

Dear Members

Cabinet

A meeting of the Cabinet will be held on **Tuesday 18 November 2025** at **6.30pm** in the **Craddock Room, Civic Centre, Riverside, Stafford** to deal with the business as set out on the agenda.

Please note that this meeting will be recorded.

Members are reminded that contact officers are shown at the top of each report and members are welcome to raise questions etc in advance of the meeting with the appropriate officer.



Head of Law and Governance

CABINET - 18 NOVEMBER 2025

Chair - Councillor A T A Godfrey

AGENDA

- 1 Minutes of 16 October 2025 as circulated and published on 17 October 2025
- 2 Apologies
- 3 Councillors' Question Time (if any)
- 4 Proposals of the Cabinet Members (as follows):-

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(b) RESOURCES PORTFOLIO

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Membership

Chair - Councillor A T A Godfrey

- | | |
|---------------|---|
| A T A Godfrey | - Leader |
| R Kenney | - Deputy Leader (Town Centres Regeneration Portfolio) |
| R P Cooke | - Resources Portfolio |
| I D Fordham | - Environment Portfolio |
| J Hood | - Community Portfolio |
| G P K Pardesi | - Leisure Portfolio |
| A N Pearce | - Climate Action and Nature Recovery Portfolio |
| A F Reid | - Economic Development and Planning Portfolio |

Agenda Item 4a(i)

Proposal for Local Government Re-organisation and Devolution

Committee:	Cabinet
Date of Meeting:	18 November 2025
Report of:	Chief Executive
Portfolio:	The Leader of the Council

1 Purpose of Report

- 1.1 To set out for Members the potential options for Local Government re-organisation in Staffordshire and to propose a single unitary council for southern and mid Staffordshire.

2 Recommendations

- 2.1 That Cabinet considers the potential options for Local Government Re-organisation in Staffordshire and having due regard to the views of the full Council determines its preferred option for submission to the Government.

Reasons for Recommendations

- 2.2 The Council has been invited to submit proposals for devolution and local government re-organisation in Staffordshire in response to the Government's White Paper.

3 Key Issues

- 3.1 The Government published a White Paper in December 2024 setting out their plans for devolution and local government reorganisation.
- 3.2 The Government is seeking to:
- (i) achieve devolution through the formation of Strategic Authorities, preferably with a mayor (however, the Government has not published a timetable for establishing Strategic authorities); and

- (ii) facilitate local government reorganisation in England for two-tier areas (such as Staffordshire) which will see the abolition of County, District and Borough Councils and small unitary councils and the creation of large unitary councils by April 2028.
- 3.3 Councils were invited to submit initial proposals by 21 March 2025, with final proposals due by 28 November 2025.
- 3.4 A joint proposal of the six councils in Southern and Mid Staffordshire (Cannock Chase, East Staffordshire, Lichfield, South Staffordshire, Stafford Borough and Tamworth) was submitted to Government supporting a single unitary Council in the south, but also made reference to the potential splitting of this into two unitaries.
- 3.5 Following the submission of the outline proposal, the Council along with the other five councils in mid and southern Staffordshire appointed consultants, KPMG, to assist with the further development and drafting of the final submission to the Government.
- 3.6 KPMG, working with the Leaders and Chief Executives, undertook an initial analysis of a range of options. As a result of this analysis it was agreed to discount all but two options - one or two unitary councils for mid and southern Staffordshire.
- 3.7 Initially it was anticipated that a high level financial and data analysis would indicate if there was a clear preferred model. But following discussions of the data analysis with the Leaders it was agreed that KPMG would produce two business cases; one for a single unitary council in mid and southern Staffordshire and the other for two unitary councils.
- 3.8 The work on the draft business cases concluded in September and following further discussions with the Leaders, there has been a difference in views as to the preferred model. Stafford Borough Council's Leader along with the Leaders of Cannock Chase and East Staffordshire favour the single unitary council whilst the Leaders of Lichfield, South Staffordshire and Tamworth favour two unitary councils for southern and mid Staffordshire. All six Leaders in southern and mid Staffordshire support a northern unitary council based on existing district and borough boundaries which they see as complementary to both proposals for the southern and mid Staffordshire proposals. The proposal for north and south unitary councils for Staffordshire listed as **APPENDIX 1** is available via this link:- [Council 11 November 2025 Agenda](#)

3.9 A summary of the reasons for favouring a single unitary council for southern and mid Staffordshire is set out below:

- **Financial Savings** - it will deliver more savings than two unitaries in the south. ✓
- **Disaggregation of social care and education** - it minimises the risks and costs associated with disaggregating social care and education and will ensure a smoother transition to the new unitary. ✓
- **Greater voice** - a single unitary will have a greater voice regionally than two smaller councils and be able to work effectively with the new Strategic Authority. ✓
- **Delivery of outcomes and targets** - one larger council will have greater capacity and stronger position to deliver government outcomes and targets particularly those for housing supply. ✓
- **Gross Value Added** - there is a balanced Gross Value Added (GVA) between the north and south. ✓
- **Local Identities** - arrangements will be put in place to maintain the local identity and meet the needs of the various communities across mid and southern Staffordshire. ✓
- **Transformation** - greater scale to deliver transformation and improve service delivery to our customers. ✓
- **Resilience** - greater resilience to withstand shocks. ✓
- **Easier for residents** - to understand and interact with a single council in the south. ✓

