



CARE ENGLAND
The voice of care

LOCAL GOVERNMENT REORGANISATION

A guide for social care
providers



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September 2026

Sources:

Anthony Collins Solicitors

Local Government Association

Ministry of Housing, Communities & Local Government

Office for National Statistics

Reigate & Banstead Borough Council

Surrey Advertiser

Surrey County Council

Introduction

It's now been nearly a year since the Local Government Minister Jim McMahon announced the government's intention to rapidly roll out a programme of local government reorganisation in England – the first on this scale in over 50 years.

Since that time in 1972, local government has taken on a lot more responsibility, much bigger budgets, and there is no service area to which this statement is more true than social care.

Despite the enormity of the incoming changes over the next few years, there seems to be little information out there designed for the social care sector, or indeed anyone who doesn't live and breathe local government in one way or another. This document, while not short, seeks to be a definitive and easy to understand explanation of what's proposed, why it's happening, and also which details are yet to be decided.

This will be an evolving document. Regularly updated as we find out more and as we will gradually be able to respond to the many questions where the current answer is "nobody knows".



Cai Parry

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Care England is the largest and most diverse representative body for independent providers of adult social care in England. It is a registered charity that works collaboratively with its members, stakeholders, and the government to implement the foundations of a sustainable future for adult social care. Care England represents small, medium, and large providers, including single care homes, small local groups, national providers, and not-for-profit voluntary organisations and aims to improve the quality of care and ensure the health and safety of both staff and residents in care settings and advocates for sustainable policies and practices that address the sector's workforce challenges.

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Glossary

Combined Authority – A partnership between more than one local authority that is devolved strategic powers from central government, which will be expanded in England. Each will eventually be led by a directly elected mayor and will not directly commission social care. *Example: Greater Manchester*

Devolution – The granting of some central government powers to a more local governing body. This process is distinct from LGR; however, LGR will enable devolution in many areas of England.

Shadow Authority – A new unitary authority that has had elections but has not yet been vested.

Unitary Authority – A local authority that delivers all services in an area, as opposed to two-tier district and county councils, which both deliver distinct services in the same area. *Examples: London Boroughs, Cornwall Council, Welsh & Scottish Councils*

Upper-tier Authority – Any council responsible for delivering services currently delivered by county councils. This includes adult social care.

Vesting – The formal transfer of power and responsibility between the old councils and the new. Old councils will be dissolved upon “vesting day”

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What is LGR?

On 16 December 2024, the government published the English Devolution White Paper. It contained the government's plans to restructure local authorities across England, ultimately bringing to an end the two tiers of district and county councils, where they still exist. This Local Government Reorganisation (LGR) process is to be complemented by, and enable, the English Devolution proposals, where central government powers are to be handed down to new strategic Combined Authorities in the parts of England where they don't already exist.

This has implications for the way publicly funded social care is commissioned in wide areas of the country, and it's important to mention that this process is happening alongside a separate restructuring of ICBs, which commission NHS Continuing Healthcare.

How local government works at the moment

Local government in England is currently a patchwork of systems that has come about over decades. The last time a nationwide, uniform system was created was in 1972, when the whole of England was covered by two tiers of **district** and **county councils**. Districts control local services like waste collection and housing, whereas the county councils were eventually put in charge of providing and eventually commissioning social care services, among other things.

In 1985, the county councils in largely metropolitan areas were abolished. The **metropolitan district** and **London Borough councils** in those areas took on the responsibilities of their former county councils, including commissioning social care, becoming England's first so-called **unitary authorities**.

Over the following 40 years, many parts of the country still left with a two-tier system successfully lobbied the government to restructure local government in their areas to create more unitary authorities. Cases of these have included unitary councils covering whole counties, like in Cornwall and Herefordshire; where counties have split themselves into many unitary authorities, like in Cheshire and Berkshire; or where large towns or cities have taken county council powers in what has otherwise stayed a two-tier county, like in Medway or Southampton. The most recent case of reorganisation was Buckinghamshire, which underwent the process in 2020.

The government intends to create a uniform system of local government in England again, by giving every part of England a unitary authority. The LGR process will abolish the existing two-tier county and district councils, putting unitary authorities in their place.

