

To:
All members of the
Council

Please reply to:
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Date: 28 April 2025

Supplementary Agenda

Council - Tuesday, 6 May 2025

Dear Councillor

I enclose the following items which were marked 'to follow' on the agenda for the Council meeting to be held on Tuesday, 6 May 2025:

3. Local Government Re-Organisation in Surrey

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Council is asked to consider the proposed Final Submission for the Local Government Re-organisation in Surrey.

Yours sincerely

Karen Wyeth
Committee Services

To the members of the Council

Councillors:

M. Buck (Mayor)
J.T.F. Doran
M. Arnold
M.M. Attewell
C. Bateson
S.N. Beatty

J. Button
J.P. Caplin
R. Chandler
D.C. Clarke
S.M. Doran
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K.M. Grant
S. Gyawali
K. Howkins

O. Rybinski
D. Saliagopoulos
J.R. Sexton
J.A. Turner
B. Weerasinghe
H.R.D. Williams
P.N. Woodward

Extraordinary Council

Tuesday 6 May 2025



Title	Local Government Reorganisation in Surrey
Purpose of the report	To make a decision
Report Author	Daniel Charles Mouawad, Chief Executive
Ward(s) Affected	All Wards
Exempt	No
Exemption Reason	Not Applicable
Corporate Priority	This item is not in the current list of Corporate Priorities but still requires a Council decision.
Recommendations	<p>Council is asked to:</p> <ol style="list-style-type: none"> 1. Consider the two proposals for a single tier of local government in Surrey, as outlined in Appendix 1 and Appendix 2; and 2. Endorse the submission to MHCLG of the preferred proposal for 3 unitary authorities in Surrey as outlined in Appendix 2.
Reason for Recommendation	Local Authorities in Surrey have been invited to submit full proposals for Local Government Reorganisation by 9 May 2025

Summary of the report

What is the situation	Why we want to do something
<ul style="list-style-type: none"> On 16 December 2024 the Government published its English Devolution White Paper. This outlined a very clear ambition for every area in England to move towards setting a strategic authority led by an elected Mayor. 	<ul style="list-style-type: none"> Government has indicated in its White Paper that it was seeking a new model for local government. Part of that new model is the reorganisation of the existing two-tier structure in Surrey. The Council has been provided with an opportunity to submit, along with the other Surrey Councils, proposals as to what that new structure should look like.
This is what we want to do about it	These are the next steps
<ul style="list-style-type: none"> The Council will consider the proposed two final submissions to MHCLG and make a decision. 	<ul style="list-style-type: none"> Local Authorities are to submit final proposals for Local Government Reorganisation by 9 May 2025.

1. Key issues

- 1.1 On 18 March 2025, the Council approved the Joint Interim Local Government Reorganisation Plan. This Plan, drawn up by all councils in Surrey (county, districts and boroughs), was subsequently submitted to the Ministry of Housing, Communities and Local Government (MHCLG).
- 1.2 At its meeting on 6 February 2025 the Council expressed a preference for three unitary authorities regarding the future structure of local government across Surrey.
- 1.3 Since that time Surrey County Council (SCC) has focused on developing a proposal for two unitary councils across Surrey [**Appendix 1**], while the eight Districts and Boroughs (D&Bs) which did express a preference have focused on developing a proposal for three unitary councils [**Appendix 2**].
- 1.4 Spelthorne Borough Council Leader has sat on the Surrey Leaders Local Government Steering Group overseeing the development of the Interim and

Final submissions. The Chief Executive, Section 151 Officer (Chief Finance Officer), the Monitoring Officer and Head of Communication have met regularly with counterparts across Surrey, being heavily involved in the composition of the Plans.

- 1.5 Spelthorne Borough Council has a stated ambition to “review our ways of working to make us more efficient, effective, and to improve customer satisfaction”. The Government has stated that Local Government Reorganisation (LGR), whereby new unitary councils will replace county and district/borough councils in two-tier areas such as Surrey, will be more efficient and effective, in addition to improving customer satisfaction.
- 1.6 Spelthorne Borough Council, alongside all other Surrey authorities, is asked to consider the detailed proposals outlined in this report and make a decision.

2. Report background and options

- 2.1 On 18 March 2025, the Council considered a report on Local Government Reorganisation (LGR) and approved the Joint Interim Local Government Reorganisation Plan. This Plan was subsequently submitted to the Ministry of Housing, Communities and Local Government (MHCLG) on behalf of Surrey County Council and the eleven District and Borough Councils.
- 2.2 Since that time the Leader, the Chief Executive, Section 151 Officer and other senior officers have had regular meetings with both SCC and D&Bs to support the development of a detailed proposal for the creation of two unitary councils by SCC [**Appendix 1**] and another for three unitary councils by the D&Bs [**Appendix 2**].
- 2.3 In developing these proposals, authorities have had regard to the guidance issued by the Minister of State in his letter of invitation of 5 February 2025 [**Appendix 3**]. They have also had regard to feedback provided by MHCLG in April 2025 [**Appendix 4**].
- 2.4 Two final proposals are presented for consideration. The first proposal [Appendix 1] for the creation of two unitary councils and the second for the creation of three unitary councils [Appendix 2].
- 2.5 Both proposals are based on a range of assumptions including the configuration of the new councils, the number of councillors, allowances, election cycles, degree of disaggregation of key services etc.
- 2.6 It is expected that both proposals will be submitted to the Ministry by 9 May 2025 in response to the invitation of 5 February 2025. Council is being asked to consider both detailed proposals and endorse the submission of a preferred proposal.

3. Options

- 3.1 Both SCC who are promoting a two unitary proposal and the majority of D&Bs leading the development of the three unitary proposal have made it clear that other authorities are welcome to support their respective proposal.

- 3.2 On 6 February 2025 the Council expressed its strong preference for a three unitary configuration in Surrey. It is therefore recommended that the Council endorse the submission of the D&Bs three unitary proposal as outlined in Appendix 2.
- 3.3 The Council could decide that:
- (i) it supports one of the two final proposals and wishes to submit it jointly with other named authorities, or
 - (ii) it decides not to express a preference at this stage, noting that, as an authority affected by any order to be made by the Secretary of State, Spelthorne Borough Council will be consulted prior to the implementation of any proposal, or
 - (iii) it does not support either proposal and writes to the Secretary of State for Housing, Communities and Local Government to confirm this and outline the clear rationale for this decision.
- 3.4 The final decision regarding which, if any, of the proposals will be implemented will be made by the Secretary of State. They can choose to do this with or without modifications.
- 3.5 Prior to making an order to implement a proposal all local authorities affected by the proposal will be consulted, along with other persons considered appropriate by the Secretary of State.
- 3.6 While the Secretary of State has not confirmed when a final decision is expected, the letter of invitation of 5 February 2025 indicated that, if a decision was made to implement any proposal, MHCLG officials would work with organisations across Surrey to move to new shadow unitary councils as soon as possible. It is currently anticipated that elections for these new shadow councils could be held in May 2026.
- 3.7 A shadow authority is one that is elected to carry out the preparatory functions of a new unitary council until the day that it formally comes into effect. This is commonly called “vesting day.” At this stage it is envisaged that vesting day would be 1 April 2027. All existing councils across Surrey would continue to operate and deliver services until vesting day.

