

Cabinet

2 June 2026

Resources to Support Local Government Reorganisation

Portfolio Holder: Councillor Vince Maple, Leader of the Council

Report from: Phil Watts, Chief Operating Officer (Section 151 Officer)

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Summary

This report sets out, in broad terms, the additional resources that the Council will need to support delivery of Local Government Reorganisation (LGR). It requests delegated authority for the Chief Executive, in consultation with the Leader, to allocate these resources on the basis of individual business cases, requesting the need for resource developed by senior managers with relevant Director approval. A template (working draft) setting out the application process was considered by the LGR Officer Working Group held 29 April and is attached as Appendix 1 to the report for reference.

1. Recommendations

- 1.1. The Cabinet is asked to recommend to Full Council the addition of £7million of anticipated capital receipts to the revenue budget, to be allocated across the 2026/27 and 2027/28 financial years, in order to fund the Council's contribution towards the county-wide Programme Management Office and the Council's own LGR project team and associated workstreams.
- 1.2. The Cabinet is asked to delegate authority to the Chief Executive, in consultation with the Leader, to consider business cases submitted by Directorates and to allocate these funds accordingly.

2. Suggested reasons for decisions

- 2.1. Local Government Reorganisation (LGR) is the biggest shake up of Local Government in England in almost 50 years and presents a once in generation opportunity to transform local government and improve services for residents. This report seeks to ensure that Medway Council has sufficient and appropriate resource to progress LGR and the associated disaggregation and aggregation work. As well as sufficient capacity and expertise to meet the demands made by the county-wide PMO, whilst at the same time continuing to deliver excellent services for the people of Medway.

- 2.2. However, significant work will be required to support the work of the PMO across the region. Delivery of Local Government Reorganisation across Kent and Medway will be led by the county-wide Programme Management Office (PMO) established and overseen by the Kent Local Authority Chief Executives' group. However, the PMO is expected to make significant demands on the officers of Medway Council and the thirteen other local authorities representing Kent and Medway. None of the authorities have the latent capacity in house to meet this demand.
- 2.3. In Medway, the Council's ambition is not solely to achieve statutory 'safe and legal' implementation arrangements, but to deliver 'safe and legal plus' through a transition and delivery process that enables at-scale-transformation, and service redesign to improve resident outcomes and deliver impact. For example - it presents new opportunities to deliver greater strategic integration across a new geography, innovation and investment in digital systems and AI, improved long-term infrastructure and regeneration planning, and opportunities to build more resilient and efficient operating models.
- 2.4. Realising these opportunities will require dedicated programme and transformation capacity in addition to maintaining the high standards of service delivery that our residents have come to rightly expect.

3. Budget and policy framework

- 3.1. According to the Council's Constitution, additions to the revenue budget are a matter for Full Council. It is for the Cabinet to ensure that expenditure does not exceed the budget allocated.

4. Background

- 4.1. On 5 February 2025, the Secretary of State for Housing, Communities and Local Government issued a statutory invitation under the Local Government and Public Involvement in Health Act 2007 to Kent and Medway Councils to submit proposals for Local Government Reorganisation. On 28 November 2025 five proposals were submitted to Government. Following a statutory public consultation on all options in March 2026, the final Ministerial decision is expected before the parliamentary summer recess 2026. The new unitary arrangements for Kent and Medway are scheduled to go live in April 2028 (Vesting Day).
- 4.2. To date there has been strong collaboration from all fourteen local authorities representing Kent and Medway, including the fourteen Leaders and fourteen Chief Executives. The Kent Local Authority Chief Executives Group has committed to continue this collaborative working and has established a county-wide Programme Management Office to lead the delivery of the LGR. However, the Council will also need additional capacity to support the work of the PMO.