In another layer in this system, that currently exists in some places, are **Combined Authorities**. The first of these was created in 2011 to cover Greater Manchester, where the local authorities agreed to voluntarily cooperate on a strategic body, headed by a directly elected mayor (currently Andy Burnham).

Many more combined authorities have been created since then, typically headed by a mayor, sitting alongside the leaders of their constituent councils. Combined authorities exercise powers that formerly sat with central government. The government's English Devolution White Paper also stated that combined authorities will be rolled out across England too, each being a collaboration of two or more unitary authorities. At the same time ICBs in England were instructed to restructure so that their boundaries aligned with combined authorities where possible.

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Diagram 1: The current system of English Local Government

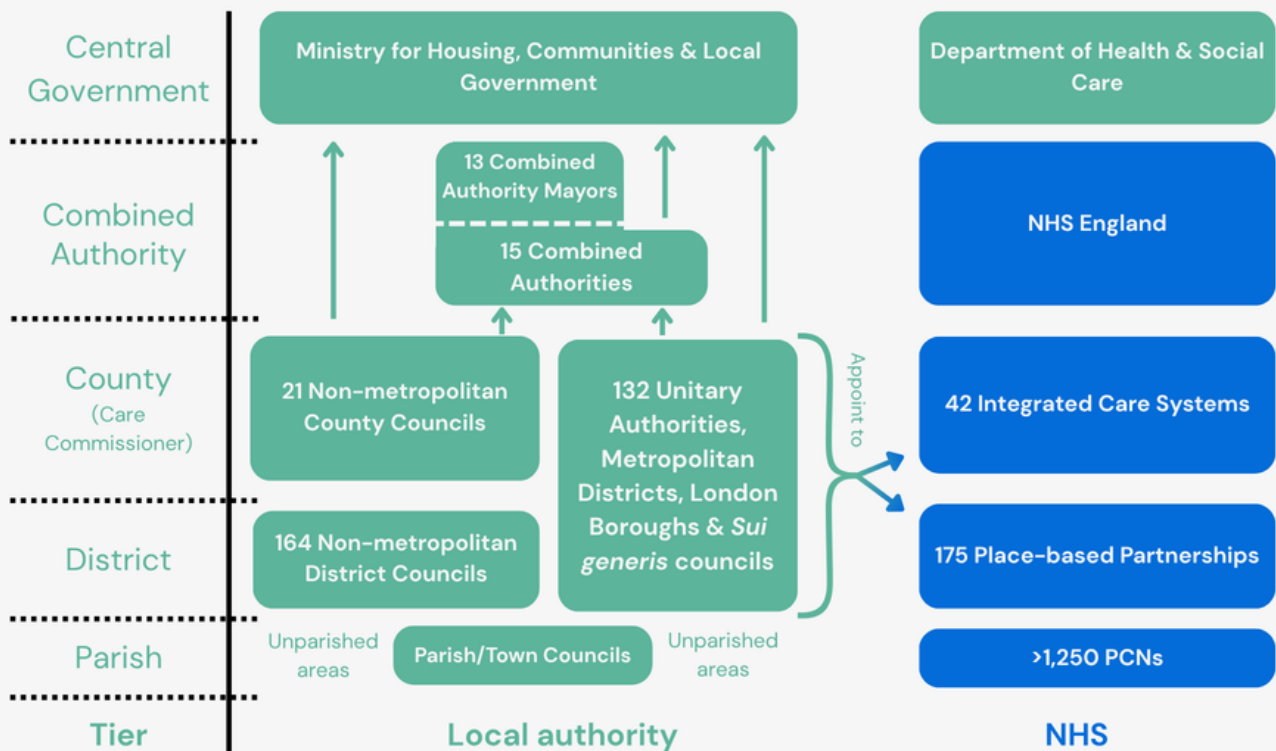
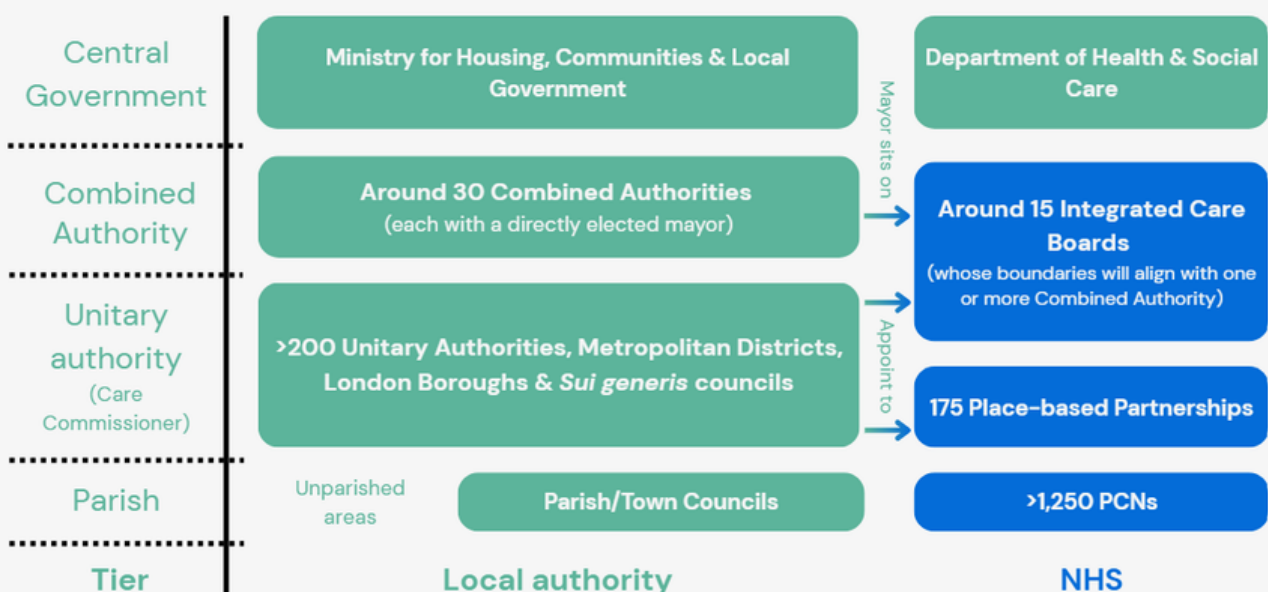