4. Financial management comments

- 4.1 At the time of writing this report the respective final proposals have not yet been finalised and signed off by the Leaders of the Surrey LGR Steering Group. The Financial implications will be set out in **Appendix 1** for the two unitary council proposal and **Appendix 2** for the three unitary council proposal.

Areas where both proposals’ assumptions are the same

- 4.2 Both proposals have aligned and used the same financial base data to calculate the financial implications of the two and three unitary council proposals. The base data uses the 2025/26 detailed budgets of each authority. The data for Spelthorne within both proposals has been verified by the S151 Officer as being consistent with the 2025/26 Budget, Outline

Budget (Medium Term Financial Plan) approved by Council on 27th February 2025.

4.3 Both proposals in Appendix 1 and Appendix 2 (to follow) use the same assumptions to calculate the impact of the two and three unitary proposals in relation to:

- Council Tax Harmonisation – the proposals assume that harmonisation takes place as quickly as possible in year one to ensure equity across the new unitary councils and to maximise council tax income whilst keeping within the referendum limits on a weighted average council tax basis.
- Future Financial Sustainability – both proposals use the aggregated amount of each Council's budget gaps, currently included within medium term financial plans, and the same assumptions as to the impact of the Business Rates Reset and Local Government Funding Reform (due to commence in 2026-27) on each council to calculate the potential financial sustainability (budget gap) challenge that each new unitary council is likely to face prior to savings from Local Government Re-organisation (LGR) being taken into account. The combination of Business Rates Reset and Local Government Funding Reform are anticipated to significantly reduce the funding retained by local government in Surrey and will pose a very substantial financial sustainability challenge for any of the unitary councils options.
- Debt and Borrowing – both proposals acknowledge that, with the exception of Woking BC, **all** councils in Surrey have set balanced budgets for 2025/26 which include debt financing costs and relevant commercial income. The proposals acknowledge that there will need to be further discussions with Government post submission on options around managing debt in Surrey. In particular, the proposals both repeat the position outlined by Surrey Leaders in letters to the Government, that there is a requirement to write off the 'stranded' debt identified in relation to Woking BC as part of the Government's forthcoming spending review. The proposals conclude that without Woking's stranded debt write off, any unitary created as part of the LGR process that includes the area of Woking within its boundaries will require ongoing Exceptional Financial Support (ESF) from Government.
- Elections – both proposals assume that the new unitary councils will have elections every four years.

Areas where the proposals are different

4.4 The main areas where the proposals for two unitary councils in Appendix 1 and three unitary councils in Appendix 2 have made different assumptions, and therefore show significantly different financial implications, are outlined below:

- Disaggregation costs of SCC services
- Senior staff structures and associated savings
- Service Aggregation and Transformation savings

- Implementation and Transformation costs
 - Cost of Democracy and associated savings
- 4.5 Further detail around the differences in the assumptions used, their impact on the financial implications and the S151 officer's view of the reasonableness of the assumptions used in each proposal are inherently presented as part of the two Appendices.
- 4.6 Councillors should note, that based on the assumptions made in SCC's proposal at Appendix 1 (to follow), they conclude that three unitary councils would cost more per annum than the existing two tier model of local government in Surrey and that there would be no payback for the cost of implementing LGR for three unitary councils in Surrey. The predominant reason for this relates to the suggested additional costs of disaggregating SCC's services across 3 unitary councils. In contrast, the eight D&Bs proposal at Appendix 2 (to follow) sets out that they think three unitary councils in Surrey would cost less than the existing two-tier system, based on the assumptions they have made, and that the benefits from LGR will pay back the implementation costs over the medium term.
- 4.7 This significant difference in financial outcomes between the two proposals highlights the significant risks surrounding the approach taken to disaggregation of County services, which will be a matter for the new unitary councils to decide.

Debt

- 4.8 As noted above, both proposals make the same assumptions in relation to debt and the impact of financing debt on the revenue budgets of the new unitary councils.
- 4.9 It is worth noting that the default position is that the assets and liabilities (such as debt) remain locally managed by councils and that proposals for LGR in Surrey should set out the extent to which the implications of debt can be managed locally by the new unitary councils, including as part of efficiencies possible through re-organisation.
- 4.10 What the default position means is that the assets and liabilities (including the debt) will follow the relevant local authority into whichever new unitary authority that local authority ends up part of. This position will only change if any other proposal for managing the debt can be both agreed locally and with Government. As stated above, both proposals in Appendices 1 and 2 (to follow) recommend that Government writes off the stranded debt in relation to Woking BC.
- 4.11 Under the three unitary combination the Council has already expressed its preference for Spelthorne would be combined with Elmbridge and Runnymede and so that unitary would not directly be exposed to the stranded debt of Woking.
- 4.12 Under the proposals for two or three unitary councils Surrey, there are three options within which Spelthorne would be with Woking. A fourth potential option, where Spelthorne would be absorbed into the same unitary authority as Woking is if one unitary authority was created for Surrey. This option has

been ruled out in both proposals included within the Joint Interim Plan submitted to Government by both SCC and the District and Borough Councils and remains ruled out in the proposals expected to be submitted in Appendices 1 and 2.

- 4.13 In the modelling for the proposals outlined in Appendices 1 and 2 (to follow), the allocation of Surrey County Council's Net Revenue Budget and capital financing costs is based on weighted population for illustrative purposes only. Final allocations will require significant further work and decisions made by Shadow Authorities on capital and revenue budget allocations.
- 4.14 The debt modelling undertaken for both proposals in Appendix 1 and Appendix 2 (to follow) shows that in all options (including Option 2.2) the key financial resilience indicator 'Ratio of gross financing costs as a percentage of Net Revenue Budget' for any unitary council including Spelthorne would be between 19% and 41% (note the latter is the 2 unitary permutation 2.4 in which Spelthorne is in same North unitary as Woking) based on the 2025/26 net revenue budget. In comparison, the ratio of gross financing costs as a percentage of Net Revenue Budget for Spelthorne alone is 225% based on our 2025/26 net revenue budget. However, gross financing cost does not take into account income being generated by assets associated with the debt finance which may be supporting the cost of services, in the case of Spelthorne there is £50m gross rental derived from the assets being financed. In the medium to longer term the net estimated annual revenue subsidy any unitary would inherit from the assets would be approximately £5m per annum. As has already been highlighted to the other Surrey councils, the £5m represents a halving of the current annual net subsidy generated by the Spelthorne commercial assets. This is one factor, feeding into the significant overall medium term financial sustainability challenges faced by the Surrey councils.
- 4.15 In the unitary modelling for 2 unitaries there are three options in which Spelthorne and Woking are in the same unitary. These are:
- East/West 2.1- West – gross financing cost for unitary as a whole 35%
 - North/South 2.3 - North – gross financing cost for unitary as a whole 34%
 - North/South 2.4 - North – gross financing cost for unitary as a whole 41%
- Whilst gross financing cost of 34-41% may not sound too severe this includes £171m of Woking financing cost, which when combined with the other financial pressures highlighted in this report would make it difficult for options 2.1 West unitary; 2.3 North unitary or 2.4 North unitary to be viable. In contrast the 3 unitary north option including Spelthorne with Elmbridge and Runnymede has a 19% gross financing cost. As has been highlighted to other Surrey Councils this is £5m lower than the current subsidy generated and feeds into the medium term financial sustainability challenges faced by all the Surrey councils.

