

REPORT TITLE: Update on Local Government Reorganisation

To: Council, 16 July 2026

Lead Cabinet Member: Councillor Katie Thornburrow, Leader of the Council

Report by:

Rachel Kamall, LGR Implementation Lead

Email: Rachel.kamall@cambridge.gov.uk

Wards affected: None

Director Approval: The Chief Executive confirms that the report author has sought the advice of all appropriate colleagues and given due regard to that advice; that the equalities impacts and other implications of the recommended decisions have been assessed and accurately presented in the report; and that they are content for the report to be put to the Council for decision.

1.	Recommendations
1.1	It is recommended that Council: 1. Notes the progress made since the Council's Local Government Reorganisation (LGR) proposal was submitted to the Secretary of State. 2. Notes the arrangements now in place to support preparation, programme assurance and transition planning. 3. Notes that a report will be brought in September 2026 with more detail on the legislative process to implement LGR, including the establishment of Joint Committees
2.	Purpose and reason for the report
2.1	The purpose of this report is to provide Members with a concise update on Local Government Reorganisation (LGR) work since the Option B proposal was submitted in November 2025. No substantive decision is sought at this stage. The report summarises current discovery workstreams, programme mobilisation, onboarding of key capacity, early work to feed into government requests regarding the

	Structural Changes Order (SCO), and the forward look to September 2026. It is intended as a high-level briefing for all Councillors, including those who have been recently elected and therefore have not previously been involved in LGR discussions.
3.	Background and key issues
3.1	Cambridge City Council has previously considered reports on LGR on 17 March, 24 July and 20 November 2025. These reports set out the context for Government's invitation to submit proposals, the options being developed across Cambridgeshire and Peterborough, and the Council's preferred proposal.
3.2	In December 2024, the Government published its White Paper on English Devolution, which requires all remaining two-tier local government areas to reorganise into unitary authorities. A unitary council is responsible for both city/district-level services, such as housing, planning, waste collection and environmental health, and county-level services, such as adult social care, children's services, education, highways and waste disposal. The government's intention is to create stronger local councils, that are better able to drive economic growth, improve local public services, and empower local communities.
4.1.3	On 5 February 2025, the Minister of State for Local Government and English Devolution invited councils to develop proposals to establish unitary authorities across Cambridgeshire and Peterborough. On 28 November 2025 the 7 existing councils in Cambridgeshire and Peterborough submitted 4 different proposals to government to create unitary authorities in the area. Cambridge City Council (along with South Cambridgeshire and East Cambridgeshire District Councils) supported the 'Option B' proposal, which would create two new unitary councils: • A Greater Cambridge unitary council, covering the current geography of Cambridge City and South Cambridgeshire District. • A North Cambridgeshire and Peterborough unitary council, covering the current geography of Peterborough City and the districts of East Cambridgeshire, Fenland

	and Huntingdonshire. As part of the proposal development the public and business were consulted and provided extensive feedback. More than two thirds of respondents, 69%, supported a new unitary council for Cambridge and South Cambridgeshire (read the report, or the highlights).
4.1.4	Government carried out a statutory public consultation on all four options from 5 February to 26 March 2026, including consultation with stakeholders and residents across Cambridgeshire and Peterborough. The final decision on which option will proceed will be made by the Secretary of State (SoS). The implementing legislation will be subject to Parliamentary approval. The SoS is expected to announce his decision before recess on 16 July 2026.
4.1.5	Since the submission of proposals, the focus of the Council's work has moved from proposal development to implementation readiness. This does not pre-empt any Government decision. It is intended to ensure that the Council understands the practical implications of LGR, can plan responsibly with partners. The key principle for transition is that it must be as seamless as possible for residents: statutory services must continue and must remain safe and legal.
4.1.6	The next stages in the LGR process are: • Preparation of the Structural Change Order (SCO) in autumn 2026 - the Parliamentary legislation that will create the new unitary councils. • Approval of the SCO by Parliament in early 2027 • Shadow authority elections in May 2027 • Vesting day on 4 April 2028, at which point all current Councils in Cambridgeshire and Peterborough will be abolished and the new unitary councils will begin operating. More information can be found at MHCLG Implementation Guidance (See background documents)
4.2	Implementation Programme mobilisation