From a compliance perspective, the proposal:

- Meets the indicative population criteria set by Government. ✓
- Does not disrupt current District and Borough Council boundaries. ✓

3.10 Whilst work has been ongoing in southern and mid Staffordshire, the Councils in the north and Staffordshire County Council have been working on their own preferred models. A summary of the models is set out below:

Council	Proposal	Details	Assessment
Stafford Borough, Cannock Chase and East Staffordshire Councils	North and Southern and Mid Staffordshire Unitaries	South to include Cannock Chase, East Staffordshire, Lichfield, South Staffordshire, Stafford Borough, Tamworth	• Both Councils >500,000 population at Vesting Day • No boundary changes • £29.9m savings and financial stability • No disaggregation of social services • Sufficient scale to deliver services improvements
Stoke on Trent City Council	North and South Unitaries	North to include Stoke, Newcastle-under-Lyme and Staffordshire Moorlands	• Both Councils >500,000 population at Vesting Day • No boundary changes • Financial stability • No disaggregation of social services • Sufficient scale to deliver services improvements
Lichfield, South Staffordshire and Tamworth Council	North, South-West and South-East	North = as for Stoke South-East - East Staffordshire, Lichfield and Tamworth South-West - Cannock Chase, South Staffs and Stafford Borough	• Small population sizes, significantly under 500,000 • Delivers some financial efficiencies, but undermined by duplication of key roles • No boundary changes • Smaller Councils with duplication of services, potential for operational inefficiencies • Need to disaggregate some of social services • Smaller Council areas could enable greater sense of localism

Council	Proposal	Details	Assessment
Staffordshire Moorlands District Council	North and South Unitary (with boundary changes)	As for Stoke but proposal to include northern parts of Stafford Borough and East Staffordshire	• Both Councils >500,000 population at Vesting Day • Boundary changes without sufficient justification • Not supported by enough Councils in North and South • No disaggregation of social services • Alignment with existing stakeholder partnerships limited by boundary changes
Staffordshire County Council	East and West Unitary Councils	East to include Stoke, Staffordshire Moorlands, East Staffordshire, Lichfield and Tamworth West to include Newcastle, Stafford Borough, South Staffordshire and Cannock Chase	• Incompatible with functioning economic geography – there is no recognised Functional Economic Market Area (FEMA) • Not reflective of local identity, culture and history – Stoke-on-Trent is placed in the east when it is located in the northwest • Both Councils >500,000 population at Vesting Day • No boundary changes • No disaggregation of social services • Not supported by enough Councils in the North and South
Newcastle-under-Lyme Borough Council	Standalone unitary for Newcastle-under Lyme	Borough of Newcastle-under-Lyme only	• Does not meet essential Government criteria for reorganisation eg population < 500,000 so unlikely to have sufficient scale to achieve efficiencies, improve capacity and withstand financial shocks.

3.11 This Council's proposal is complementary to that of Stoke on Trent City Council and there is agreement in principle by the respective Leaders to submit these as a combined proposal for Staffordshire, subject to the agreement of the relevant Councils.

- 3.12 The Government has emphasised the importance for principal Local Authorities to work in partnership with communities at the neighbourhood level. It is proposed that new Unitary Authorities will develop plans to introduce a number of Neighbourhood Area Committees led by local ward councillors and including representation from town and parish councils, along with other partner organisations and community groups. The Council is supportive of this as it will help to maintain local democracy and identify and help to offset the gap that will be created by new larger councils. The Government recognises the value that town and parish councils offer to their communities and the Council is supportive of the intention to improve the relationship between town and parish councils and principal Local Authorities. It is recognised that Stafford does not currently have a town council and there are plans to review this. This will be the subject of a separate report.
- 3.13 In terms of devolution, there is support for a Staffordshire Strategic Authority that covers the area of the county and the city with a mayor as this will increase access to funding and government departments. There is a strong basis for this proposal as the county is fortunate to have coterminous boundaries with other key public bodies such as the Police and Fire Services and the Integrated Care Board. The proposed area is just short of the requirement for the Strategic Authority to cover a population of 1.5 million at this time and it may be necessary to look wider for other partners. The Councils would welcome further information from Government on the additional powers and funding that will be devolved to the strategic authority. The Government has yet to set out a timescale and process for the development of Strategic Authorities in two tier areas preventing them from benefitting from the funding and freedoms afforded to them.

4 Relationship to Corporate Priorities

- 4.1 The Government's proposals for devolution and local government re-organisation will have an impact on all of the Council's priorities to a degree though there is an expectation that "business as usual" will be maintained during the development and transition phases.
- 4.2 The primary impact will be on the Council's priority for being an Effective Council.

5 Report Detail

Background

- 5.1 On 16 December 2024, the Government published a White Paper setting out their plans for devolution and local government reorganisation.