Diagram 2: The government's reorganisation vision



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The Ministry of Housing, Communities and Local Government (MHCLG) put out an indicative timetable for how it intends to deliver its reforms, while asking existing local authorities in some two-tier counties to begin drafting proposals for their reorganisation.

MHCLG <i>Indicative</i> Timetable	Actions
28 Oct 2025	Government decision on Surrey LGR proposals. Surrey transitional arrangements begin.
7 May 2026	Surrey local elections to the new unitary authorities. They exist as “shadow” authorities in tandem with existing ones until they are “vested”
16 Jul 2026	Government decision regarding most other counties. The government defers their decisions on Cambridgeshire and West Sussex
1 Apr 2027	New Surrey unitary authorities “vested”. Pre-existing councils are dissolved.
6 May 2027	Local elections in remaining two-tier counties (excl. Cambs. & West Sussex) to new unitary authorities.
1 Apr 2028	New unitary authorities “vested” (excl. Cambs. & West Sussex). Remaining two-tier councils abolished.
4 May 2028 (<i>expected</i>)	Local elections to new unitary authorities in Cambridgeshire and West Sussex
1 Apr 2029	New unitary authorities “vested” in Cambs. & West Sussex. Remaining two-tier councils abolished.

* The Devolution Priority Programme contains the counties that are to receive new combined authorities soonest. Of these, the remaining two-tier areas to undergo LGR are Norfolk, Suffolk, Essex (inc. Thurrock & Southend), Sussex (inc. Brighton & Hove), and Hampshire (inc. Portsmouth & Southampton)

As you can see, Surrey will be undergoing the process of LGR a year before most other areas. We will therefore use it as an example to more visually illustrate LGR.

The government deferred their decisions on Cambridgeshire and West Sussex, and so it is likely these will be undergoing the process a year behind most other counties.