4.2.1	Work has begun to establish a proportionate LGR implementation programme across Cambridgeshire and Peterborough in line with best practice. This includes programme governance arrangements, reporting lines, risk management, dependencies and routes for Member oversight.
4.2.2	Cambridgeshire and Peterborough councils recruited a joint LGR Programme Director (Sarah Reed), who started in post in March 2026. She has established a Programme Management Office (PMO) to help deliver the collective LGR programme on behalf of all seven councils in Cambridgeshire and Peterborough, and reports to a Board made up of all CEOs, which is overseen by council Leaders. The PMO will coordinate reporting functions across the different LGR workstreams, strengthen programme governance, and align work with partner authorities. Staff have recently been recruited on secondment from partner councils to fill 9 programme management posts to provide capacity to support the implementation programme.
4.2.3	Cambridge City Council and South Cambridgeshire District Council have also appointed a joint LGR Programme Implementation Lead (Rachel Kamall) to coordinate and manage the transition programme across the two councils. The joint Implementation Lead is working closely with the Cambridgeshire and Peterborough LGR Director and PMO.
4.3	Discovery workstreams
4.3.1	Discovery work is underway to establish a clear picture of the current services provided by the existing councils in Cambridgeshire and Peterborough and identify the main issues that would need to be addressed as part of implementing new unitary authorities. The 9 workstreams currently active are: • Adult's services – including commissioning. • Children's services – including commissioning. • Communications and engagement – both internal and external. • Finance, contracts, assets, pensions, audit and trading companies. • Governance, democracy, civic and elections. • Housing and communities.

	• ICT / Digital and customer services. • Place (environment, transport, regulatory). • Workforce and people.
4.3.2	Each workstream is being led by one of the council Chief Executives, with senior officer representatives from all of the 7 councils. Senior officers are leading the Communications and Engagement, and the Governance, Democracy, Civic, and Elections workstreams.
4.3.3	Each workstream has developed and progressed a programme for the initial discovery phase. Once a decision on the geography of the new unitary authorities has been made the workstreams will begin work to define and development outline implementation plans.
4.4	Structural Change Order (SCO)
4.4.1	The Structural Change Order (SCO) is the legislation that the Secretary of State will use to create the new councils and set out the transition arrangements. The SCO is expected to cover local authority names, boundaries, electoral arrangements, vesting day, abolition of predecessor councils, establishment of joint committees, shadow elections, appointment of executive and statutory officers, and transfer of staff, assets and liabilities. In Cambridgeshire the estimated date for the draft SCO to be issued is September 2026 and it is expected to be approved by Parliament in early 2027.
4.4.2	As in previous reorganisations, Government intends to issue directions under section 24 of the Local Government and Public Involvement in Health Act 2007 to ensure that existing councils make decisions that are in the best interests of the new councils and residents and do not undermine the financial position of the new councils. This is known as a 'Section 24 Order'. It is likely to come into force at the same time as the SCO. It could affect major decisions about assets, land disposals, procurements and contracts, but it would not affect statutory services, routine operational spending or existing programmes.
4.5	Transition periods and implementation bodies
4.5.1	It is likely that there will be two statutory transition periods, with the detailed arrangements set out in the area's SCO:

	• Joint Committees will be established in each of the future unitary areas to make decisions on the transition to the shadow authorities. The Joint Committees would be in place from the SCO coming into force to inaugural elections. Representation on the Joint Committee will be set out in the SCO. For Greater Cambridge, the working assumption is that a Joint Committee could include 4 County Councillors, 2 South Cambridgeshire District Councillors and 2 Cambridge City Councillors. • Shadow Councils/Shadow Executives would be established after the inaugural elections in May 2027 and would make transition decisions through until vesting day – the reorganisation date. The Shadow Councils will be made up of councillors elected at the inaugural elections.
4.5.2	In practice, the timing of the SCO and the inaugural elections mean that formal Joint Committees may only exist for a short period. Consequently, MHCLG's expectation is that predecessor councils will establish voluntary Joint Committees before the SCO comes into force, mirroring the governance arrangements that will later be required. An additional paper will be brought forward through the appropriate governance route in September for agreement on the Terms of Reference for the voluntary joint committees. These voluntary committees will become the Joint committees soon after the SCO is approved by Parliament and are expected to be established to steer transition until shadow authorities are elected.
4.5.3	Predecessor councils (including Cambridge City Council) will continue to operate in parallel to the voluntary Joint Committees, formal Joint Committees and Shadow Councils. The predecessor councils will retain their legal powers and responsibilities for business-as-usual service delivery up to vesting day, while preparing to transfer all assets, functions and staff to the unitary councils on vesting day
5.	Corporate plan and Council Vision
5.1	LGR has potential implications for all Council priorities because it could change the structure through which local services are planned, funded and delivered. Officers will

