

Briefing: Local Government Reorganisation explained: How should councils prepare for a Structural Changes Order?

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Summary

Structural Changes Orders (SCOs) are often viewed as technical legal documents, but for local government officers, they determine almost every practical aspect of reorganisation. They set the destination, the timetable, and the decision-making environment during the shadow period and up to vesting day.

This briefing focuses on what councils can do before an SCO is made, when there is still scope to influence how the transition will work in practice. Using Surrey as a live example and Cumbria as a completed reorganisation, it explains how SCOs come into being, where councils can realistically have an impact upon transitional design, and how early preparation can reduce risk and uncertainty.

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While the final structure of reorganisation is set by government, experience shows councils can influence preparatory functions, governance arrangements and sequencing through early engagement and clear, evidence-based representations.

Briefing in full

Introduction

Structural Changes Orders (SCOs) are at the centre of local government reorganisation (LGR) in England. They are statutory instruments made under [Part 1 of the Local Government and Public Involvement in Health Act 2007](#), giving legal effect to structural change by creating new councils, abolishing existing councils and setting the parameters for transition.

For councils, SCOs matter because they establish the practical framework within which reorganisation must be delivered: the end state and vesting date; arrangements for shadow authorities and elections; transitional governance (often including joint committees and implementation structures); and the approach to transferring functions, property and liabilities. They do not resolve every operational issue. Councils should expect further detail, including pensions, Housing Revenue Accounts, ceremonial arrangements and technical consequential amendments, to be addressed through [supplementary instruments](#), [directions](#) and local implementation planning.

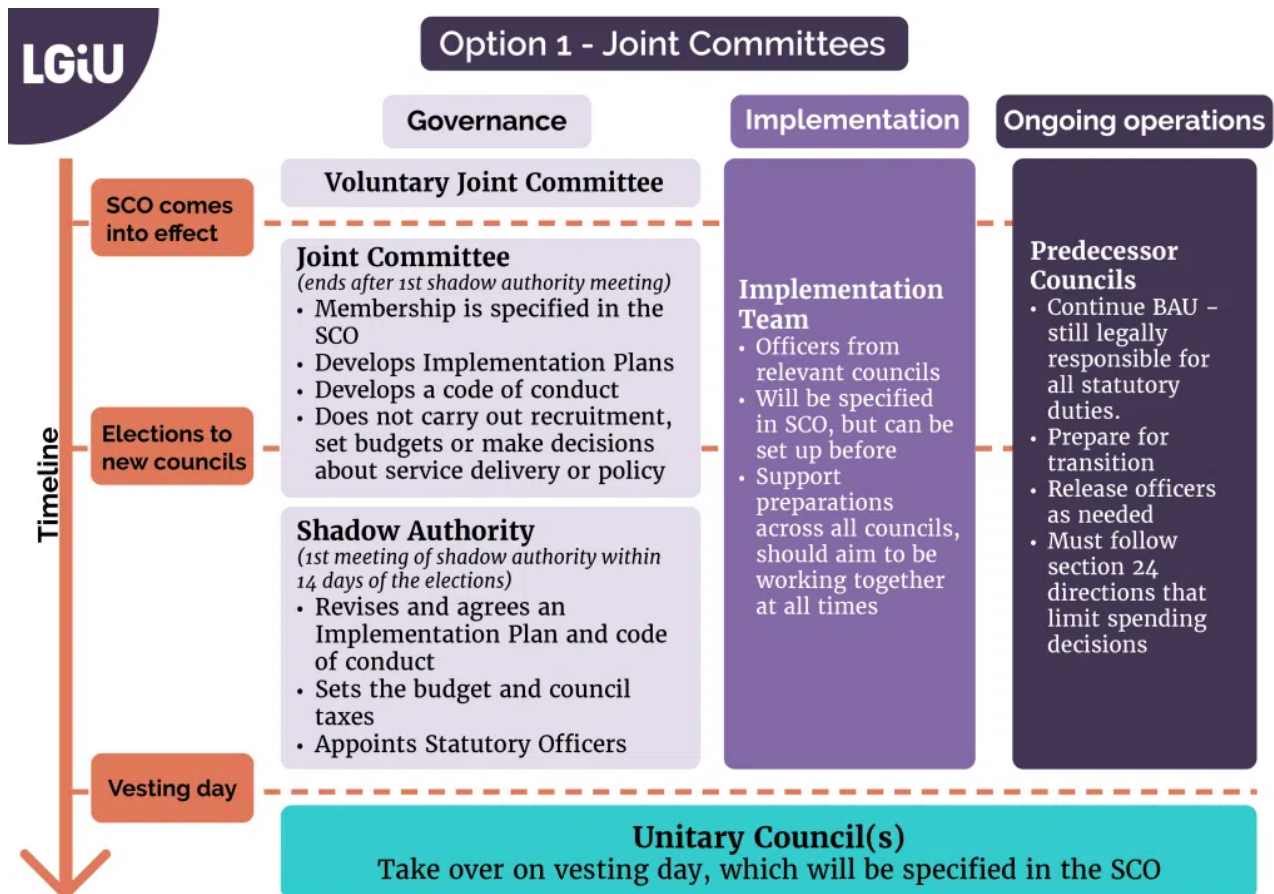
This briefing focuses on how councils can prepare before an SCO is made: how they can shape transition arrangements where possible and organise work so they can move quickly once an Order is laid. It uses [Surrey](#) as a live example and [Cumbria](#) as a completed reorganisation, with reference to earlier reorganisations in Buckinghamshire, Somerset and North Yorkshire. It also links to LGIU explainers on shadow authorities and the transition from final plans to vesting day.