- 5.2 The Government is seeking to:
- (i) achieve devolution through the formation of Strategic Authorities, preferably with a mayor; and
 - (ii) to facilitate local government reorganisation in England for two-tier areas (such as Staffordshire) which will see the abolition of County, District and Borough Councils and the creation of unitary councils.
- 5.3 The Government clearly states that their goal is “universal coverage in England of Strategic Authorities” and “devolution by default”. The Government have made clear their ambition to reform local government and implement unitary authorities across England and set out a timetable to achieve this by 2028.
- 5.4 The Government is seeking consensus in the development of the area proposals but is also seeking extended Secretary of State / ministerial powers to intervene and direct where necessary.
- 5.5 Further details on the Government’s proposals can be found in **APPENDIX 2**.
- 5.6 Councils were invited to submit initial proposals by 21 March 2025, with final proposals due by 28 November 2025.
- 5.7 The Council initially approved a submission supporting two unitary councils for Staffordshire but did not discount exploring a three unitary council model as it recognised the need for data analysis of the options.
- 5.8 The Council was clear that it is strongly opposed to the splitting of the borough across two or more unitary Councils. It favoured maintaining the existing borough boundaries and the inclusion of Stafford in a southern unitary. Furthermore, the Council was against the inclusion of Stafford Borough in a Northern Unitary and considered that this would erode the identity of Stafford as the County town, its civic heritage and its close links with districts in the south of the county.
- 5.9 Subsequent to the outline proposal considered by Council, the Leader of the Council, in consultation with the Deputy Chief Executive (Resources), acting in accordance with delegated authority approved the submission to Government of a joint proposal with the 5 councils in Southern and Mid Staffordshire (Cannock Chase, East Staffordshire, Lichfield, South Staffordshire and Tamworth). This proposal also focussed on a single unitary Council in the south but also made reference to the possibility of splitting this into two unitaries.

- 5.10 As referred to in 3.5 and 3.6, the six councils in mid and southern Staffordshire have been working with KPMG, to develop two options which were determined to be the most appropriate to take forward based on an initial assessment. Five workstreams were set up to support the work on developing the Finance and data;

- Service design and transformation;
- People and workforce;
- Legal and governance; and
- Communications and Engagement.

Each workstream has been led by one of the Chief Executives with representatives from relevant professional disciplines from each Council.

- 5.11 The work on the two draft business cases concluded in September and following further discussions with the Leaders, there has been a difference in views as to the preferred model. This Council along with the Leaders of Cannock Chase and East Staffordshire favour the single unitary council whilst the Leaders of Lichfield, South Staffordshire and Tamworth favour two unitary councils for southern and mid Staffordshire. The proposal for north and south unitary councils for Staffordshire can be accessed via this link:- [Council 11 November 2025 Agenda](#)

Current Regional Position for LGR

- 5.12 Currently there are a number of options being considered across Staffordshire and these are summarised in the table at 3.10.
- 5.13 Option A: two unitary Councils for North and Southern and Mid-Staffordshire, emerges as the strongest model, offering a balanced economic geography, population scale, and alignment with local identity. It avoids boundary changes, maintains service continuity, and enables financial sustainability without the need for disaggregation. Importantly, it is supported by councils across both areas and provides a credible foundation for a future Strategic Authority.
- 5.14 Option B: three unitary councils. Whilst this offers a greater sense of localism, the smaller scale of each council limits the potential for strategic impact and financial resilience and does not meet the population thresholds. It introduces duplication of roles and services, reducing operational efficiency and increasing complexity, particularly with regards delivery of social services.

- 5.15 Option C: two unitary model but with boundary changes, this lacks sufficient justification. Although it maintains population balance and avoids some service disaggregation, it does not have broad support across councils, weakening its viability. The Council strongly disagrees with any proposal to include parts of the Borough in a Northern Unitary and the remainder in a Southern Unitary. This is a red-line issue for the Council.
- 5.16 Option D: two unitary Councils for East and West Staffordshire, is misaligned with the functional geography of Staffordshire. It places Stoke-on-Trent in an illogical position and lacks support from key stakeholders. Despite meeting population thresholds, it fails to reflect local identity and risks undermining regional coherence.
- 5.17 Option E: two unitary Councils - Stoke-on-Trent City Council and a single Staffordshire unitary, results in significant population imbalance and limited financial sustainability. It lacks support and does not provide a credible platform for strategic county-wide leadership, misaligning with the Government's expectations for financial sustainability for existing small Unitaries. This option is no longer being proposed by any authority.

Stafford Borough Council's Position

- 5.18 A summary of the reasons for favouring a single unitary council for southern and mid Staffordshire is set out in 3.9 and is explained in more detail below.

(i) Financial Savings

The savings for one unitary in the south will be significantly more than for two unitary councils; £29.9m compared to £25.6m. There will be greater savings from a single management team, reducing IT systems from circa six to one, rationalisation of assets as not all the current Council HQs and depot facilities will be needed and economies of scale from the alignment of contracts for goods and services.

(ii) Disaggregation of social care and education

Whilst some of the services delivered by the County Council will need to be transferred to the northern unitary, Stoke on Trent City Council will have the infrastructure to support this and Staffordshire County Council's infrastructure would support the southern unitary. This should help to de-risk the disaggregation of such high profile services and provide for a smoother transition for customers, staff and stakeholders. If two unitaries are created in mid and southern Staffordshire, the County's infrastructure would have to be split/duplicated across the two new councils and this would increase the level of cost, risk and disruption of services to our most vulnerable residents.