5. Advice and analysis

- 5.1. Learning from other Devolution Priority Programme (DPP) areas have demonstrated that councils that have failed to establish sufficient transition and PMO capacity at an early stage experienced increased pressure on business as usual services, delays in implementation planning and heightened operational risk with evidence from other areas demonstrating that dedicated implementation capacity is standard practice.
- 5.2. Workforce capacity and organisational resilience have consistently emerged as the most significant cross-cutting risks through Medway's LGR PMO and planning arrangements. Officers (CMT and DMTs) have identified substantial risks relating to:
 - Maintaining business as usual alongside LGR delivery.
 - Retention of key staff and organisational knowledge.
 - Alignment of ICT systems, contracts and governance frameworks.
 - Increased demand on specialist functions including Finance, HR, ICT, Legal, Communications and Programme Management.
 - Tight statutory and implementation timescales linked to Structural Change Orders and Vesting Day.
 - Potential deterioration of frontline services, and impact on existing transformation programmes, if implementation capacity is not strengthened.
- 5.3. Depending upon which model the Government decides to implement and the number of new unitary councils that would be created, further grant funding commensurate with circa £900,000 per new unitary would be made available to fund implementation costs. The total cost estimated for the PMO and its work is £11.924 million during the period between now and vesting day and Medway Council's contribution to this work has been calculated at £1.060 million, a fixed sum calculated in agreement with all other local authorities, including Kent County Council, on a pro rata basis. The grant should cover the costs incurred during 2026/27 and so the Council's contribution won't be required until 2027/28.
- 5.4. The emerging Kent and Medway joint governance arrangements will involve multiple Programme Action Groups (PAGs), Joint Committee arrangements, county-wide implementation structures and future transition planning for both LGR and into future Devolution.
- 5.5. Whilst it will be well resourced, the PMO is still expected to make significant demands on officers across the fourteen existing local authorities and Medway Council will need to strengthen capacity and, in some cases, bring in specialist expertise to support the work of the PMO. The specific roles required have not been finalised yet, nor has the external consultancy and additional investment in ICT and other internal infrastructure required to meet the needs of this transformation process. This said, the work will commence in earnest once the Government has made its decision and, therefore, this

report seeks approval now for a quantum of funding from the Council's pipeline of capital receipts to fund the additional costs associated with LGR.

- 5.6. Based upon the experience of other local authorities who have been through the process of LGR fairly recently, the LGR Officer Working Group have estimated that we will need around 30 additional full time equivalent posts (or consultants with the relevant skills), across a range of disciplines, including but not limited to Finance, HR, ICT, Legal, Communications and Project Management. Furthermore, these roles will require a high level of professional expertise and working on a ballpark estimate of up to £80-100,000 per post, including employers on-costs, and the need to backfill posts in the establishment which have been vacated to undertake these activities, this could comfortably require £3.0 million per annum.
- 5.7. These per annum allocations are split with up to £2.0 million to fund staffing and resource capacity both for LGR delivery and as backfill (noting some of the other significant transformation programmes currently activity, for example Children's reforms), and up to £1.0 million for external consultancy support or resource, drawn down as and when appropriate. It is important to note that in the case of external consultancy there will be clear, built-in expectations and channels for knowledge transfer and information ownership.
- 5.8. The above proposed funding envelope reflects the scale, duration and complexity of the largest organisational transformation programme undertaken by the Council in recent decades. The conservative estimated requirement for approximately 30 specialist posts is based on benchmarking against comparable LGR programmes elsewhere in England and reflects the need to provide dedicated expertise across multiple workstreams simultaneously whilst protecting business-as-usual delivery.
- 5.9. Lessons learned from recently formed unitary councils have highlighted that transition and medium-term transformation requires significant programme management capacity and capability and requires investment, highlighting the need to ensure resources are allocated to planning and delivering transformation, reviewing business as usual activities to create capacity, and developing key organisational enablers.
- 5.10. Experience from other LGR areas demonstrates that the period immediately following Government decision and prior to drafting of the Structural Change Order (SCO) represents the most resource intensive and strategically important phase of implementation. During this period authorities are required to rapidly establish governance structures, implementation arrangements and transition plans within extremely compressed timescales.
- 5.11. The [LGR checklist](#) developed by the LGA sets out the significant programme of activities required throughout the LGR programme. This includes, for example, developing detailed implementation and transition plans covering service transition, financial management, governance, legal aspects, and communications; establishing formal joint committees; working with the Electoral Commission to prepare for elections to the new authorities; workforce planning; overseeing the redesign of service delivery models; and

formulating and approving the first budget for the new unitary authority for financial year following vesting day.