	ned to consider the implications for the Corporate Plan and Council Vision as part of the work happening across the region to establish the new unitary councils.
6.	Consultation, engagement and communication
6.1	A communications and engagement plan is being developed as part of the programme. This will set out how Members, staff, Trade Unions, partners, residents and businesses will be kept informed as the programme moves from the discovery phase into more detailed planning.
6.2	MHCLG carried out public consultation on the Cambridgeshire and Peterborough LGR options from 5 February until 26 March 2026. Since the submission of the Option B LGR proposal, local engagement has focused on officer mobilisation, programme planning, Member briefing and partner authority discussions. From July onwards officers will provide monthly all member briefing sessions for Cambridge City Councillors
7.	Anticipated outcomes, benefits or impact
7.1	The immediate outcome of this report is that Members have a shared understanding of the current LGR position, the expected national timetable, and the work underway locally. The wider intended outcome is that the Council is prepared to respond to Government decisions, maintain safe and legal services, understand risks and opportunities, and represent Cambridge's interests through any transition process.
8.	Implications
8.1	Relevant risks
	The main risks at this stage are uncertainty about the Government's decision on the geography of future unitary councils and the implementation timetable; pressure on officer capacity; dependencies with partner authorities; incomplete or inconsistent baseline data; potential constraints from any future Section 24 order; and the need to maintain business-

	as-usual delivery throughout transition planning. These risks are being captured through programme governance and will be reported in more detail in September.
	Local Government Reorganisation (LGR)
8.2	This report is directly concerned with LGR. It does not commit the Council to any further decision beyond noting current progress. Future decisions required may include any appointments to joint committees or responses to SCO consultation, which will be brought forward through the appropriate governance route.
	Financial Implications
8.3	There are no direct financial decisions arising from this update report. Discovery work will include assessment of transition costs, programme resourcing, reserves, assets, liabilities, contracts, pensions, audit, trading companies, potential savings or benefits and financial risks. Finance colleagues are being engaged through the relevant programme workstream.
	Legal Implications
8.4	There are no direct legal decisions arising from this report. Legal input is required for the SCO workstream, any Section 24 implications, joint committee arrangements, shadow authority arrangements, transfers of staff/assets/liabilities and future Council decisions.
	Equalities and socio-economic Implications
8.5	No decision is being sought that directly changes services or policy at this stage. Equalities and socio-economic impacts will need to be considered throughout the programme, particularly where future work may affect service access, customer journeys, democratic representation, workforce matters or community engagement
	Net Zero Carbon, Climate Change and Environmental implications

8.6	There are no direct environmental implications from this update report. Future work will consider implications for environmental services, estates, transport, procurement and climate commitments where relevant.
	Procurement Implications
8.7	There are no direct procurement implications from this update report. Discovery may identify contracts and procurement activity that could be affected by LGR, including any decisions that may require consent under future transition arrangements. Once Government issues the Section 24 Order, the Council's ability to enter into contracts will be constrained and may require written consent from the Shadow Authority. It is expected that the threshold will be £1,000,000 for capital and £100,000 for non-capital (whole life costs).
	Community Safety Implications
8.8	There are no direct community safety implications from this report. Future work will consider any implications for community safety partnerships, regulatory services and emergency planning as appropriate.
9.	Background documents Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985
9.1	• <u>Cambridge City Council, Local Government Reorganisation, Extraordinary Council, 17 March 2025.</u> • <u>Cambridge City Council, Update on Local Government Reorganisation, Council, 24 July 2025.</u> • <u>Cambridge City Council, Local Government Reorganisation Proposals, Council and Cabinet, 20 November 2025.</u> • <u>Option B proposal for Local Government Reorganisation, submitted to the Secretary of State</u> • <u>MHCLG: Local government reorganisation: implementation guidance</u>

10.	Appendices
10.1	None
	To inspect the background papers or if you have a query on the report please contact Rachel Kamall, LGR Programme Implementation Lead, rachel.kamall@cambridge.gov.uk