

NAVCA and ACRE have produced this resource as part of a project supporting the VCFSE sector and forming unitary and strategic authorities to work together through devolution and local government reorganisation.

Introduction

The information provided here has been drawn from the experiences of NAVCA and ACRE members whose areas have recently undergone local government reorganisation [LGR] from two tier councils to unitary authorities. This will offer some guidance on the process, what to expect and issues to look out for. It will not be comprehensive, and this resource will be updated as more learning is generated as the process progresses.

Note that LIO is used here as a term to cover members of both ACRE and NAVCA.

As one CEO of a LIO that has been through LGR commented: *"It's a fraction of a LIO's day to day businesses, yet it eats time and is essential."*

Summary

- Have a very clearly articulated offer as to what LIOs and the VCS can bring to LGR and why it is important for the success of LGR to work in partnership with the VCS and LIOs.
- There are competing proposals for reorganisation in all areas, and experience suggests that it is helpful for an LIO to tread a neutral line between proposals; saying the same things to all sides when there are competing options for LGR.
- Where there is more than one LIO in the area, work together to partner with the councils and speak with a single voice – do not work separately.
- Experience suggests that there are limited opportunities to influence LGR during the initial phases prior to final decisions being taken by MHCLG. The role of the LIO is to be there to support the VCS and rural communities. Influence is both necessary and possible during the transition and final phases of change.

- There are more challenges around splitting a county council into new unitary authorities, rather than merging a number of district councils. Merger of districts councils means teams can be brought together to operate over the larger geographical area. For county departments and teams, splitting into the new authorities is more challenging and disruptive, presenting something of a cliff edge.
- Relationships really matter to find a way into the new authorities. It is also an opportunity to consolidate existing good relationships, build new partnerships and relationships and repair previously difficult ones.
- There is a high risk of grant funding being lost and contracts being retendered during transitions to the new authorities. LIOs can help by working with council staff to identify and transfer grant pots for the first 12 months of operation, work with council senior staff and elected members to demonstrate the value of partnerships with LIOs and the VCS.
- Impact on VCS organisations varies by size and geographical location. The smallest felt the change from district to unitary scale particularly and needed help to broker communications, contacts and finances. This was also true of VCS organisations located in remoter rural areas, with longer travel times and distances to larger towns and council offices. Mid-sized VCS organisations that had previously worked across a county had to learn to work with two or more unitary authorities which required more input of time across the breadth of their work and activities.
- A degree of pester power is helpful.

Process

The whole process will take place over three years, with multiple stages that can be summarised into three main stages.

1. Initial discussions, proposals and decision stages. The final decisions are made by central government. For current reorganisation this stage will be compressed into around 12 months, with the last decisions on reorganisation due by summer 2026.

2. After a final decision on the structures of the new unitary authorities has been made, there will be a transition phase of at least one to two years for reorganisation and change leading to the creation of shadow authorities and new elections. For most areas this will happen in April 2027. This will include a short period where both shadow unitary authorities and the district and county councils will exist together. Shadow councils are usually in existence for one year before the unitary authority is finally vested. This is due for most areas in April 2028.
3. After vesting the process of reorganisation continues as staff are appointed and responsibilities are consolidated into the new structures and ways of working settle into new patterns. Experience suggests this takes at least two years if not longer. If a new strategic [combined] authority is being created at the same time this stage will have additional levels of complexity as responsibilities and budgets move to the strategic authority.

All 21 two tier council areas have submitted two or more competing proposals for reorganisation, with varying levels of disagreement and animosity. Whilst the VCS may have a preference, experience suggests that it is helpful for an LIO to tread a neutral line and to try to avoid endorsing one proposal over another so that there is no baggage once work starts on implementing the successful proposal. Messaging during the process is key: say the same things to all sides when there are competing options for LGR.

What can an LIO do during the proposal phase?

- Have a very clearly articulated offer as to what LIOs and the VCS can bring to LGR and why it is important to work in partnership with the VCS and LIOs.
- Where there is more than one LIO in the area, work together to partner with the councils and speak with a single voice – do not work separately.
- Be proactive and indicate your willingness to work in partnership with the councils through all stages of the changes.

- Hold online events to explain proposals / implementation to the VCS, inviting council officers and elected members to contribute and hear the VCS perspective.
- Submit a clearly reasoned and evidenced response to any consultations or discussion documents and do this together with the VCS sector.
- Attend meetings and events wherever possible – this can be time consuming and needs more than one person to carry the load.

Experience suggests that there are more challenges around splitting a county council into new unitary authorities, rather than merging a number of district councils. Merger of districts councils means teams can be brought together to operate over the larger geographical area. For county departments and teams, splitting into the new authorities is more challenging and disruptive, presenting something of a cliff edge.

This is a very long process, and the scale of change is enormous.

The work of a LIO during the transition and shadow authority stages

Common challenges

There were many similar experiences between areas recently subject to LGR.