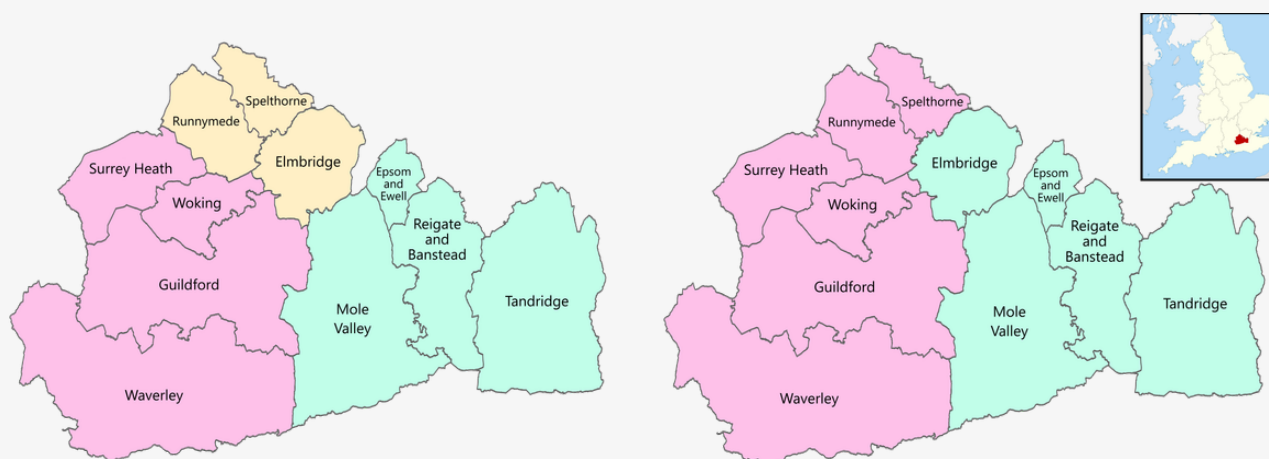
Case Study: Surrey LGR

Surrey was asked to be the first county to undergo LGR in the government's indicative timetable. This is partly as the ambition for Surrey to have its own elected combined authority mayor cannot be met until it is reorganised, as Surrey only has one upper tier council, and combined authorities must be formed of more than one of these.

So what do we mean by "upper" and "lower" tier? The upper tier in Surrey is the County Council. This tier always commissions adult social care under the Care Act across England. Surrey is being asked to reorganise itself into at least two unitary authorities, which will be responsible for delivering the functions of both tiers in their respective areas. Surrey is divided into 11 districts, each with their own councils, as outlined below:



The 12 Surrey councils were asked to submit their LGR proposals before the 9th of May 2025, ahead of the September and November deadlines of the other counties. Nine of the districts and boroughs proposed splitting Surrey in three unitary authorities. Surrey County Council, and two of the boroughs and districts favoured a proposal for two.



The government has required proposals to demonstrate how neighbouring unitary authorities might work in partnership to deliver their social care responsibilities, and stated they would assess proposals under their fitting six criteria:

- Proposals must contain only single-tier unitary authorities
- A somewhat flexible population of at least 500k for each unitary authority
- Demonstrates sustainable and high-quality delivery of services, particularly on social care, SEND, homelessness & public safety
- Demonstrates that proposals were built on partnership working and were informed by local views
- New unitaries must facilitate a combined authority in their areas
- New structures should better engage and empower their communities

Arguments in favour of the two-unitary model were primarily based on cost savings. In contrast, arguments in favour of three prioritised local representation, place-based identity, economic and transport links, kept the suburban and rural parts of Surrey separate, and stressed that the two-unitary proposal would pool existing debt in the West which could create a financially unstable council there.

The government opened the two proposals up to public consultation during July and August, and decided at the end of October to push ahead with the two-unitary authority model. To address the concerns about the consolidation of debt, the government agreed to write-off £500m of Woking Borough Council's debt, with Woking making up over £2bn of the entire county's £5bn of borrowing.

The government have stressed that its decision in Surrey does not set a precedent that it will pursue the model with the most efficiencies in other cases.

In other counties with a less substantial debt exposure, the government has tended to support creating more unitary councils covering smaller areas.