(iii) Greater voice

A single unitary covering the whole of mid and southern Staffordshire will have a greater voice regionally than two smaller councils to influence its economy and infrastructure. It will also better support the retention of the current close relationship with the West Midlands councils/conurbation. Cannock Chase, Lichfield, Tamworth and South Staffordshire Councils all border the West Midlands conurbation, with their residents choosing to travel into it for work or pleasure purposes. Stafford and East Staffordshire also have strong rail links into the conurbation. The importance of the relationship is reflected in the fact that Cannock Chase, East Staffordshire, Lichfield and Tamworth joined the inception of the Greater Birmingham and Solihull Local Enterprise Partnership (LEP), with Cannock Chase and Tamworth going on to become non-constituent members of the West Midlands Combined Authority.

(iv) Delivery of outcomes and targets

One larger council will have greater capacity and a stronger position to deliver the government's new outcomes framework and targets, particularly those for housing supply. The set up of the new council will provide the financial force and advantages of economies of scale to ensure streamlined planning processes, reduce bureaucracy and deliver a one stop shop for all council services such as planning and building control for the area. We believe that our approach can build on good practice and accelerate improvement by working closely with partners and across the geography.

(v) Local identities

Each district and borough has its own unique identity and needs. Through close working with town and parish councils, and the effective use of neighbourhood area committees, we will retain and maintain a close connection with our local communities, protect their unique identities and ensure that we meet their needs.

(vi) Gross Value Added (GVA)

A single Southern and Mid Staffordshire unitary will provide a balanced and healthy GVA per capita with our Northern counterpart. This will provide balanced levels of productivity and positive implications for the distribution of economic prosperity among residents across the whole geography of Staffordshire.

(vii) Transformation

As a single unitary in the south, there will be greater opportunities and the scale to deliver transformation and improve service delivery to our customers. With multiple IT systems to rationalise, the savings can be used to invest in more modern technology to improve our online offer to customers, streamline processes and deliver efficiencies. Whilst IT will be a key driver of our transformation, there will also be opportunities to transform our workforce and our assets. With greater scale, we will aim to be an employer of choice, supporting the learning and development of our workforce and encouraging apprenticeships to develop our professionals for the future. In terms of our assets there is an opportunity to rationalise the current estate and invest in a smaller number of buildings which are central to our communities, bringing together multiple services and partners, and ensuring they are fit for the future and reduce our carbon footprint.

(viii) Resilience

The scale of the proposed single unitary council for the south will give it greater resilience to withstand both financial and operational shocks. Having greater scale will mean that resources will be easier to redeploy should the need arise on a temporary basis without impacting wider planned service delivery.

(ix) Easier for residents

The simplicity of having one single tier council for the south will make it easier for residents to understand the change being made to their Council (it will be the same one for all residents in the south of the county) and it will be much easier for them to interact with.

(x) Population

The two unitaries proposed, one for the north and one for the south will meet the indicative target population requirements by vesting day, with the north having an estimated population of 518,710 and the south 718,778.

(xi) Council Boundaries

The proposals for a unitary council in the north and one in the south, are based on the existing boundaries for the district and borough councils, which means that there will be no need to split the existing council areas. We believe that a north and south split preserves the existing relationship between neighbouring councils both within and outside the county. It also better maintains the identity of the respective areas than an east/west split and will be operationally efficient for service delivery.

- 5.19 The Government has indicated an intention to “rewire the relationship between town and parish councils and principal Local Authorities, strengthening expectations on engagement and community voice”. The Council is supportive of this as it will help to maintain local democracy and identity and help to offset the gap that will be created by new larger councils. It is however recognised that Stafford does not currently have a town council and this is covered in a separate report.

Current Position for Devolution

- 5.20 There is support for a Staffordshire Strategic Authority that covers the area of the county and the city with a mayor as this will increase access to funding and government departments. There is a strong basis for this proposal as the county is fortunate to have coterminous boundaries with other key public bodies such as the Police and Fire Services and the Integrated Care Board. The proposed area is just short of the requirement for the Strategic Authority to cover a population of 1.5 million at this time and it may be necessary to look wider for other partners. The Councils would welcome further information from Government on the additional powers and funding that will be devolved to the strategic authority. The Government has yet to set out a timescale and process for the development of Strategic Authorities in two tier areas preventing them from benefitting from the funding and freedoms afforded to them.

Next Steps and Timescales

- 5.21 The government will be consulting on the proposals for LGR before making a decision on which model is to be implemented. The decision is expected in summer 2026.
- 5.22 Whilst awaiting the government’s decision, the proposal sets out a plan for transitional workstreams to continue the work that has commenced as part of developing the proposal to ensure that we are well prepared for the creation of the new council(s).

- 5.23 Once a decision has been made regarding the structure of the new unitary councils, but prior to the election of Shadow Members or the appointment of senior leadership, work will commence on the development of a detailed implementation plan and the establishment of a Structural Change Order (SCO), which provides the legal basis for creating the new authorities and sets out interim governance arrangements during the shadow period. Each existing Council will nominate a balanced representation of members to contribute to the drafting of the SCO and the establishment of Joint Committees.
- 5.24 Elections will take place in May 2027 to form the Shadow Councils. Their primary role will be to prepare the new Unitary Councils to assume full local government responsibilities by Vesting Day in April 2028.
- 5.25 Actions relating to the work on LGR will continue to be included in the priority delivery plans. Delivery against these actions will be used to keep the Cabinet and Resources Scrutiny Committee informed of progress on a quarterly basis.
- 5.26 Members and employees will also be briefed regularly on progress and developments.
- 5.27 The proposals for LGR have obviously impacted on the Council's plans for transformation as part of our shared services arrangements with Cannock Chase Council. This is the subject of a separate report, which also sets out the steps the Council needs to consider as part of its preparations for LGR.