Future Financial Sustainability of the new unitary Councils

- 4.16 Both proposals for two and three unitary councils set out significant potential budget gaps and therefore challenges to the future financial sustainability of the new Councils. The budget gaps arise due to:-
- Existing budget pressures and increasing demand across all services, but particularly Housing/Homelessness (including Temporary Accommodation), Adults and Childrens Social Care, Education (particularly special educational needs) and home to school transport
 - Local government funding reform and the business rates reset
 - Inflation, interest rates and economic market uncertainty
 - Increasing cost of financing debt, particularly for those Councils who hold a significant proportion of short-term debt which will need to be refinanced at potentially higher rates than currently held. Spelthorne's debt is nearly all fixed on a long-term basis so this is negligible risk for Spelthorne, but is a risk for the Surrey unitaries, even if the stranded debt in relation to Woking BC is written off by Government or exceptional financial support for it is provided extending beyond 2026-27.
- 4.17 The above issues are common to the majority of authorities in local government, particularly upper and single tier authorities. All proposals in the appendices show that the financial benefits of LGR will be fully utilised in addressing the financial sustainability challenges outlined. It is the case, however, that the greater the level of savings that can be achieved through LGR, the more the new unitary Councils will be able to cope with these challenges and the more likely they are to be financially sustainable.

5. Risk management comments

- 5.1 There is a risk that neither proposal is in the best interests of the Spelthorne community. While Spelthorne Borough Council is not legally required to submit a bid (alone or jointly) this would not prevent those who do support the bids from submitting them. As no individual authority holds a veto, the Minister can proceed to consult on a proposal and make an order to implement it. The Council has tried to mitigate against this risk by meeting with both SCC and the other D&Bs to try to influence both bids, and ensure, as far as possible, that both bids reflect the interests of the Spelthorne community.
- 5.2 There is a risk that a preferred proposal contains elements that are not in the best interests of the Spelthorne community. This could be mitigated by clearly identifying the issues and outlining these, alongside a rationale and an assessment of the implications of any proposed modifications. This would need to be submitted as a Spelthorne Borough Council proposal by 9 May. Given that Council meets on the 6 May there is a risk that there will be insufficient time to prepare such a submission.
- 5.3 There is a risk that the proposal which Spelthorne Borough Council decides is in the best interests of the Spelthorne community is not chosen by the Secretary of State for implementation. Spelthorne Borough Council, as an authority impacted by any proposal, will be consulted on any bid which it has not submitted (alone or jointly). As a result, there would be an opportunity for Spelthorne Borough Council to raise any concerns or propose modifications.

However, these may not result in a change in the proposed way forward. As above, this risk is mitigated as Spelthorne Borough Council has continued to work with both SCC and the Ds and Bs to try to influence both bids, and ensure, as far as possible, that both bids reflect the interests of the Spelthorne community.

- 5.4 There is a risk that Spelthorne Borough Council, while not opposed to either proposal, does not have a strong preference for any specific proposal. Spelthorne Borough Council is not required to submit a proposal (alone or jointly) and could choose not to do so, preferring to wait for the formal consultation and deciding at that point whether or not to express a view on the proposed option for implementation. While this is an option it is not recommended as Spelthorne Borough Council would have lost an opportunity to shape the outcome of this important process which will influence how local government services are provided to the Spelthorne community for years to come.
- 5.5 Each proposal poses a significant number of risks. Many of these are identified and addressed in the Appendix 1 and Appendix 2 draft submissions. They include financial risks, service risks (also referenced in 4.14), public safety risks and employment and resourcing risks.
- 5.6 Employment and resource risks are inherent in both proposals for all local authorities in Surrey. Should the Secretary of State agree to implement a proposal, significant preparatory work will have to be carried out in order to ensure that the appointment and/or transfer of staff into the new authorities is legally compliant and in line with relevant guidance and best practice.
- 5.7 There will be a need for support and advice to staff in the lead up to, and post implementation of the new authorities, especially for those at potential risk of redundancy.
- 5.8 In the lead up to the go live date for the new authorities there is a risk that staff turnover increases as staff seek to secure alternative roles elsewhere. Where vacancies exist, it may become increasingly difficult to fill these roles. This will be kept under review.
- 5.9 It may be possible to enter shared arrangements with relevant authorities to fill posts, particularly where this would be likely to avoid a potential redundancy situation in the future. It may be necessary to consider incentives for some key roles where it would be in the best interests of Spelthorne to encourage existing postholders to remain in post until go live.
- 5.10 Following the making of an order a clear implementation and project plan will have to be developed. This will include a risk register which will need to be kept under ongoing review.

6. Procurement comments

Not applicable.

7. Legal comments

- 7.1 The English Devolution White Paper sets out an expectation that all two-tier areas such as Surrey will develop proposals for reorganisation.
- 7.2 In his letter to council leaders of 5 February 2025, the Minister for Local Government and English Devolution outlined that the Secretary of State for Housing, Communities and Local Government, in exercise of his powers under Part 1 of the Local Government and Public Involvement in Health Act 2007 ('the 2007 Act'), invited any principal authority in the area of the county of Surrey, to submit a proposal for a single tier of local government.
- 7.3. This may be one of the following types of proposal as set out in the 2007 Act:
- Type A – a single tier of local authority covering the whole of the county
 - Type B – a single tier of local authority covering an area that is currently a district, or two or more districts
 - Type C – a single tier of local authority covering the whole of the county concerned, or one or more districts in the county; and one or more relevant adjoining areas
 - Combined proposal – a proposal that consists of two or more Type B proposals, two or more Type C proposals, or one or more Type B proposals and one or more Type C proposals.
- 7.4 Proposals must be submitted in accordance with criteria set out in the Annex to the letter dated 5 February 2025, namely:
- Any proposal must be made by 9 May 2025.
 - In responding to this invitation and authority must have regard to the guidance from the Secretary of State set out in the Schedule to letter of 5 February 2025 [**Appendix 3**] and to any further guidance on responding to this invitation received from the Secretary of State.
 - An authority responding to this invitation may either make its own proposal or make a proposal jointly with any of the other authorities invited to respond.
- 7.5 In support of that formal invitation, Local Authorities were asked to submit an Interim Plan on or before 21 March 2025, in line with guidance in the annexe attached to the letter of 5 February 2025.
- 7.6 Part 1 of the 2007 Act (Section 7) explains that, where the Secretary of State has received a proposal in response to an invitation he may, by order, implement the proposal, with or without modification or decide to take no action. The Secretary of State may not make an order implementing a proposal unless he has consulted every authority affected by the proposal

(except the authority or authorities which made it), and such other persons as he considers appropriate.

8. Other considerations

S151 Officer commentary

- 8.1 The financial implications have been outlined above. More detail around the financial implications of the differences in assumptions used between the two proposals can be made once the final proposals have been received. The Section 151 officer's view of reasonableness of the assumptions made in each proposal will be covered in the scheduled All-Councillor pre-ECM Briefing.