How do SCOs come into being and how can councils shape them?

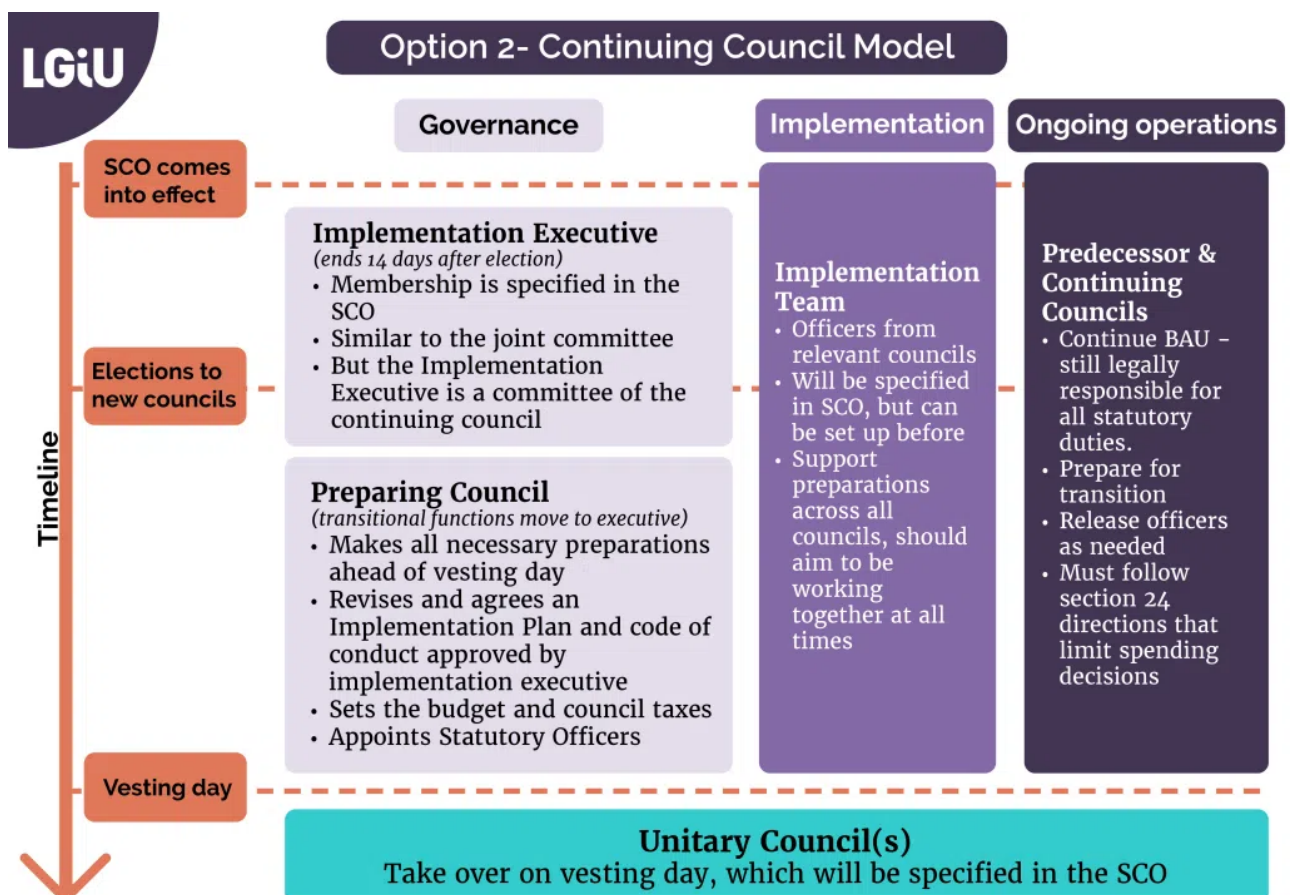
Understanding how SCOs are developed helps councils anticipate when engagement is likely, where input may have an impact, and how quickly formal transition arrangements may follow a government decision.