6 Implications

6.1 Financial

The financial analysis of the options presented in this report have been provided by external specialists KPMG, based on evidence provided by the councils in the area and business cases prepared by other areas moving forwards with unitarisation.

As set out in the report and the proposal at **APPENDIX 1**, the options have identified the potential for substantial ongoing benefits - noting that the savings figures are high level estimates and are also subject to the decision making of any future authority.

Given the estimated existing gross budget gaps across current councils included in these proposals, these potential savings could contribute to closing the estimated budget gap, or be used to support the transformation costs of setting up the new authority.

All options also include significant implementation costs. These costs would be shared between authorities included within each option, with the assumption being that Staffordshire County Council would also need to contribute toward these implementation costs. An agreement will be required to formalise contributions from each partner, with individual authorities determining the most appropriate way to fund those costs.

6.2 Legal

Section 2 of the Local Government and Public Involvement in Health Act 2007 authorises the Secretary of State to invite any principal council in a two-tier county area to make a proposal for a single tier of government in that area. The invitation may specify a date by which a proposal may be made, and the council must have regard to any guidance issued setting out what the proposal should include. The council can submit its own proposal or can submit a proposal jointly with other councils. The Secretary of State has written to all two-tier authorities inviting them to make proposals by 28 November 2025.

6.3 Human Resources

It is too early at this stage to assess the full implications of the proposal. But it is anticipated that there will be an impact on the Council's ability to recruit and retain staff over the next two years or so as we await news of the Government's decision and we move into the implementation stages.

There will be implications for staff regardless of which option is chosen. This will be a significant period of change and we will work closely with managers to support them and their teams through this. We will ensure that the trade unions and staff are briefed regularly. The provisions of the TUPE Regulations will apply and protect terms and conditions of employees at the point of transfer to the new authority.

6.4 Risk Management

LGR is included in the Council's Strategic Risk Register. At present this risk is focussed around the impact that work on LGR is having on capacity to deliver services.

Given the scale of LGR being proposed, it is inevitable that there will be risks in the delivery of this.

As referred to in the financial implications, the financial analysis is based on modelling and the mid-point assessment used for key costs and savings figures. There is an inherent risk with such modelling that the assumptions made may differ from what is actually achieved. In particular:

- The estimated costs may be greater than anticipated;

- The savings may be less than anticipated; and/or
- The payback period may take longer to achieve.

Our own experience of sharing services indicate that such a complex project will take many years to fully implement and deliver the transformation proposed and it is likely that the payback period in particular will take longer to achieve than is currently forecast.

There are also the more general risks that the government may choose a different option for Staffordshire, LGR may be delayed or that the preferred option may take longer to implement than anticipated.

In order to manage and mitigate the associated risks, risk management will be embedded into the project management arrangements for progressing the setting up and operation of the new unitary councils. This will include the development of comprehensive risk registers.

6.5 Equalities and Diversity

Equality impact assessments will be prepared in due course as part of the project planning for the setting up and operation of the new unitary councils.

6.6 Health

None

6.7 Climate Change

None

7 Appendices

Appendix 1: Proposal for a Southern and Mid-Staffordshire Unitary Council

[Council 11 November 2025 Agenda](#)

Appendix 2: Summary of the Government's proposals for devolution and LGR

8 Previous Consideration

Devolution and Local Government Re-organisation Report to Council - 18 March 2025 (Interim Proposal)

Council - 11 November 2025 - Minute No TBC

9 Background Papers

- The English Devolution White Paper of 16 December 2024.
- Letter from Jim McMahon MP, Minister of State for Local Government and English Devolution, dated 5 February 2025, that invites proposals for a single tier of local government and associated guidance

Contact Officer: Tim Clegg, Chief Executive

Telephone Number: 01785 619200

Ward Interest: All

Report Track: Council 11 November 2025
Cabinet 18 November 2025

Key Decision: Yes

Appendix 2

Summary of the Government's Proposals

Devolution

The White Paper sets out that the Government's goal is for there to be "universal coverage in England of Strategic Authorities (SAs) - which should be a number of councils working together, covering areas that people recognise and work in". It states that Strategic Authorities are intended to reduce duplication and give cities and regions a bigger voice, while utilising economies of scale.

Strategic Authorities should have a combined population of 1.5 million or above. However, in some places smaller authorities may be necessary.

The Strategic Authorities will either be:

- **Foundation SAs** - a Strategic Authority without a Mayor which has fewer powers.
- **Mayoral SAs** - a Strategic Authority with a Mayor. This model unlocks further devolution, has more powers and an Integrated Settlement.

The Government's "strong preference" is for partnerships that bring more than one Local Authority together over a large geography and for these authorities to have an elected mayor. They state that the move to Strategic Authorities will be ideally done collaboratively and in partnership with areas, but the Government will also legislate for a ministerial directive which will allow the creation of Strategic Authorities where local leaders have not been able to make progress.