9. Consultation

- 9.1 Weekly meetings of council leaders of the D&Bs across Surrey have been taking place. Several meetings have also been held with the Leader of SCC.
- 9.2 Regular meetings of chief executives and other key officers, for example, Section 151 officers, human resources and monitoring officers have also been held.
- 9.3 Within Spelthorne, the cross-party Reorganisation and Transformation Board has met fortnightly to receive and provide feedback to and from the Leader, Chief Executive and other senior officers.
- 9.4 Both proposals include details of the engagement carried out with residents and other stakeholders.
- 9.5 On 1st May, an informal All-Councillor Briefing for has been scheduled to systematically present the two and three unitary proposals.

10. Communications

- 10.1 Spelthorne has actively supported communications regarding LGR through its own channels, including:
- Corporate Website: A dedicated landing page has been created to outline Spelthorne's position on LGR, complete with Frequently Asked Questions.
- Following the launch of the LGR D&Bs communications hub: a link to this page has been added to the corporate landing page and included in the Leader's Statement.
- 10.2 Social media and Newsletter: Updates have been regularly shared with residents via Spelthorne's social media channels and the residents' e-newsletter.
- 10.3 Leader's Statements and video: The Leader has issued statements and a video to share the latest updates and reaffirm Spelthorne's position on LGR.
- 10.4 Resident and Business engagement sessions: Spelthorne Partnership Assembly in April and the Spelthorne Business Forum annual budget briefing in February.

- 10.5 Internal communications for staff cohort: Dedicated staff meetings and intranet hub.
- 10.6 Surrey wide survey: promoting the survey for residents to have their voices heard via an online survey seeking feedback on the two or three unitary proposals. 63% of Spelthorne residents opted for the three unitary model preference (broadly reflecting the result across Surrey).
- 10.7 Stakeholder engagement: To gather insights on the proposed local government reorganisation from key stakeholders in the Borough, in Spelthorne 21 organisations submitted a response.

11. Equality and Diversity

- 11.1 It is not anticipated that this decision, in itself, will result in a change to the range or nature of services currently provided across Surrey. While changes will inevitably be made, these are likely to be a matter for the shadow or unitary council. As a result, the impact of any changes on vulnerable and protected characteristic groups will be an important consideration in the planning and implementation of services as we move through the implementation and transformation phases of the project.
- 11.2 It is recognised that the proposals will be underpinned by a range of assumptions, some of which, if implemented, could have impacts (both positive and negative) on individuals including those in our communities, members and staff. As above, it will be essential that there is ongoing analysis in order to identify and mitigate potential negative impacts and identify any opportunities to promote fairness and improve outcomes as we move through the implementation and transformation phases of the project.

12. Sustainability/Climate Change Implications

- 12.1 There are no direct implications as a result of this report.

13. Timetable for implementation

- 13.1 The indicative timetable for this initiative is as follows:
 - Submission of interim proposals – 21 March 2025
 - Submission of full plans – 9 May 2025
 - Decision by Government – Summer/Autumn 2025
 - Legislation laid before Parliament – Winter 2025/Spring 2026
 - Elections for shadow authority – May 2026
 - New Unitary authority go live – April 2027

14. Contact

Chief Executive, Daniel Charles Mouawad
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Background papers:

English Devolution Whitepaper

Appendices:

Appendix 1 – Final Plan from Surrey County Council (to follow)

Appendix 2 – Final Plan from Districts and Boroughs (to follow)

Appendix 3 – Letter of invitation from MHCLG of 5 February 2025

Appendix 4 – Feedback letter from MHCLG of 4 April 2025

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**Ministry of Housing,
Communities &
Local Government**

Jim McMahon OBE MP

*Minister of State for Local Government and
English Devolution*
2 Marsham Street
London
SW1P 4DF

Our reference: MC2025/03733

To: Leaders of two-tier councils in Surrey:

Elmbridge Borough Council
Epsom and Ewell Borough Council
Guildford Borough Council
Mole Valley District Council
Reigate and Banstead Borough Council
Runnymede Borough Council
Spelthorne Borough Council
Surrey County Council
Surrey Heath Borough Council
Tandridge District Council
Waverley Borough Council
Woking Borough Council

5 February 2025

Dear Leaders,

This Government has been clear on our vision for simpler, more sustainable, local government structures, alongside a transfer of power out of Westminster through devolution. We know that councils of all political stripes are in crisis after a decade of decline and instability. Indeed, a record number of councils asked the government for support this year to help them set their budgets.

This new government will not waste this opportunity to build empowered, simplified, resilient and sustainable local government for your area that will increase value for money for council taxpayers. Local leaders are central to our mission to deliver change for hard-working people in every corner of the country through our Plan for Change, and our councils are doing everything they can to stay afloat and provide for their communities day in, day out. The Government will work closely with you to deliver these aims to the most ambitious timeline.

I am writing to you now to formally invite you to work with other council leaders in your area to develop a proposal for local government reorganisation, and to set out further detail on the criteria, guidance for the development of proposals, and the timeline for this process. A formal invitation with guidance for the development of your proposals is attached at Annex A. This invitation sets out the criteria against which proposals will be assessed.

Developing proposals for reorganisation

We expect there to be different views on the best structures for an area, and indeed there may be merits to a variety of approaches. Nevertheless, it is not in council taxpayers' interest to devote public funds and your valuable time and effort into the development of multiple proposals which unnecessarily fragment services, compete against one another, require

lengthy implementation periods or which do not sufficiently address local interests and identities.

The public will rightly expect us to deliver on our shared responsibility to design and implement the best local government structures for efficient and high-quality public service delivery. We therefore expect local leaders to work collaboratively and proactively, including by sharing information, to develop robust and sustainable unitary proposals that are in the best interests of the whole area to which this invitation is issued, rather than developing competing proposals.

This will mean making every effort to work together to develop and jointly submit one proposal for unitary local government across the whole of your area. The proposal that is developed for the whole of your area may be for one or more new unitary councils and should be complementary to devolution plans. It is open to you to explore options with neighbouring councils in addition to those included in this invitation, particularly where this helps those councils to address concerns about their sustainability or limitations arising from their size or boundaries or where you are working together across a wider geography within a strategic authority.

I understand there will be some cases when it is not possible for all councils in an area to jointly develop and submit a proposal, despite their best efforts. This will not be a barrier to progress, and the Government will consider any suitable proposals submitted by the relevant local authorities.

Supporting places through change

It is essential that councils continue to deliver their business-as-usual services and duties, which remain unchanged until reorganisation is complete. This includes progress towards the Government's ambition of universal coverage of up-to-date local plans as quickly as possible. To support with capacity, I intend to provide some funds for preparing to take forward any proposal, and I will share further information later in the process.

Considering the efficiencies that are possible through reorganisation, we expect that areas will be able to meet transition costs over time from existing budgets, including from the flexible use of capital receipts that can support authorities in taking forward transformation and invest-to-save projects.

The default position is that assets and liabilities remain locally managed by councils, but we acknowledge that there are exceptional circumstances where there has been failure linked to capital practices. Where that is the case, proposals should reflect the extent to which the implications of this can be managed locally, including as part of efficiencies possible through reorganisation, and Commissioners should be engaged in these discussions. We will continue to discuss the approach that is proposed with the area.