In practice, implementing reorganisation operates as a package of three tools: the SCO itself (setting structure and transition), directions under section 24 of the 2007 Act (controlling certain decisions during transition), and further 'mop-up' provision to deal with technical and consequential matters.

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Option 1: Joint Committee



Option 2: Continuing Council Model

When are SCOs likely to be announced?

Drafting and laying an SCO usually follows soon after the Secretary of State confirms a decision to proceed with reorganisation, particularly where the accelerated programme is used. Recent reorganisations show a consistent sequence: invitation to submit proposals; assessment and consultation; government decision; followed by engagement on draft transition arrangements before the SCO is laid in Parliament. For councils, this means preparation should begin before a final decision is announced. [The MHCLG timeline](#) suggests that draft secondary legislation for DPP areas should be expected before the summer recess in 2026, and for the non-DPP areas after summer recess.

Consultation and representations on the SCO

Engagement on an SCO is not a second consultation on the principle of reorganisation. It is focused on how the transition will operate in practice. Councils are typically invited to make representations on:

- the structures required to support transition;
- the preparatory functions to be exercised before vesting day; and
- how arrangements should reflect local circumstances and delivery risks.

This engagement provides a good opportunity to highlight issues that could affect governance, capacity or service continuity if not addressed early.

Where is there scope for flexibility?

While the overall reorganisation model is set by government, experience shows flexibility in how transition arrangements are designed. SCOs may distinguish between areas creating entirely new councils and those where preparing councils are given specific preparatory responsibilities. Government has also indicated that preparatory functions and governance arrangements should reflect local circumstances, including scale, financial context and delivery risk, where councils can demonstrate that alternative approaches should better support an effective and lawful transition.

How councils have sought to influence SCOs

Recent proposals show how councils have used the pre-SCO phase to raise detailed delivery issues. For example, in [Hertfordshire](#) all 11 councils worked

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together on a single county-wide Local Government Reorganisation submission to government in November 2025 that presented three unitary model options for consideration, demonstrating collaborative engagement on structure and transition design. In [Lincolnshire](#), the County Council's final business case outlined clear asks for the SCO in terms of continuing authority status, voting rights and a "collaborative" methodology for appointing a new Chief Executive. While these proposals do not directly determine SCO content, they show that councils can act proactively to influence how transition arrangements are presented to central government.

Norfolk as an example: indicative timelines and expectations for council involvement

Indicative timetables published during consultation in Norfolk suggest a government decision is expected in March 2026, followed by an SCO being laid in summer 2026 and coming into force in autumn 2026. On this basis, elections for new authorities would take place in May 2027, with the new councils assuming full responsibility from April 2028. This is likely to be the same in all DPP areas.

