                   |
|---|-------------------|
| Six devolution priority areas: submission of proposals for LGR              | 26 September 2025 |
| All other areas: submission of proposals for LGR                            | 28 November 2025  |
| For Surrey ONLY decision on final proposal for LGR                          | October 2025      |
| Six devolution priority areas: consultations on proposal starts             | November 2025     |
| All other areas: consultations on proposal starts                           | January 2026      |
| Six devolution priority areas: decision on final proposal for LGR announced | March 2026        |
| For Surrey ONLY likely elections to new unitary authorities                 | 7 May 2026        |
| All other areas: decision on final proposal for LGR announced               | Summer 2026       |
| For Surrey ONLY vesting day [new authorities come into force]               | 1 April 2027      |
| Six devolution priority areas: elections to new unitary authorities         | 6 May 2027        |
| All other areas: elections to new unitary authorities                       | 6 May 2027        |
| Six devolution priority areas: vesting day                                  | 1 April 2028      |
| All other areas: vesting day  | 1 April 2028      |