I welcome the partnership approach that is being taken across the sector to respond to the ambitious plans set out in the White Paper. My department will continue to work closely with the Local Government Association (LGA), the District Councils Network, the County Councils Network and other local government partners to plan how best to support councils through this process. We envisage that practical support will be needed to understand and address the key thematic issues that will arise through reorganisation, including managing service impacts and opportunities for the workforce, digital and IT systems, and leadership support.

Timelines and next steps for interim plans and full proposals

We ask for an interim plan to be submitted on or before 21 March 2025, in line with the guidance set out in the attached Annex. My officials will provide feedback on your plan to help support you to develop final proposals.

Given the urgency of creating sustainable unitary local government for Surrey, I have decided to make legislation to postpone the local elections in your area from May 2025 to May 2026 to provide additional capacity for speeding up reorganisation. This will also enable Surrey to benefit from devolution as quickly as possible once new unitary local government is in place. My department will now work with your area to facilitate reorganisation to the most ambitious timeframe possible.

I will expect any full proposal to be submitted **by 9 May**. If I decide to implement any proposal, and the necessary legislation is agreed by Parliament, we will work with you to move to elections to new 'shadow' unitary councils as soon as possible as is the usual arrangement in the process of local government reorganisation.

Following submission, I will consider any and all proposals carefully before taking decisions on how to proceed. My officials are available throughout to discuss how your reorganisation and devolution aspirations might work together and what support you think you might need to proceed.

This is a once in a generation opportunity to work together to put local government in your area on a more sustainable footing, creating simpler structures for your area that will deliver the services that local people and businesses need and deserve. As set out in the White Paper, my commitment is that clear leadership locally will be met with an active partner nationally.

I am copying this letter to council Chief Executives, and to Best Value Commissioners. I am also copying this letter to local Members of Parliament, and the Police and Crime Commissioner.

Yours sincerely,



JIM MCMAHON OBE MP

Minister of State for Local Government and English Devolution

LOCAL GOVERNMENT AND PUBLIC INVOLVEMENT IN HEALTH ACT 2007**INVITATION FOR PROPOSALS FOR A SINGLE TIER OF LOCAL GOVERNMENT**

The Secretary of State for Housing, Communities and Local Government, in exercise of his powers under Part 1 of the Local Government and Public Involvement in Health Act 2007 ('the 2007 Act'), hereby invites any principal authority in the area of the county of **Surrey**, to submit a proposal for a single tier of local government.

This may be one of the following types of proposal as set out in the 2007 Act:

- Type A – a single tier of local authority covering the whole of the county concerned
- Type B – a single tier of local authority covering an area that is currently a district, or two or more districts
- Type C – a single tier of local authority covering the whole of the county concerned, or one or more districts in the county; and one or more relevant adjoining areas
- Combined proposal – a proposal that consists of two or more Type B proposals, two or more Type C proposals, or one or more Type B proposals and one or more Type C proposals.

Proposals must be submitted in accordance with paragraphs 1 to 3:

1. Any proposal must be made by **9 May 2025**.
2. In responding to this invitation an authority must have regard to the guidance from the Secretary of State set out in the Schedule to this invitation, and to any further guidance on responding to this invitation received from the Secretary of State.
3. An authority responding to this invitation may either make its own proposal or make a proposal jointly with any of the other authorities invited to respond.

Signed on behalf of the Secretary of State for Housing, Communities and Local Government.



F KIRWAN

A senior civil servant in the Ministry of Housing, Communities and Local Government

5 February 2025

SCHEDULE

Guidance from the Secretary of State for proposals for unitary local government.

Criteria for unitary local government

1. A proposal should seek to achieve for the whole of the area concerned the establishment of a single tier of local government.

- a) Proposals should be for sensible economic areas, with an appropriate tax base which does not create an undue advantage or disadvantage for one part of the area.
- b) Proposals should be for a sensible geography which will help to increase housing supply and meet local needs.
- c) Proposals should be supported by robust evidence and analysis and include an explanation of the outcomes it is expected to achieve, including evidence of estimated costs/benefits and local engagement.
- d) Proposals should describe clearly the single tier local government structures it is putting forward for the whole of the area, and explain how, if implemented, these are expected to achieve the outcomes described.

2. Unitary local government must be the right size to achieve efficiencies, improve capacity and withstand financial shocks.

- a) As a guiding principle, new councils should aim for a population of 500,000 or more.
- b) There may be certain scenarios in which this 500,000 figure does not make sense for an area, including on devolution, and this rationale should be set out in a proposal.
- c) Efficiencies should be identified to help improve councils' finances and make sure that council taxpayers are getting the best possible value for their money.
- d) Proposals should set out how an area will seek to manage transition costs, including planning for future service transformation opportunities from existing budgets, including from the flexible use of capital receipts that can support authorities in taking forward transformation and invest-to-save projects.
- e) For areas covering councils that are in Best Value intervention and/or in receipt of Exceptional Financial Support, proposals must additionally demonstrate how reorganisation may contribute to putting local government in the area as a whole on a firmer footing and what area-specific arrangements may be necessary to make new structures viable.
- f) In general, as with previous restructures, there is no proposal for council debt to be addressed centrally or written off as part of reorganisation. For areas where there are exceptional circumstances where there has been failure linked to capital practices, proposals should reflect the extent to which the implications of this can be managed locally, including as part of efficiencies possible through reorganisation.

3. Unitary structures must prioritise the delivery of high quality and sustainable public services to citizens.

- a) Proposals should show how new structures will improve local government and service delivery, and should avoid unnecessary fragmentation of services.
- b) Opportunities to deliver public service reform should be identified, including where they will lead to better value for money.
- c) Consideration should be given to the impacts for crucial services such as social care, children's services, SEND and homelessness, and for wider public services including for public safety.

4. Proposals should show how councils in the area have sought to work together in coming to a view that meets local needs and is informed by local views.

- a) It is for councils to decide how best to engage locally in a meaningful and constructive way and this engagement activity should be evidenced in your proposal.
- b) Proposals should consider issues of local identity and cultural and historic importance.
- c) Proposals should include evidence of local engagement, an explanation of the views that have been put forward and how concerns will be addressed.

5. New unitary structures must support devolution arrangements.

- a) Proposals will need to consider and set out for areas where there is already a Combined Authority (CA) or a Combined County Authority (CCA) established or a decision has been taken by Government to work with the area to establish one, how that institution and its governance arrangements will need to change to continue to function effectively; and set out clearly (where applicable) whether this proposal is supported by the CA/CCA /Mayor.
- b) Where no CA or CCA is already established or agreed then the proposal should set out how it will help unlock devolution.
- c) Proposals should ensure there are sensible population size ratios between local authorities and any strategic authority, with timelines that work for both priorities.

6. New unitary structures should enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment.

- a) Proposals will need to explain plans to make sure that communities are engaged.
- b) Where there are already arrangements in place it should be explained how these will enable strong community engagement.

Developing proposals for unitary local government

The following matters should be taken into account in formulating a proposal:

Boundary Changes

- a) Existing district areas should be considered the building blocks for your proposals, but where there is a strong justification more complex boundary changes will be considered.
- b) There will need to be a strong public services and financial sustainability related justification for any proposals that involve boundary changes, or that affect wider public services, such as fire and rescue authorities, due to the likely additional costs and complexities of implementation.