The Norfolk timeline also illustrates expectations for council involvement. MHCLG explicitly invited council input on the design of the SCO and the opportunity for local flexibility. Voluntary arrangements across the area are encouraged during consultation and beyond, with councils balancing service delivery against decisions affecting incoming authorities. Between a decision and the SCO being laid, councils are expected to align voluntary governance with the anticipated Order, engage on factual matters during drafting, and make representations on the scope and operation of any section 24 directions. Once the SCO is in force, a staged transition is anticipated, moving from joint committee and implementation arrangements into a shadow or preparing council period, supported by an agreed implementation plan.

What can councils do to prepare for an SCO?

Engagement with government

Councils have limited influence over the overall reorganisation model but can often influence how the transition is designed. This includes preparatory activity, programme governance arrangements, collaborative resourcing (Memoranda of Understanding), sequencing and risk management. Effective engagement is usually approached through clear, structured representations that set out what local arrangements are needed to support a deliverable and lawful transition, and what should be addressed in the SCO or associated directions.

Three practical steps support this:

1. **Collaborative exercises in setting design principles and governance frameworks**, ensuring engagement with government reflects the published reorganisation programme and consultation stages. Government programme updates and area-specific documentation indicate how invitations, proposal deadlines and consultations are managed. This helps councils plan their representations, member decisions and internal assurance work to ensure they are working to the published timeline.
2. **Make targeted, evidence-based representations**, drawing on business cases and local evidence to identify where clarity or flexibility in the SCO or associated directions would materially affect delivery. In [Hertfordshire](#), proposals request a review of the thresholds for issuing directions under section 24 of the 2007 Act to ensure smooth service delivery during transition.
3. **Ensure requests are implementable**, being clear about what needs to be resolved through the SCO itself and what can reasonably be dealt with later through supplementary instruments or local implementation planning.

Organising work before an SCO is made: preparing for transition

Alongside external engagement, councils can prepare internally by scoping arrangements that can scale quickly once a decision is made. [Surrey](#) provides a live example, with councils establishing voluntary joint committees following the Secretary of State's decision ahead of the draft Order, anticipating their role in formal transition governance.

Four useful practical actions in preparing for an SCO are:

1. **Put a light-touch programme structure in place**, identifying core workstreams and escalation routes for risks and decisions. In Surrey, [programme structure](#) and [implementation planning](#) were considered prior to the draft Order being laid, helping councils to collaborate and organise workstreams.
2. **Agree transition governance principles early**, including member and officer roles, decision pathways and assurance arrangements. [Guidance from the Centre for Governance and Scrutiny](#) highlights the importance of designing governance and scrutiny arrangements that remain effective during reorganisation, particularly where responsibilities are shared across multiple bodies.
3. **Identify decisions likely to be constrained during transition**, particularly around major contracts, long-term commitments and disposals, and plan

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governance accordingly. Experience from [Cumbria, Somerset and North Yorkshire](#) shows how directions can be used to control certain decisions during transition, which reinforces the need for early planning.

4. **Plan for capacity pressures**, especially where reorganisation overlaps with elections, budget setting or existing transformation programmes. Recent analysis from the [Institute for Government](#) and the [Local Government Association](#) highlights the impact of election timing and the importance of managing workforce capacity during periods of structural change.

Surrey as a live example: what's happening now?

The draft SCO for Surrey illustrates how government expects reorganisation to be prepared in practice. Ahead of the draft Order, councils established voluntary joint committees, enabling early coordination of workstreams, information-sharing, preparatory work and the development of common assumptions. They did this without pre-empting the formal powers and structures that would later be set out in the SCO.

The draft SCO confirms many elements councils had anticipated, including the creation of new unitary authorities, a shadow period and joint governance arrangements. This alignment reduced the need to reset structures once the draft was published, which meant minimal disruption. Surrey's approach also shows how reorganisation is treated as a programme with defined governance, risk management, financial controls and delivery milestones, rather than purely as a legal process. Cabinet and joint committee papers demonstrate planning on the basis that certain decisions (particularly around major contracts and long-term commitments) may be subject to additional oversight during transition. This reinforces the importance of reading the SCO alongside directions, correspondence and implementation material.

Cumbria as a completed reorganisation: lessons learned

Reorganisation in Cumbria took effect in April 2023 and provides a contrast with Surrey. The Cumbria SCO created two new unitary authorities: Westmorland and Furness Council and Cumberland Council. It set out the arrangements for shadow authorities, elections and the transfer of functions on vesting day. It also established the overall structure and timetable for transition.