Relationships really matter to find a way into the new authorities. Exploit existing relationships for new contacts. Gather contact mobiles and emails and be prepared to take a guess at email addresses to reach the right people. Be 'useful' [and nice] to council officers particularly those who can influence decisions and budgets.

LIOS must be the eyes and ears of the VCS at strategic and local levels due to the access that they have. It is vitally important to keep the VCS well informed throughout this stage due to the likely levels of uncertainty and lack of information coming from existing and forming local authorities.

Once a decision has been taken there may be very little information available, council staff will be uncertain about the future or their jobs or the changes that will occur. Unfortunately, immediate changes may be the loss of good council staff with whom the LIO has an effective working relationship [due to retirement, redundancy, leaving the council by choice, or moving into other roles]. CEOs of LIOs spoke of needing to provide lots of listening and support to council staff with whom they had effective and trusted relationships.

It may be difficult to know how power dynamics are changing and where power and influence lie in relation to decision making. Even after elections to the new shadow authorities, it may be unclear where power lies within the group of newly elected members.

There is a **high risk of grant funding being lost during transitions to the new authorities**. Unlike contracts which tend to have consolidated administration and processes behind them, grant awards tend to be from different sources scattered across different parts of a council, often with minimal supporting paperwork. Grants will also often end at the point when the closing council ends. Having a forensic level understanding of grants and the budgets they are drawn from, especially at district level, is key to avoid the permanent loss of funding across LIOs, the VCS and communities.

Equally, during transition phases, contracts may either be retendered or not tendered at all. This can cause cliff edge funding for VCS organisations and risks damage to beneficiaries, communities and the VCS organisation itself. Here, being able to evidence need and impact is essential. Work with council senior staff and elected members to demonstrate the importance of the contracts to the council and communities.

In areas where LGR is taking place at the same time as the creation of new strategic authorities, there may be an added level of confusion as budgets move from county / district councils. This may also lead to delays in confirmed funding streams being made available to the VCS and short notice deadlines for bids.

Some council services, e.g. leisure facilities, may be brought back in house by the new unitary authorities partly due to the need to provide consistent services across the new area, but also to save money depending on the contracts in play. This may also have implications for any VCS organisations delivering these services. This also highlights two related risks: firstly, that services previously provided by VCS organisations are brought back in house as a way of retaining more council staff and reducing redundancy costs. Secondly that councils look to offload a range of community buildings and services such as community centres and libraries. Whilst important assets of community value, if needing repairs or are expensive to run, they may well become a significant liability to community, even if a dowry is offered [which is unlikely].

Opportunities

LGR is also an opportunity to consolidate existing good relationships, build new partnerships and relationships, and repair previously difficult ones. Make sure you are able to evidence the benefits to the forming unitary authority of working with LIOs and the VCS and how it benefits communities and individuals, particularly excluded groups, minoritised communities and those furthest from public services.

Where existing relationships are good, particularly with elected members, explore the possibility of the VCS participating in the appointment process for new council senior staff, especially the CEO. In one rural area, a stakeholder panel was invited to meet and discuss ways of working with potential candidates for the council CEO role. The stakeholder panel included: ICB, policy, VCS [via LIO], Town and Parish Council reps, Youth Alliance, anti-racist group. The discussions with the stakeholder group were a core part of the appointment process.

Once a shadow CEO and council leader were in place, the LIO invited them to online meetings with the VCS in the area, asking them to explain the process and priorities, what else was happening in relation to council forward plans, and to listen to the VCS response.

Risks

Previous experience has identified the following risks.

- New ways of working may be brought in from one council and the approach applied in blanket form across the new geography, changing established and expected ways of working.
- Models that worked on a relatively small geography did not continue as they could not be replicated on a larger scale.
- Certain sources of funding for VCS and LIOs just stopped or where not renewed at year end.
- Councillors that may once have had small pots of money to distribute in their local area were likely to lose these sources at least during transitions, with significant impact on small local VCS organisations reliant on this funding.
- One forming unitary authority may become a less desirable council to work for due to political control and/or CEO appointment. A council that struggles to recruit staff is likely to struggle in implementing its new working structures and working in partnership with others.
- Changes in staff responsibilities within forming authorities resulted in lost relationships, loss of understanding and expertise, and the narrowing of roles that once held multiple related responsibilities and were then held by more than one person [applies in transition from district to unitary authority particularly]. In these circumstances, rebuilding relationships on behalf of the VCS became key.

What is it possible to influence?

The conclusion was that it was not possible to influence LGR during the initial phases prior to final decisions being taken. The role of the LIO is to be there to support the VCS and communities, including rural communities. However, influence was both necessary and possible during the transition and final phases of change.

Particularly for the transition from district to unitary and so working over a larger geography, there were more voices in meetings. In these circumstances it was essential to keep asking question about the involvement and work of the VCS. Ask questions and raise awareness of the value and role of the VCS [and LIOs] but aim to retain the neutral space occupied during the initial phases.