When agreeing Strategic Authority geographies, the Government will consider the following principles. It is acknowledged that it will not be possible to meet all the principles in all situations and the government will work with areas to find an optimal outcome:

- **Scale:** Strategic Authorities should be of comparable size to existing institutions. The default assumption is for them to have a combined population of 1.5 million or above, but they accept that in some places, smaller authorities may be necessary.
- **No 'devolution islands':** Geographies must not create devolution 'islands' by leaving areas which are too small to go it alone or which do not have natural partners - at least to the level of Foundation Strategic Authorities, with an ambition to move to a mayoral model.

- **Delivery:** Geographies should ensure the effective delivery of key functions including Spatial Development Strategies, Local Transport Plans and Get Britain Working Plans.
- **Economies:** Strategic Authorities must cover sensible economic geographies with a particular focus on functional economic areas, reflecting current and potential travel-to-work patterns and local labour markets. It is likely that where travel to work areas are small and fragmented, Strategic Authorities will cover multiple travel to work areas.
- **Contiguity:** Any proposed geography must be contiguous across its constituent councils.
- **Alignment:** The Government will seek to promote alignment between devolution boundaries and other public sector boundaries.
- **Identity:** A vital element of successful devolution is the ability for local residents to engage with and hold their devolved institutions to account - and local identity plays a key role in this.

The Strategic Authorities will provide the framework for:

- Transport and local infrastructure
- Skills and employment support
- Housing and strategic planning
- Economic development and regeneration
- Environment and climate change
- Health, wellbeing and public service reform
- Public safety

Local Government Reorganisation (LGR)

The White Paper announces that government will facilitate a programme of reorganisation for two-tier local government areas. Delivery will be phased, taking account of where LGR can unlock devolution and where areas want to proceed at pace.

New unitaries are to be delivered in April 2027 (first wave) and 2028 (all remaining two-tier council areas), with shadow elections taking place earlier. The paper sets out that reorganisation should not delay devolution and devolution plans should complement LGR.

The Government's priorities for LGR are:

- New councils should be the right size to achieve efficiencies, improve capacity and withstand financial shocks. For most areas government believes this will mean creating councils with a population of 500,000 or more. There may be exceptions to ensure new structures make sense for an area, agreed on a case-by-case basis.
- All two-tier areas and smaller or failing unitaries are to develop proposals for reorganisation.
- High quality and sustainable public services to citizens and communities should be prioritised.
- New councils should take a proactive and innovative approach to neighbourhood involvement and community governance to empower residents.
- All councils in an area should collaborate on developing unitary proposals in the best interests of a whole area, rather than producing competing proposals.
- Councils should work with government to bring about changes as swiftly as possible.
- Governance models for local authorities to best support decision-making.

Agenda Item 4b(i)

Local Government Reorganisation and Shared Services Transformation

Committee:	Cabinet
Date of Meeting:	18 November 2025
Report of:	Deputy Chief Executive - Resources
Portfolio:	Resources Portfolio

1 Purpose of Report

- 1.1 This report sets out the proposed approach to prepare for Local Government Reorganisation (LGR) and the impact this will have on our work plans for shared services and transformation.

2 Recommendations

- 2.1 Cabinet is asked to approve:
- (i) not proceeding any further with the shared services transformation programme and the removal of the shared services savings from the base budget for future years;
 - (ii) the plans for project work prior to the vesting day for the new council(s) as set out in 5.13 to 5.26;
 - (iii) the re-direction of the budget set aside for transformation to preparing for LGR; and
 - (iv) the creation of an additional fixed term post for the communications team to support LGR as well as wider council communication needs.

Reasons for Recommendations

- 2.2 In order to make the most effective use of resources, it is necessary to revise the Council's work programme and budgets to reflect the impact of the Government's proposals for Local Government Reorganisation and what this means for the current plans for shared services transformation.

3 Key Issues

- 3.1 The Council had set out its ambitions to deliver significant change through the Shared Services agenda, as well as its Transformation and Digital Strategies. Shortly after these were approved by Cabinet in November 2024, the Government announced its plans for local government reorganisation. As a consequence, work on transformation was paused to allow time to assess the implications.
- 3.2 The initial submission for a proposed unitary for mid and southern Staffordshire was submitted in March 2025. Work is now underway, supported by consultants, on behalf of the six district and borough Councils in mid and southern Staffordshire to develop the final proposal for submission in November 2025.
- 3.3 As work has been progressing on the proposal, Leadership Team have had time to consider the effect that LGR will have on our plans for shared services and transformation. Transformation is a long term project requiring significant time and investment. It is considered that we are unlikely to see any significant pay back/benefit from the work required within the 2½ years remaining until the creation of the new unitary council. Furthermore, the Council is already facing challenges with capacity.
- 3.4 It is considered that work on shared services should stop at the current level (shared management only for the services shared from April 2023 and full sharing for those services shared since 2011), with the exception of a few small areas/teams where it is considered that it would be beneficial to continue to create resilience.
- 3.5 Whilst it is proposed to not proceed with the plans for further sharing and transformation, there will continue to be a focus on continuous improvement, with particular emphasis on customer service.
- 3.6 This will allow resources to be released to support the work needed to prepare for Local Government reorganisation. This work includes an element of change and improvement as set out in paragraphs 5.13-5.19.