Engagement and consultation on reorganisation

- a) We expect local leaders to work collaboratively and proactively, including by sharing information, to develop robust and sustainable unitary proposals that are in the best interests of the whole area to which this invitation is issued, rather than developing competing proposals.
- b) For those areas where Commissioners have been appointed by the Secretary of State as part of the Best Value Intervention, their input will be important in the development of robust unitary proposals.
- c) We also expect local leaders to engage their Members of Parliament, and to ensure there is wide engagement with local partners and stakeholders, residents, workforce and their representatives, and businesses on a proposal.
- d) The engagement that is undertaken should both inform the development of robust proposals and should also build a shared understanding of the improvements you expect to deliver through reorganisation.
- e) The views of other public sector providers will be crucial to understanding the best way to structure local government in your area. This will include the relevant Mayor (if you already have one), Integrated Care Board, Police (Fire) and Crime Commissioner, Fire and Rescue Authority, local Higher Education and Further Education providers, National Park Authorities, and the voluntary and third sector.
- f) Once a proposal has been submitted it will be for the Government to decide on taking a proposal forward and to consult as required by statute. This will be a completely separate process to any consultation undertaken on mayoral devolution in an area, which will be undertaken in some areas early this year, in parallel with this invitation.

Interim plans

An interim plan should be provided to Government on or before **21 March 2025**. This should set out your progress on developing proposals in line with the criteria and guidance. The level of detail that is possible at this stage may vary from place to place but the expectation is that one interim plan is jointly submitted by all councils in the area. It may be the case that the interim plan describes more than one potential proposal for your area, if there is more than one option under consideration. The interim plan should:

- a) identify any barriers or challenges where further clarity or support would be helpful.
- b) identify the likely options for the size and boundaries of new councils that will offer the best structures for delivery of high-quality and sustainable public services across the area, along with indicative efficiency saving opportunities.
- c) include indicative costs and arrangements in relation to any options including planning for future service transformation opportunities.
- d) include early views as to the councillor numbers that will ensure both effective democratic representation for all parts of the area, and also effective governance and decision-making arrangements which will balance the unique needs of your cities, towns, rural and coastal areas, in line with the Local Government Boundary Commission for England guidance.
- e) include early views on how new structures will support devolution ambitions.
- f) include a summary of local engagement that has been undertaken and any views expressed, along with your further plans for wide local engagement to help shape your developing proposals.
- g) set out indicative costs of preparing proposals and standing up an implementation team as well as any arrangements proposed to coordinate potential capacity funding across the area.
- h) set out any voluntary arrangements that have been agreed to keep all councils involved in discussions as this work moves forward and to help balance the decisions needed now to maintain service delivery and ensure value for money for council taxpayers, with those key decisions that will affect the future success of any new councils in the area.



Ministry of Housing,
Communities &
Local Government

4 April 2025

LOCAL GOVERNMENT REORGANISATION INTERIM PLAN FEEDBACK: SURREY

To the Chief Executives of:
 Elmbridge Borough Council
 Epsom and Ewell Borough Council,
 Guildford Borough Council
 Mole Valley District Council
 Reigate and Banstead Borough Council
 Runnymede Borough Council
 Spelthorne Borough Council
 Surrey County Council
 Surrey Heath Borough Council
 Tandridge District Council
 Waverley Borough Council
 Woking Borough Council

Overview:

Thank you for submitting your interim plans. The amount of collaboration and hard work from all councils is clear to see across the range of options being considered. For the final proposals, each council can submit a single proposal for which there must be a clear single option and geography for the area as a whole.

Our aim for the feedback on interim plans is to support areas to develop final proposals. This stage is not a decision-making point, and our feedback does not seek to approve or reject any option being considered.

The feedback provided relates to the following interim plans submitted by Surrey councils:

- The County and District co-authored LGR interim plan part A, and both parts of the LGR interim plan part B, authored by the County Council and the District and Borough Councils.
- The letter submitted by Reigate and Banstead and Crawley councils, regarding the Surrey/West Sussex boundary.

We have provided feedback on behalf of central government. It takes the form of:

1. A summary of the main feedback points,
2. Our response to the specific barriers and challenges raised in your plans,
3. An annex with more detailed feedback against each of the interim plan asks.

We reference the guidance criteria included in the invitation letter throughout, a copy can be found at [Letter: Surrey - GOV.UK](#). Our central message is to build on your initial work and ensure that the final proposal addresses the criteria and is supported by data and evidence. We recommend that final proposal(s) should use the same assumptions and data sets or be clear where and why there is a difference.

Summary of feedback:

1. The criteria ask for proposals *covering councils that are in Best Value intervention and/or in receipt of exceptional financial support to additionally demonstrate how reorganisation may contribute to putting local government in the area as a whole on a firmer footing and what area-specific arrangements may be necessary to make new structures viable.*

Also, for areas where there are exceptional circumstances where there has been failure linked to capital practices, proposals should reflect the extent to which the implications of this can be managed locally, including as part of efficiencies possible through reorganisation (see criterion 2).

We note that the County and District co-authored plan shows that greater efficiencies are available where there is less disaggregation, with the single unitary enabling the greatest efficiency that could benefit the management of local debt. Given the scale of the financial challenges facing Surrey, we would welcome further detail on how the ability to manage debt compares in each of the different options. As the long-term financial sustainability of the three unitary option seems most challenging in this context, we will need more information on how you will manage the risks of disaggregation to meet the financial sustainability criteria as well as the approach to debt management.

We suggest meeting to discuss in more detail local proposals for managing debt.

2. The criteria asks that consideration should be given to the impacts for crucial services such as social care, children's services, SEND and homelessness, and for wider public services including for public safety (see criterion 3). **For all options, further detail will be helpful on how the different options might impact on**

these services, where there is disaggregation and how risks can be mitigated.

3. The criteria sets out that if a 500,000 population figure does not make sense for an area, the rationale should be provided (see criterion 2). **More detail on those rationales would be helpful, and you may wish to support existing narratives with data.**
4. We welcome the steps you have taken to come together to prepare proposals as per criterion 4.
 - a. **Effective collaboration between all councils will be crucial; we would encourage you to continue to build strong relationships and agree ways of working, including around effective data sharing. This will support the development of a robust shared evidence base to underpin final proposals.**
 - b. **In particular, it would be helpful for final proposals to use the same assumptions and data sets, or be clear where and why there is a difference.**
 - c. **It would be helpful if your final proposal set out how the data and evidence supports all the outcomes you have included, and how well they meet the assessment criteria in the invitation letter.**
 - d. **You may wish to consider an options appraisal that will help demonstrate why your proposed approach, overall, best meets the assessment criteria in the invitation letter compared to any alternatives, and a counterfactual of a single unitary.**

Response to specific barriers and challenges raised

1. Joint solution to managing Surrey's debt

We note the desire for clarity and further discussions around the area's debt position and your preferred option for Government to write off the current estimated debt of £1.5bn. As highlighted above and set out in criterion 2, the default position is that assets and liabilities remain locally managed by councils, but we acknowledge that there are exceptional circumstances where there has been failure linked to capital practices. Where that is the case, proposals should reflect the extent to which the implications of this can be managed locally, including as part of efficiencies possible through reorganisation. Commissioners should be engaged in these discussions. It would be helpful to see further detail in proposals on the projected financial sustainability of proposed unitaries and how they could manage debt locally (for example, projections of unitaries' core funding, operational budget, debt servicing costs (MRP and interest), General Fund debt/CFR, and the contribution of transformation/efficiencies). We suggest meeting again to discuss in more detail local proposals for managing debt.