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Joint Committees

Once the structure of the new unitary authorities has been established, the government will outline the draft contents of a Structural Change Order (SCO). This is the piece of legislation that will dissolve the existing local authorities and create the new ones, along with setting other transitional and electoral arrangements. SCOs take the form that they have had for many decades and were most widely used during the national LGRs of Wales and Scotland in the 90s.

The first of these arrangements will be to set the structure of Joint Committees to begin the process of forming the new council. These will be made up of councillors from the existing councils, and in most cases will be set up voluntarily to get the ball rolling before the SCO is formally laid before Parliament, until the elections to the new council have been completed.

The primary job of these joint committees will be to begin appointing the initial implementation staff of the joint committee (which may be inherited by the new council), and set out an “implementation plan” for how budgets and services delivered by the old councils, such as adult social care, will be disaggregated or aggregated, depending on which tier currently delivers them. It will also cover issues around harmonising the differing council tax levels between districts.

Elections

You may recall that some local elections due for May 2025 were postponed by 12 months, so that areas set to go through LGR soonest would not elect councillors for very short terms on the councils set to be abolished. In the case of Surrey we’ve used above, the SCO will state that the first elections to the new unitary authorities will take place in May 2026. The new authorities will exist as “shadow councils”, formally delivering no services until the beginning of the following financial year in April 2027.

The process by which the new unitary authorities will begin delivering services, and the old councils are dissolved, is referred to as “vesting”. In the 11 months that the new council exists as a “shadow authority”, it will be busy appointing staff, setting harmonised policy and setting its budget for 2027/28, while the old two-tier councils continue to deliver services for their final year.

Apart from Surrey, it is not clear whether elections in the remaining two-tier areas will be postponed again by 12 months to align with the LGR timetable that the government has set for them. What we do know is that the first mayoral elections to their Combined Authorities is expected in 2026, however, government decisions on postponement of the council elections should be made in the winter.

Post-election

After the elections to the new councils take place, there will be a period of 10 months where both the new and old co-exist. During this period, the new councils will act as “shadow authorities” who won’t actually deliver any services until they take over on vesting day, the beginning of the next financial year.

Only after the elections can the new authorities begin setting the process up in earnest. Staff will be employed or transferred from the existing councils, and service delivery will be planned out; however, the exact arrangements will differ between councils. From a provider perspective, some transitions will be more seamless than others.

Section 24 Direction

Section 24 of the structural change order will require the old and new councils, while they co-exist, to both agree in writing to high-value contracts and capital disposals. It is expected that contracts worth more than £100k a year will require this, or more than £1m where capital is involved.

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The first thing providers need to know is that the government's will to carry out this widespread LGR is happening. For providers, this means they will likely have to deal with a larger number of commissioning local authorities that cover smaller geographic areas. That means building more relationships with more teams, which will inevitably complicate matters where others may be simplified.

In terms of engagement with your existing contacts, again, the expected position will vary; however, Surrey County Council has stated that they expect the majority of their staff to transfer to one of the new authorities with "minimal disruption".

It would be a mistake not to mention the opportunities LGR offers, though. They could offer the sector an opportunity to "reset" some of the worst practices seen in local authority commissioning in some cases, and would better allow integration between care delivery and housing services, as one example.

While the process will inevitably vary from place to place, some general suggested actions for providers include:

- **being proactive in seeking to build face-to-face relationships (with who?) with new commissioners and up front in discussing existing challenges. Enquire with existing council contacts about what LGR means for you and your services.**
- **starting to collect and organise your data on placements to fit the geographies of the new local authorities when these become clear. Fee negotiations can be backed up by well-organised data, so providers should get this done early.**
- **keeping an up-to-date cost of care pack ready to inform fee negotiations which might take place outside of the usual timeframe.**
- **communicating with and reassuring those you provide care to, and their families about the process and work with councils to support this.**