4 Relationship to Corporate Priorities

- 4.1 Preparation for Local Government Reorganisation primarily relates to Priority 4 “To be a well-run, financially sustainable and ambitious organisation, responsive to the needs of our customers and communities and focussed on delivering our objectives”.

5 Report Detail

Background

- 5.1 A decision was taken in December 2022 to extend the sharing of services between Cannock Chase District Council and Stafford Borough Council with all but a small number of services to be shared under a single management team.
- 5.2 The shared Leadership Team was established in April 2023 and the restructure of service managers to create a shared senior management team was completed in June 2024.
- 5.3 The next step after this was to bring the service teams together and then review and transform the delivery of services. A transformation strategy and implementation plan were developed and set out the framework and resources to deliver this, supported by a digital strategy; these were approved by Cabinet in December 2024. Funding of £200,000 (£100,000 from each Council) was set aside to create a Transformation Team.
- 5.4 Shortly after the transformation strategy was approved, the Government announced plans for Local Government reorganisation (LGR) which will see the abolition of all district, borough and county councils and the creation of new unitary councils as part of the wider devolution plans.
- 5.5 Following discussions in early January, Leadership Team decided to pause the work on shared services and transformation, pending consideration of the implications of LGR. It was considered that TUPE transferring staff now when they would be transferred again in three years time would be unsettling, particularly when considering the concerns and challenges of retaining staff during the lead up to LGR in an already difficult recruitment market for many specialist/professional areas.
- 5.6 An outline proposal for the creation of two unitaries in Staffordshire (a North and South) was developed and approved by full Council in March 2025. The final submission to the Government was modified, following work with the five other district and borough Councils in the South, to include the potential to split the southern unitary into two and the proposal was re-badged as Southern and Mid Staffordshire.
- 5.7 Since this time, the Council has been working with the five other district and borough councils in mid and south Staffordshire to further develop the proposals. Consultants, KPMG were appointed to support the Councils with this work. Five working groups were set up:
- Finance and data;
 - Service design and transformation;

- People and workforce;
- Communications and engagement; and
- Governance.

Each working group has been chaired by a Chief Executive and comprises relevant professionals/representatives from each of the Councils, along with officers from KPMG.

- 5.8 Whilst other options have been considered and discounted, two proposals have been developed in detail:
- a north and south unitary; and
 - a north and two unitaries in the south (one combining Cannock Chase, South Staffordshire and Stafford; and the other East Staffordshire, Lichfield and Tamworth).
- 5.9 Arrangements are being made for the proposals to be considered by full Council and Cabinet prior to being submitted to the Government by 28 November 2025.
- 5.10 The Government is scheduled to announce the new unitary Councils in summer 2026. This will be followed by elections to the new shadow Council in May 2027 so that work can begin on making the necessary arrangements including the appointment of a senior management team.
- 5.11 Whilst there is still much uncertainty as to what is going to happen in the lead up to the new unitary council being established in 2028, there is a need for the Council to maintain service delivery, complete the major projects that are planned/underway and prepare for LGR.
- 5.12 As well as considering how we best prepare for LGR, a decision needs to be taken regarding shared services and the proposed transformation work programme which has been on pause since the Government's announcement for LGR.

Way Forward

Transformation

- 5.13 It is recommended that further work on sharing services and transformation should be halted, with a few exceptions where it is considered essential or particularly beneficial to continue. We will maintain the shared management of services but will not proceed with the transformation work programme (including TUPE transfers) as this will be costly and time consuming and the Council is unlikely to see sufficient benefit/payback in the remaining 2½ years. Furthermore, the Council does not have the capacity to support both shared services transformation and prepare for LGR. This means that plans to create a Transformation Team, will not proceed.
- 5.14 However, we will continue to look for opportunities for continuous improvement in service delivery, with a focus on our customers, and this may include aligning policies and processes where appropriate. Together with plans to prepare the Council for LGR, this will be used to develop a modest programme of change.
- 5.15 We are continuing to make improvements as part of our Governance Improvement Plan (following the External Auditor's VFM audit report) and there are a number of key pieces of work associated with this that will support wider improvements across the Council.

Digital Transformation

- 5.16 A programme of service specific IT systems which need to be replaced over the next 2-3 years has been agreed in principle by Leadership Team, based on a risk and needs assessment. This focusses on essential replacements only and one new system. The systems to be replaced are: Trees (new system), Planning and Environmental Health. Business cases and funding still need to be agreed for the replacement planning and environmental health systems.
- 5.17 In addition to new/replacement systems we plan to complete migration to SharePoint. The majority of councils use this and it will provide for more flexible access to files and reduce the cost of our infrastructure. It is also proposed to progress work on digitising our records and the back scanning of our existing paper records. This will support retrieval of information going forward and support the modernisation of our systems and processes.
- 5.18 We intend to continue to improve our digital offer to customers, through the ongoing development of our customer relationship management (CRM) system. There is also an ambition to implement Midcall should resources allow. This will enhance the customer experience of making payments to the Council as well as improving the efficiency of back office processes and reducing pressure on services.