2. Preparations for a Mayoral Strategic Authority (MSA)

New unitary structures must support devolution arrangements.

Devolution options and associated timelines will be subject to the option pursued for reorganisation.

As the co-authored plan notes, under a single unitary model, unlocking devolution would mean partnering up with neighbouring authorities or joining a neighbouring mayoral authority. To achieve devolution in this way, the area will need to ensure the proposed devolution geography meets the criteria set out in the English Devolution White Paper.

Under both the two or three unitary proposals, devolution could also be explored on a Surrey-only footprint, subject to achieving sensible population ratios between unitaries as potential constituent members of a future MSA and what that may mean for governance options.

The Reigate and Banstead and Crawley proposal does not outline a proposed devolution geography for the new proposed unitary. Under criterion 5, “New unitary structures must support devolution arrangements”, we would therefore ask for information on how the proposal would unlock devolution for the wider area, particularly in the context of the proposed Sussex and Brighton MSA.

Timing-wise, we would look to explore delivering devolution alongside reorganisation as far as possible and subject to the outcome of the upcoming Spending Review. This means we would look to begin the process shortly after new shadow unitary elections. For the creation of a new MSA, mayoral elections could take place in the same year as the new unitary go-live dates. For joining an existing MSA, we would typically look to align with the MSA’s election cycle.

Subject to the above and timings aligning, the functions for which a future MSA would be responsible would not require disaggregation. This would include many of the functions highlighted, including strategic planning, economic development, regeneration and skills, and employment support.

While we cannot pre-judge devolution decisions, we are happy to discuss further any eventual transition period between establishing the new unitary authorities and a potential MSA taking effect.

3. Swift and smooth transition for LGR

We can discuss the best approach for the transition following the final decision on the proposals. This can include what arrangements may work best for the whole area, such as a lead SRO at a council and/or what joint working arrangements may work best for the area.

4. Timely and constructive feedback on our proposals

This is our feedback to support you to develop final proposal(s), we are open to providing ongoing support to your work to progress your final plan. Richard Enderby has been appointed as your MHCLG point person and is ready to engage with the whole area on issues you wish to discuss further.

5. Capacity funding support

£7.6 million will be made available in the form of local government reorganisation proposal development contributions, to be split across the 21 areas. Further information will be provided on this funding, and we recognise that your area's share may come after your final proposal have been submitted.

In terms of transitional costs, as per the invitation letter, we expect that areas will be able to meet transition costs over time from existing budgets, including from the flexible use of capital receipts that can support authorities in taking forward transformation and invest-to-save projects. We note the estimate of your transition costs and comment further on this in the table below.

6. Engagement with Leaders and officers

We are committed to supporting all invited councils equally while they develop any proposal or proposals.

7. Co-terminosity of public sector services

We welcome the desire to maximise the opportunity for public service reform, and it would be good to know what you are thinking in more detail to understand how we might support.

8. Impacts from government funding reforms

Government recently consulted on finance reforms and confirmed that some transitional protections will be in place to support areas to their new allocations.

Further details on finance reform proposals and transition measures will be consulted on after the spending review in June.

We will not be able to provide further clarification on future allocations in the meantime but are open to discussing assumptions further if we can assist in financial planning.

9. Service delivery risks

We welcome your wish to minimise service delivery risk during transition.

10. Consultation

Expectations on engagement and consultation are in the invitation letter. We note the interim plans set out a range of engagement with stakeholders. As requested, we are happy to engage further on the consultation requirements in statute.

ANNEX: Detailed feedback on criteria for interim plan

Overview	Detailed feedback
<p>Identify the likely options for the size and boundaries of new councils that will offer the best structures for delivery of high-quality and sustainable public services across the area, along with indicative efficiency saving opportunities.</p> <p>Relevant criteria: 1 c) Proposals should be supported by robust evidence and analysis and include an explanation of the outcomes it is expected to achieve, including evidence of estimated costs/benefits and local engagement</p> <p>&</p> <p>2 a-f) - Unitary local government must be the right size to achieve efficiencies, improve capacity and withstand financial shocks</p> <p>&</p> <p>3 a-c) Unitary structures must prioritise the delivery of high quality and sustainable public services to citizens</p>	<p>We will assess final proposals against the criteria in the invitation letter. Referencing criterion 2, it would be helpful to provide:</p> <ul style="list-style-type: none"> • Breakdowns that are as detailed as possible for where efficiency savings will be made, with clarity of assumptions on how estimates have been reached and the data sources used, including differences in assumptions between proposals. • Information on the counterfactual against which efficiency savings are estimated, with values provided for current levels of spending. • The inclusion of a single unitary option as a benchmark against which to consider the potential net savings from two and three unitary options would be useful. • A clear statement of what assumptions have been made, and if the impacts of inflation are taken into account. • A summary covering sources of uncertainty or risks with modelling, as well as predicted magnitude and impact of any unquantifiable costs or benefits. • Where possible quantified impacts on service provision, as well as wider impacts. <p>We recognise that the interim plans set out the financial assessment is subject to further work. The bullets below indicate where further information would be helpful across all options. The level of financial appraisal varied, and we would welcome significantly more for the Reigate and Banstead and Crawley plan. As per criterion 2 it could be helpful to see:</p> <ul style="list-style-type: none"> • additional data and evidence to set out how your final proposal would enable financially viable councils, including identifying which option best delivers value for money for council tax payers (see criterion 2e). • further detail on potential finances of new unitaries, for example, funding, operational budgets, potential budget surpluses/shortfalls, total borrowing (General Fund), and debt servicing costs (interest and MRP); and what options may be available for rationalisation of potentially saleable assets. • clarity on the underlying assumptions underpinning any modelling e.g. assumptions of future funding, demographic growth and pressures, interest costs, Council Tax, savings earmarked in existing councils' MTFs. • financial sustainability both through the period to the creation of new unitary councils as well as afterwards. • as per criterion 2f proposals should reflect the extent to which the implications of how debt can be managed locally, including as part of efficiencies possible through reorganisation. We would welcome a greater understanding of the proposals for managing debt in each of the options, and demonstration of