- 5.12. Recognising the requirement of clear alignment across the organisation in working on this transformative programme, all new and existing posts relating to LGR will connect to the Medway PMO through the Head of Policy and Partnerships' LGR Officers Network. This will ensure that all staff have the opportunity to engage frequently with each other, ensuring smooth progress. The LGR ON will meet weekly for an hour online, with the Head of Policy and Partnerships chairing and informing the wider team of the overall progress of the Kent PMO, key emerging messages and changes and the prevailing direction of travel. The Director of People and Deputy Chief Executive, Director of Place and Chief Operating Officer will occasionally be required to attend LGR ON to promote connections to the Directorates.
- 5.13. In terms of Equality, Diversity and Inclusion, LGR provides an opportunity not only to redesign governance and service delivery arrangements, but also to strengthen equality, diversity and inclusion through workforce planning, organisational culture and future service design. The additional programme and implementation capacity proposed through this report will support the Council to ensure that equality considerations are embedded throughout the transition and transformation process. This is particularly important given the scale and pace of change associated with LGR and the requirement to maintain accessible, inclusive and high quality services throughout the transition period and beyond post Vesting day.
- 5.14. The Council will continue to have due regard to its responsibilities under the Equality Act 2010 throughout the LGR programme, including consideration of protected characteristics, accessibility and inclusion within future operating models and transformation activity. Equality Impact Assessments will continue to be undertaken, where appropriate, as implementation proposals develop and where specific workforce, organisational or service changes emerge through the wider LGR programme.

6. Risk management

Risk	Description	Action to avoid or mitigate risk	Risk rating
Insufficient implementation capacity	Existing staffing structures unable to support both LGR and BAU activity.	Establish dedicated LGR resources and specialist support	All
Failure to meet statutory implementation deadlines	Structural Change Order and other associated transition milestones required	Provision of a dedicated resourced PMO coupled with specialist programme expertise	All

Risk	Description	Action to avoid or mitigate risk	Risk rating
	accelerated delivery.		
Deterioration in frontline services	Staff diverted into LGR activity impacts statutory delivery.	Ensure critical roles are protected and/or backfilled to ensure service resilience	BII
ICT and systems integration failure	Complex system harmonisation across authorities creates operational risk.	Ensure early resourcing in ICT programme management alongside required technical support to deliver safe and legal implementation	BII
Loss of key staff and organisational knowledge	Risk that increased uncertainty and workload pressure impact retention and recruitment.	Early workforce planning and targeted resourcing	BII

For risk rating, please refer to the following table:

Likelihood	Impact:
A Very likely	I Catastrophic
B Likely	II Major
C Unlikely	III Moderate
D Rare	IV Minor

8. Consultation

- 8.1. These proposals have been discussed with the Leader and Chief Executive and the resource requirements consulted upon with senior colleagues through the LGR Officer Working Group. The Policy and Partnerships team has consulted with a number of other local authorities that have recently been subject to Local Government Reorganisation, in order to inform consideration of Medway Council's resource requirements.

9. Climate change implications

- 9.1. In order to ensure that the important ambitions set out in Medway's Climate Change Action Plan and our One Medway Council Plan continue to be prioritised, it is important that there is sufficient capacity and capability to inform and deliver service implementation plans, as well as to determine the vision, values, strategic priorities of the new unitary authority.