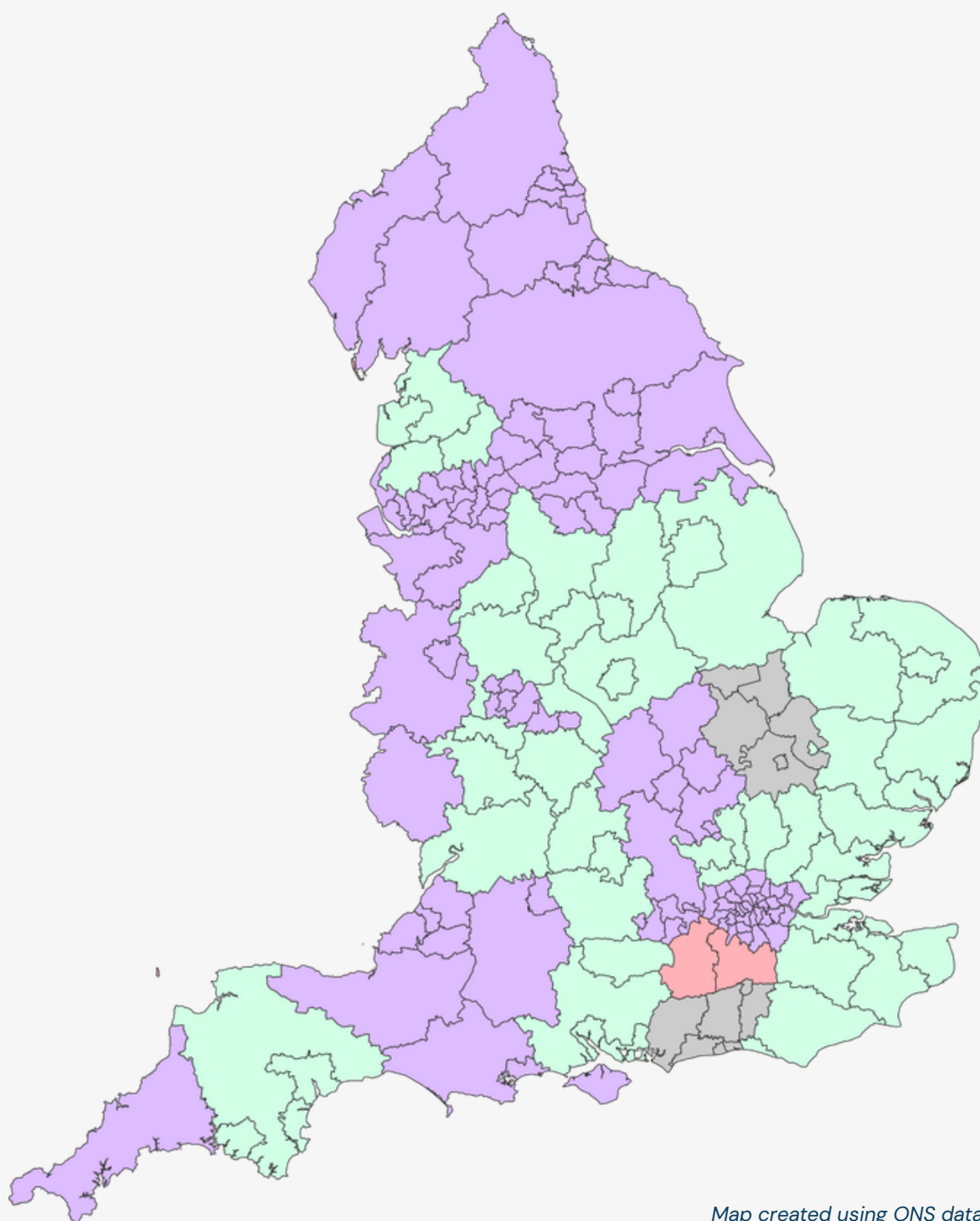
It's also important to remember that LGR isn't happening everywhere. Small providers in particular may not be impacted at all depending on their location. Turn over to see a map showing the impacted areas.

What is Care England doing?

Care England will be updating this document as more information comes to light, and we will also be updating our members regularly through both of our funding Special Interest Groups. Where we believe providers need to take action will reach out on a wider basis.

We will also be engaging with all reorganising local authorities and transitional bodies to represent providers and support councils to communicate with local providers.

Diagram 3: LGR map of England



Map created using ONS data.