	<p>which option will best support the management of local debt. As above this could include appraisal of total borrowing and debt servicing costs within new structures (and assessment of affordability against funding/operational costs), and the potential for rationalisation of saleable assets.</p> <ul style="list-style-type: none"> Given the scale of the financial challenges facing Surrey, we would welcome further detail on how the ability to manage debt compares in each of the different options. As the long-term financial sustainability of the three unitary option seems most challenging in this context, it would be helpful to have more information on how you will manage the risks of disaggregation to meet the financial sustainability criteria as well as the approach to debt management. Relevant commissioners should be engaged on these discussions. <p>As set out in criterion 2b proposals for all options not aiming for a population of 500k it would be helpful to demonstrate why their preferred population approach makes sense for the area.</p> <p>We would welcome further details on how services can be maintained where there is disaggregation, such as social care, children's services, SEND, homelessness, and for wider public services including for public safety. Under criterion 3c) you may wish to consider:</p> <ul style="list-style-type: none"> What are the potential impacts on services in the plan outlined by Reigate and Banstead and Crawley: for example, how will police and fire governance be addressed. What would the different options mean for local services provision, for example: <ul style="list-style-type: none"> do different options have a different impact on SEND services and distribution of funding and sufficiency planning to ensure children can access appropriate support, and how will services be maintained? What is the impact on adults and children's care services? Is there a differential impact on the number of care users and infrastructure to support them from the different options? What options have you considered for partnership for joint working across the new unitaries for the delivery of social care services? Do different options have variable impacts as you transition to the new unitaries, and how will risks to safeguarding to be managed? Do different options have variable impacts on schools, support and funding allocation, and sufficiency of places, and how will impacts on school be managed? Highway services, across the area under the different approaches suggested?
Include indicative costs and arrangements in	<ul style="list-style-type: none"> We would welcome further clarity on how the assumptions and data for how the transition costs and efficiencies were

<p>relation to any options including planning for future service transformation opportunities.</p> <p>Relevant criteria - 2d) Proposals should set out how an area will seek to manage transition costs, including planning for future service transformation opportunities from existing budgets, including from the flexible use of capital receipts that can support authorities in taking forward transformation and invest-to-save projects.</p>	<p>calculated. (see criterion 2d)</p> <ul style="list-style-type: none"> • We recommend that all options and proposals should use the same assumptions and data sets or be clear where and why there is a difference. (linked to criterion 1c) • The estimates for savings are indicative; it would be helpful if final proposals could provide further details on the methodology used to aid understanding of the reasons for the differing savings outcomes between two and three unitary models. (see criterion 2d) • In response to criterion 2d further detail would also be helpful on the potential service transformation opportunities and invest-to-save projects from unitarisation across a range of services - e.g. consolidation of waste collection and disposal services or in relation to fire governance, and will different options provide different opportunities for back-office efficiency savings?
<p>Include early views as to the councillor numbers that will ensure both effective democratic representation for all parts of the area, and also effective governance and decision-making arrangements which will balance the unique needs of your cities, towns, rural and coastal areas, in line with the Local Government Boundary Commission for England guidance.</p> <p>Relevant criteria: 6) New unitary structures should enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment.</p>	<p>As per criterion 6 in the invitation letter,</p> <ul style="list-style-type: none"> • new unitary structures should enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment. • Additional details on how the community will be engaged, specifically how the governance, participation and local voice will be addressed to strengthen local engagement and democratic decision-making would be helpful. • In final proposal(s) we would welcome detail on your plans for neighbourhood-based governance, impact on parish councils, and thoughts about formal neighbourhood partnerships and area committees. • We welcome the early view you have provided of councillor numbers, which we will be sharing with the LGBCE.
<p>Include early views on how new structures will support devolution ambitions.</p>	<ul style="list-style-type: none"> • As the co-authored plan notes, under a single unitary model, unlocking devolution would mean partnering up with neighbouring authorities or joining a neighbouring mayoral authority. If considering this route, under criterion 5, the area

<p>Relevant Criteria: 5) New unitary structures must support devolution arrangements.</p> <p>Specifically 5b) Where no CA or CCA is already established or agreed then the proposal should set out how it will help unlock devolution.</p>	<p>should ensure the proposed geography meets the criteria set out in the English Devolution White Paper</p> <ul style="list-style-type: none"> • Under both the two or three unitary proposals, devolution could also be explored on a Surrey only footprint, subject to achieving sensible population ratios between unitaries as potential constituent members of a future MSA and what that may mean for governance options. We would welcome more details on how the proposals would ensure these sensible ratios. • The Reigate and Banstead and Crawley proposal does not outline a proposed devolution geography for the new proposed unitary. Under criterion 5, we would ask for information on how the proposal would unlock devolution for the wider area, particularly in the context of the proposed Sussex and Brighton MSA. • Timing-wise, we would look to explore delivering devolution alongside reorganisation as far as possible and subject to the outcome of the upcoming Spending Review. For the creation of a new MSA, mayoral elections could potentially take place in the same year as the new unitary go-live dates. For joining an existing MSA, we would typically look to align with the MSA's election cycle. • Subject to the above and timings aligning, the functions for which a future MSA would be responsible with would not require disaggregation. This would include many of the functions highlighted, including strategic planning, economic development, regeneration and skills, and employment support. • While we cannot pre-judge devolution decisions, we are happy to discuss further any eventual transition period between establishing the new unitary authorities and a potential MSA taking effect. • Across all proposals, looking towards a potential future MSA, it would be beneficial to go beyond the unlocking of devolution and provide an assessment that outlines if there are benefits and disadvantages in how each option would interact with a strategic authority and best benefit the local community. • You may also wish to include how any proposal considers the new housing and regeneration and adult skills powers being conferred by upcoming legislation to Surrey County Council as part of the recently confirmed non-mayoral agreement, and on how the area will exercise devolved functions once new unitaries are formed.
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<p>Include a summary of local engagement that has been undertaken and any views expressed, along with your further plans for wide local engagement to help shape your developing proposals.</p> <p>Relevant criteria: 6a&b) new unitary structures should enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment</p>	<ul style="list-style-type: none"> • We welcome your interim update against criterion 6, and the engagement undertaken so far and your plans for the future. It is for you to decide how best to engage locally in a meaningful and constructive way with residents, voluntary sector, local community groups and councils, public sector provider such health policy and fire, and business to inform your proposal. • You may wish to engage in particular with those who may be affected by disaggregation of services. It would be helpful to see detail that demonstrates how local ideas and views have been incorporated into any final proposal.
<p>Set out indicative costs of preparing proposals and standing up an implementation team as well as any arrangements proposed to coordinate potential capacity funding across the area.</p> <p>Relevant criteria: Linked to 2d) Proposals should set out how an area will seek to manage transition costs, including planning for future service transformation opportunities from existing budgets, including from the flexible use of capital receipts that can support authorities in taking forward transformation and invest-to-save projects.</p>	<ul style="list-style-type: none"> • We would welcome further detail in any final proposal over the level of cost and the extent to which the costs are for delivery of the unitary structures or for transformation activity that delivers benefits – noting the interim plan indicates the implementation cost covers both (see criterion 2d)
<p>Set out any voluntary arrangements that have been agreed to keep all councils involved in discussions as this work moves forward and to help balance the decisions needed now to maintain service delivery and ensure value for money for council taxpayers, with those key</p>	<ul style="list-style-type: none"> • We welcome the ways of working together you have outlined in the interim plan (see criterion 4). Effective collaboration between all councils will be crucial; areas will need to build strong relationships and agree ways of working, including around effective data sharing. • This will enable you to develop a robust shared evidence base to underpin final proposals (see criterion 1c). We recommend that final proposals should use the same assumptions and data sets or be clear where and why there is a difference.

<p>decisions that will affect the future success of any new councils in the area.</p> <p>Relevant criteria: 4 a-c) Proposals should show how councils in the area have sought to work together in coming to a view that meets local needs and is informed by local views.</p>	
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