Several controls were introduced alongside the SCO rather than within it, during transition. Directions made under section 24 of the Local Government and Public Involvement in Health Act 2007 required predecessor councils to seek consent

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before entering into certain categories of contracts and other commitments during transition. The directions had a material impact on day-to-day decision-making and required councils to adapt governance routes and assurance processes quickly.

Papers from the new authorities ([Implementation Plan](#), [LGR Programme Implementation Plan](#), [LGR Programme Implementation Plan](#) and [LGR Programme Transition report](#)) show how implementation work continued to evolve after vesting day, with further decisions needed on staffing structures, service integration and financial management. Early implementation planning, formalised through shadow authority and programme documentation, highlights the importance of planning for the early months of the new authority, not just the shadow period.

What should councils focus on now?

Experience from Surrey and Cumbria shows councils are better placed when they treat the pre-decision period as an opportunity to prepare. Key priorities include:

- **Building shared understanding** beyond senior leadership groups. Members, senior leadership teams and the wider workforce need a shared, realistic picture of what reorganisation will involve, what an SCO will and will not decide, and how transition will be managed in practice.
- **Using the pre-decision phase as a discovery period** to test assumptions, apply prototyping to sense the scale for transformation, work collaboratively and consider what practical governance arrangements are necessary.
- **Intentionality on governance, resourcing and scope of workstreams – about governance and capacity**, particularly where reorganisation overlaps with other pressures such as elections, budget setting or existing transformation programmes. Capacity must be protected for core service delivery while building transition capability.
- **Preparing to work collaboratively between councils**, and with MHCLG, to iteratively draft the SCO.
- **Working through government's key questions**, focusing on what needs to be fixed early to avoid risk later, and what can be simplified. MHCLG emphasises the importance of structures and preparatory functions that reflect local circumstances and support successful delivery.

Conclusion

SCOs are the legal instruments through which reorganisation is delivered, but they are not just technical documents. They frame how councils plan, govern and deliver transition. SCOs do not operate in isolation: Directions, supplementary instruments

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and local implementation planning can also have a significant impact on day-to-day decision-making during transition.

Experience shows that councils that plan for this wider framework, prepare governance capacity and assurance arrangements in advance are better able to manage risk and maintain service continuity. Using the pre-decision period well helps councils move smoothly from uncertainty to readiness and through to vesting day and beyond.

Resources

The consultation documents from [Norfolk and Suffolk](#) set out how views were gathered on local government reorganisation proposals and the indicative implementation timeline.

[Surrey County Council](#) published Cabinet updates on devolution and local government reorganisation in December 2025 and January 2026, outlining emerging governance and programme arrangements.

[Westmorland and Furness Council](#) published an Implementation Plan and supporting reports, providing insight into programme governance and readiness planning during transition.

LGIU briefings [‘What is a Shadow Authority’](#) and [‘From final plans to vesting day – the journey of a shadow authority’](#) explain the role and operation of shadow authorities during reorganisation.

The Local Government Association’s [‘Devolution and LGR FAQs’](#) is a live document addressing common questions from councils based on MHCLG guidance.

The Centre for Governance and Scrutiny’s [‘Scrutiny and local government reorganisation – a practice guide’](#) supports councils in designing effective scrutiny and assurance arrangements during transition.

The Local Government Association’s [reorganisation engagement toolkit](#) provides practical guidance on engaging with government and learning from previous reorganisations.

Case Studies

[Surrey](#) is a live reorganisation example, illustrating early preparation through voluntary joint committees alongside a draft SCO currently before Parliament.

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[Cumbria](#) is a completed reorganisation, showing how an SCO operated alongside section 24 [directions](#) and further implementation activity post-vesting day.

[Buckinghamshire](#) provides an example of single-unitary reorganisation where shadow authority arrangements played a central role in transition.

[Somerset](#) illustrates a modern two-unitary transition model, with [supplementary provision](#) used to address technical and consequential matters.

[North Yorkshire](#) provides a further example of county-unitary reorganisation and the use of phased transition arrangements.

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