Key:

-  **No LGR will take place** – Unitary authorities are already in place
-  **LGR going ahead** – Elections 6 May 2027, with vesting 1 April 2028. New council boundaries are shown.
-  **Surrey** – LGR structure decided. Elections 7 May 2026, with vesting 1 April 2027
-  **LGR structure TBD** – Proposals involving these districts have been submitted but have not yet been decided upon. Completion of LGR expected 1 April 2029

Table of impacted Commissioners

Commissioner	Status
London Boroughs & City of	No LGR to take place
Barnsley	
Bath & North East Somerset	
Bedford	
Birmingham	
Blackburn with Darwen	Merging as part of Pennine Lancs. Council in 2028
Blackpool	Merging as part of Fylde Coast Council in 2028
Bolton	No LGR to take place
Bournemouth, Christchurch & Poole	
Bracknell Forest	
Bradford	
Brighton & Hove	Area expanding slightly in 2028
Bristol	No LGR to take place
Buckinghamshire	
Bury	
Cambridgeshire	LGR expected in later in 2029. Structure TBD.
Central Bedfordshire	No LGR to take place
Cheshire East	
Cheshire West & Chester	
Cornwall	
Cumberland	

Commissioner	Status
Darlington	No LGR to take place
Devon	Exeter forming its own council, with southern areas ceded to Torbay and Plymouth councils in 2028
Doncaster	No LGR to take place
Dorset	
East Riding of Yorkshire	
East Sussex	Small area being ceded to Brighton & Hove in 2028
Essex	Being split into five councils in 2028
Gloucestershire	No LGR to take place (at care commissioning level)
Halton	
Hampshire	Splitting into four council areas along with Portsmouth and Southampton in 2028
Hartlepool	No LGR to take place
Herefordshire	
Hertfordshire	Splitting into four council areas in 2028
Isle of Wight	No LGR to take place
Kent	Splitting into four council areas with Medway in 2028
Kirklees	No LGR to take place
Knowsley	
Lancashire	Splitting into four council areas with Blackpool and Blackburn in 2028
Leeds	No LGR to take place
Leicester	Area expanding in 2028
Leicestershire	Absorbing Rutland & ceding areas to Leicester in 2028
Lincolnshire	Ceding some areas to Lincoln in 2028
Liverpool	No LGR to take place
Luton	

Commissioner	Status
Middlesbrough	No LGR to take place
Milton Keynes	
Newcastle upon Tyne	
Norfolk	Splitting into three councils in 2028.
North East Lincolnshire	No LGR to take place
North Lincolnshire	
North Northamptonshire	
North Tyneside	
Northumberland	
Nottingham City	Area expanding to create Greater Nottingham
Nottinghamshire	Ceding some urban areas to Greater Nottingham
Oxfordshire	Splitting into three councils in 2028
Plymouth	Expanding to form Greater Plymouth in 2028
Portsmouth	Expanding to form South East Hampshire in 2028
Redcar & Cleveland	No LGR to take place
Rochdale	
Rotherham	
Rutland	Merging with neighboring Leicestershire in 2028
Salford	No LGR to take place
Sandwell	
Sefton	
Sheffield	
Shropshire	
Slough	

Commissioner	Status
Somerset	No LGR to take place
South Gloucestershire	
Southampton	Merging with Eastleigh to form SW Hants. in 2028
Southend	Merging with Rochford & Castle Point to form SE Essex in 2028
St Helens	No LGR to take place
Staffordshire	Splitting into two councils in 2028
Stockton on Tees	No LGR to take place
Suffolk	Splitting into three councils in 2028
Surrey	East Surrey & West Surrey will be vested 1 April 2027
Swindon	No LGR to take place
Telford & Wrekin	
Thurrock	Merging with Basildon to form SW Essex in 2028
Torbay	Area expanding to form Torbay and South Devon
Trafford	No LGR to take place
Wakefield	
Warrington	
Warwickshire	
West Berkshire	Merging to form Ridgeway Council 2028
West Northamptonshire	No LGR to take place
Westmorland & Furness	
Wigan	
Wiltshire	
Windsor & Maidenhead	
Wirral	
Wokingham	
Worcestershire	Splitting into two councils in 2028

For more information:



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