- 5.19 We also propose to implement the self serve portal for the HR system for use by managers and staff. Most if not all of the neighbouring councils already have this in place so it is important that we upgrade our current arrangements. This will also improve efficiency in a number of our processes, particularly with regard to the preparation of the payroll. It is estimated that this will cost £30,000.

Contract Renewals

- 5.20 All contracts coming up for renewal in the run up to the implementation of LGR will need to be considered carefully due to the potential implications for the new unitary council(s). Some contracts may not be required by the new Council e.g. due to the alignment of IT systems. The new Council may also wish to reconsider service provision and how it is delivered e.g. it may choose to bring services back in-house. When re-tendering, consideration will need to be given to the length of contract awarded as the new Council will not be in a position to align all of its contracts in year one. The Council will need to balance its own needs for service delivery and value for money (VFM) against the implications for/needs of the new Council. We will seek to extend existing contracts or re- tender as appropriate, ensuring compliance with Procurement Act 2023. Work is underway to assess the contracts that will be affected and agree the best approach for each of them.

Preparation for LGR

- 5.21 As referred to in 5.7, the Council has been supporting the development of the business case with the Chief Executive and senior officers from the Resources Directorate sitting on the working groups.
- 5.22 It is unclear at the moment whether these groups will continue to meet after the submission has been made or whether there will be a hiatus whilst we await the Government's decision on the proposals. But it is anticipated that further support will be required leading up to the establishment of the new shadow organisation in May 2027 and beyond this to vesting day.
- 5.23 In the lead up to the creation of the new Council it is going to be essential to keep the public, businesses, partners, stakeholders, Members and our employees informed of progress and changes. A communications plan will be developed to support this. In order to manage the additional workload from LGR and wider needs across the Council, it is proposed to create an additional post within the communications team at Stafford Borough Council to 'match' the existing resources at Cannock Chase Council. The post will be for a fixed term.

- 5.24 LGR will create a significant period of change and uncertainty for staff. As referred to above, staff and trade unions will be briefed regularly. Training will also be provided for managers to support them and enable them to support their teams through the changes.
- 5.25 It is anticipated that there will be an impact on the Council's ability to recruit and retain staff over the next two years or so as news is awaited of the Government's decision and the Councils move into the implementation stages. Existing options to aid recruitment and retention, for example, market supplements will be reviewed and new options considered as appropriate.
- 5.26 In addition to the work already set out above, it is anticipated that the Council's accounts will need to be audited. Whilst we have caught up with the publication of our financial accounts; they have not been audited for 3 years. It will be essential for this to be completed before LGR so that the new council understands the financial position. There is pressure on us to do this anyway, but LGR makes this more time critical. This will be a huge undertaking and will take significant time to complete; particularly as the team undertaking this work will be key in supporting LGR at the same time. The Finance Team are already struggling with recruitment and capacity; despite having appointed some specialist interims. Additional resources will need to be brought in to support the successful completion of the audit work and what this looks like is currently being developed.

Town Council

- 5.27 Following the announcement of plans for LGR, the Leader has asked that proposals be developed for the potential creation of a town council for Stafford. This will take time to prepare and carry out the necessary engagement. This will be the subject of a separate report.

Summary

- 5.28 As set out above, LGR is having a considerable impact on our work plan and capacity. It has been identified as a risk on our Strategic Risk Register. The Cabinet will continue to be kept updated on progress and advised on any material changes to the plans to manage the Council's preparation for LGR.

6 Implications

6.1 Financial

It is proposed that the total budget of £200k (£100k from each Council) that is set aside to create a Transformation Team is used instead to fund some of the preparatory work on LGR to include but not limited to:

- Continue our Digital transformation work (to include document scanning and implementation of the HR self-serve portal) - to be funded by both Councils;
- Fund additional support for the communications team at Stafford Borough Council (to be funded from Stafford's contribution to the transformation team budget).

With regard to the £200k savings included in the budget relating to shared services, these will be removed from the base budget for future years.

6.2 Legal

The Secretary of State has powers to order the reorganisation of a local government area under the Local Government and Public Involvement in Health Act 2007.

6.3 Human Resources

Whilst the decision not to proceed with transformation means that TUPE transfers will not now take place between Stafford Borough and Cannock Chase Councils, the provisions of the TUPE Regulations will apply and protect terms and conditions of employees at the point of transfer to the new unitary council in due course.

Notwithstanding this it is recognised that structural changes may still be needed in some areas in the next few years to amend delivery models where sharing is warranted. In these circumstances normal staff consultation protocols will continue to be followed in line with current policy.

We will work closely with management and the trade unions to support them and staff through this significant period of change.

6.4 Risk Management

LGR has been identified as a risk on our strategic risk register. Actions have been put in place to mitigate this and quarterly updates are provided to Cabinet.

With regard to this report, there is a further risk in that if LGR doesn't proceed we will have lost time developing our shared services and delivering transformation. But the reality is that we don't have capacity to do both. As set out in the report, we will proceed with a more modest change programme, which focusses on improving service delivery to our customers and efficiency.

6.5 Equalities and Diversity

None

6.6 Health

None

6.7 Climate Change

None

7 Appendices

None

8 Previous Consideration

None

9 Background Papers

None

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Ward Interest: All

Report Track: Cabinet 18 November 2025 (Only)

Key Decision: Yes