Influencing the forming unitary authorities to talk to and work with the VCS was primarily done through behind the scenes influencing with council officers. Work to get the VCS written into the forming authority's plans, especially delivery plans, and respond to any invitation to consult or comment. Encourage and enable the broader VCS to participate in any consultations e.g. through online meetings, written guidance, active communications etc.

In one area where two unitary authorities were created, early on in the existence of the new councils, the CEO of the LIO secured time to talk to both new Corporate Management Teams about what the VCS looked like in their area. They used relevant current data and case studies to make a clear practical points about the VCS. It was also useful in revealing the different cultures of the two new unitary authorities.

The financial implications for LIOs and the VCS

Organisations that have previously partnered or been in receipt of direct funding from a closing council found they were in competition for new pots of money. However, there were also more opportunities to work together in new partnerships.

A change in geographic area also meant new potential partners or competitors came into play, which many VCS organisations [and LIOs] would see as a threat. The advice is that being inward looking and defensive in this new set up is a guarantee of failure – identify the risks and threats and work on positive mitigating strategies.

Invest time in working with forming authorities to aim to get a commitment that existing grants and contracts will roll over for the first 12 month period, not only to secure funding for the VCS, but also so the council can focus on statutory services. Whilst this created breathing space it also created space for grants to be questioned.

Smaller VCS organisations focused on working only within a district council footprint or hyperlocal organisations reliant on district council funding, started to feel distant from the unitary authority, perceiving relationships as lost and being at risk of losing funding. The LIO has a role here to support and enable communication, contacts and partnerships with the forming authorities. Where grants and contracts are from district councils there may be a higher risk of funding not being continued, partly due changing contacts and relationships, competition with other VCS organisations, amalgamating budgets and different priorities.

Impact of LGR on the LIO

So far experience suggests that there is not a huge impact on staff of the LIO in the early stages up to the point a final decision on structures has been made. Impacts on colleagues' morale may come if it proves difficult to secure previous sources of funding from closing councils [either from grants or contracts] and restructuring becomes necessary. This obviously has significant implications for the sustainability of the LIO.

As the new unitary authorities become established there may be significant changes in contracts, ways of working and amounts of funding available that will affect the staff of LIOs and VCS organisations. Additional monitoring and support may be needed for colleagues.

It therefore becomes essential to implement some of the suggestions above such as helping council staff identify and transfer grant pots for the first 12 months of operation, work with council senior staff and elected members to demonstrate the value of partnerships with LIOs and the VCS.

- A degree of pester power is helpful:
 - make yourself known
 - maintain relationships
 - keep track of who is new into key roles, which departments have which responsibilities
 - use existing contacts to ask for information
 - ask for, and keep asking for contacts, information on policy, staff charts and budgets etc.
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- Relationships with politicians were useful but they did not have day to day involvement in the change process and making things happen that council staff did.
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- For further information on success factors and learning from previous experience you may find it helpful to read [this short summary report](#) of the main learning from the creation of Cumberland and Westmorland and Furness Councils 2021-2023.

What do LIOs need to think about for their own work?

Plan ahead. Plan to partner with the forming unitary authorities. Aim to fill any gaps in local infrastructure provision.

If there is more than one LIO working in the new area, aim to start early conversations on what working together will look like and how the organisations may need to come together more formally to do this. Start very early conversations with trustees and stakeholders.

Review the Memorandum and Article of Association to check the geographical area of benefit of the LIO. How does this relate to the new geographies?

What other changes e.g. to health systems may impact this in the near future? Does this need to change?

Do you need to rethink the name of your organisation? Once a district council ends the name will quickly drop from use – will your name still be relevant to the VCS, statutory partners and other stakeholders in the future? What impression will it give partners about the work of the LIO?

Supporting and engaging the VCS through the LGR process

- Very practical support such as trouble shooting contract details, helping anchor organisations such as Age UK, Citizens Advice, carers support type organisations secure finances.
- Experience differed depending on size of the VCS organisation:
 - the smallest felt the change from district to unitary scale particularly – helping broker communications, contacts and finances was important
 - mid-sized VCS organisations that had previously worked across a county had to learn to work with two or more unitary authorities which required more input of time across the breadth of their work and activities.
- Engagement with area partnership boards became more difficult with it proving challenging to find VCS representatives with relevant expertise, particularly during the latter stages of transition.

What were the critical success factors in the outcome of local government reorganisation?

Already having good relationships and trust at a senior staff level with the existing councils – both officers and if possible elected members. This greatly influenced partnership working through the process.

Most staff from community teams tended to stay within the team so maintaining relationships was essential – including providing informal support for them when needed.

Whilst relationships at all levels of council staff are important for success, it was working with the senior staff who had the brain space to engage [as they were not tied up by the day to day details] and were willing to talk to and with the VCS that made the difference. *“Senior managers will not get you to the same place as director level.”*