10. Financial implications

- 10.1. Except for the introduction of the Policy and Partnerships team in the 2025/26 budget, Medway Council has not made provision in the 2026/27 budget for the significant additional work generated by LGR. As LGR is a transformational activity, both the Council's contribution to the county-wide PMO and the additional revenue costs expected to be required internally could be funded from capital receipts, under Government-granted flexibilities.
- 10.2. In order to ensure that Medway Council can adequately support the work of the PMO, whilst continuing to deliver excellent services to the residents of Medway, it is estimated that the following additional resources would be required:

Internal resources in 2026/27	£3.0 million
Internal resources in 2027/28	£3.0 million
Contribution towards the county-wide PMO	£1.0 million
TOTAL CAPITAL RECEIPTS REQUIRED	£7.0 million

- 10.3. It is important to reiterate that the intention is for this work to be funded from capital receipts as key transformation activity to ensure not only a safe and legal LGR transition but one that delivers high impact transformation.

11. Legal implications

- 11.1. The Council responded to an invitation issued under the Local Government and Public Involvement in Health Act 2007 by the Secretary of State for Housing, Communities and Local Government to submit proposals for Local Government Reorganisation in the Kent area. The government has recently undertaken a consultation process and it is expected that a decision on the model to be progressed will be announced before the parliamentary summer recess.
- 11.2. It is expected that the decision letter will appoint a Senior Responsible Officer to lead the reorganisation work in each of the new unitary areas, the establishment of Joint Committees and numerous other requirements needed to draft and produce a Structural Changes Order within a few months.
- 11.3. The Council will be under a duty to cooperate with relevant stakeholders to progress and deliver the chosen model, and this will require considerable input from across the Council whilst maintaining existing service provision.

Lead officer contact

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Appendices

Appendix 1: Request Form

Background papers

None

Appendix 1

Local Government Reorganisation Additional Resource Request Form - Working Draft

Guidance Note: This form is to be used by managers who are seeking approval for time limited, targeted additional staffing resource to deliver transformation and safe and legal compliance as part of Local Government Reorganisation.

Resource capacity requests will not be considered as a means to increase baseline staffing. **You will need to demonstrate clearly why the resource/post is required** relevant to LGR in one or more of the following areas:

1. Deliver against the required milestones and transformation activity between now and Vesting Day as set out in the Corporate LGR programme plan
2. Deliver 'safe and legal' and 'safe and legal plus' activity
3. Continue to deliver business as usual where LGR activity has depleted resource.

PART ONE – For Applicant Completion

1.Applicant Details	
Service / Programme Area:	
Requesting Lead:	
Date:	
Decision required by:	

2.Requirement Description: Please set out the following with as much detail as possible	
What type of resource are you requesting? For example, staffing or other costs such as consultancy, equipment etc.	
Why is the role or resource needed? – You need to set out a clear case as to what you role or resources is needed form linked to LGR delivery	
If your request is for a new post please set out the following: <ul style="list-style-type: none">- Job Title:- Suggested Pay Grade:	

<ul style="list-style-type: none"> - A summary of their job role and what you are expecting them to deliver: - Anticipated timescales for progressing through HR processes: 	
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3. Risk. Explain clearly:	
Why existing capacity cannot absorb this work	
Evidence of pressure (e.g. workload, statutory deadlines, programme milestones)	
Links to LGR complexity (e.g. system integration, service redesign, governance transition)	
What happens if the resource is not approved (delivery, risk, compliance)?	

4. Cost

What is the estimated cost of the additional resource requirement you are requesting? Please note that any underestimations will have to be met by the service budget once the allocation is agreed.

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5.Additional Information: Please provide as much additional information as possible to enable full consideration of your request, including:	
Will this role or resource support activity linked to day one safe and legal requirements?	

Will this role free up capacity to support delivery of day one safe and legal requirements?	
Over what duration do you need this role? Please indicate preferred start date and end date as well as duration	
Do you require this person full time or part time? If part time please indicate FTE equivalent	

PART TWO – For CEO and Leader

6. Approval Options

- a) Decline – Do Nothing
- b) Decline – But reprioritise and reallocate internal resource
- c) Approve – Temporary Resource
- d) Approve – Permanent Resource

Rationale:

7. Equality and Workforce Considerations

Please set out any relevant issues relating the following:

- Impact on existing staff
- Use of agency vs permanent staff
- TUPE / organisational design implications