

Reorganisation Board Meeting

12 March 2025

Councillors Present: Cllr Beecher
Cllr Boughtflower
Cllr Button
Cllr Nichols
Cllr Sexton (The Leader)

Officers Present: Chief Executive, Daniel Mouawad (DCM)
Deputy Chief Executive, Terry Collier (TC)
Deputy Chief Executive, Lee O'Neil
Joanne Clare, Senior Solicitor
Karen Wyeth, Democratic Services Manager

The Group **resolved** to agree the minutes of the last Reorganisation Board meeting held on 26 February 2025.

The Group requested an update from The Leader on discussions held at the recent Surrey Leader's Local Government Reorganisation Steering Group. The Leader advised that she had circulated relevant information to members of the board regarding discussions held on next steps. The next Steering Group meeting was scheduled for Friday 14th March which will focus on finalising data repositories which had been set up, so that all councils were using consistent data and insights. Subsequently, the next point of focus will be for all Surrey authorities to conduct their Council meetings week beginning 17 March 2025 to approve initial interim proposals for Local Government Reorganisation (LGR). The proposals would be jointly submitted to Ministry of Housing, Communities and Local Government (MHCLG) by 21 March 2025, before a full proposal was submitted on 09 May 2025.

DCM provided an update on the position regarding circulation of the report and annexes to be presented at the Extraordinary Council meeting on 18th March 2025. The expectation was that all proposals would be signed off by Surrey Districts and Boroughs at the LGR Steering Group meeting on the afternoon of Friday 14th March and will be made available to be published shortly after this meeting. DCM detailed the indicated timeline following which interim plans were submitted on 21 March 2025. Our plans were

anticipated to be reviewed by MHCLG on an accelerated basis, however there was concern around when we would expect to receive clarity from the ministry on which option to pursue, to enable us to progress with detailed business plans for our final proposal submission on 09 May 2025. Any delay in receiving a response was an inherent risk to the Council as this work will require a substantial amount of effort and resources.

The Group requested a further update from TC on recent Surrey authority S151 Officer meetings to discuss the financial modelling and transition costs associated with reorganisation. TC updated that to evaluate potential scale of costs and savings likely to be generated, two parallel models had been developed, one by Surrey County Council and one by the Surrey Districts and Boroughs. Surrey Section 151 Officers had collaborated to seek to share assumptions and modelling. In general, the financial assumptions were not consistently agreed across all Councils and required further refinement. The assumptions and financial modelling will continue to be refined in the coming days and as part of the development of the business case which will be presented to Government by 09 May 2025.

The Group queried what the LGR financial resource consequence had been to Spelthorne so far, and the expected resource requirements up to the period of May 2025, given this timing crossed the financial year-end. TC stated that all current input from Spelthorne was within existing officer resources. TC expanded on the assistance the Finance Team had provided to date, with the biggest impact having been on the S151 officer who had taken on additional responsibilities. The Finance Team were still in a position to have a clean year end position closed down. Looking forward, the level of resource needed will likely increase, however once one unitary model was agreed, there will be a bigger resource pot to utilise.

The Group requested a progress update on relevant LGR datasets. DCM reflected on the presentation delivered on this topic by the Chief Executive of Guildford on 03 March 2025. This presentation had explored the benefits and disadvantages of the two or three unitary configurations. The current focus was on assessing the outcomes LGR was expected to achieve, including evidence of estimated costs/benefits and local engagement, as well as demonstrating how new structures will improve local government and service delivery, avoiding unnecessary fragmentation of services. Surrey County Council were working separately on their own dataset submission which had not yet been shared amongst the Districts and Boroughs. It was expected that their submission would be in a different format.

The final item discussed was concerns about the applicability of a Section 24 direction. A note on this matter had recently been circulated to members of the board, defining the direction as: ensuring that a new authority has oversight of and a degree of control over the decisions of its predecessor councils which could have implications for the finances and plans of that new authority. DCM explained that once elections had taken place in May 2026, and a new shadow authority was formed, there was a real prospect that this

authority would come under a Section 24 mandate. There was further concern that the Section 24 direction could be imposed at an earlier point during the transition stage. The group discussed the previous use of Section 24 powers during structural changes across other authorities such as Cumbria, Somerset and North Yorkshire Councils. This direction restricted these councils from making significant financial decisions, such as disposing of land over £100,000 or entering contracts exceeding £1,000,000, without consent from the shadow authorities. For Surrey, this precedent suggests that similar restrictions might be applied during its reorganisation to prevent any major financial commitments that could complicate the transition to new unitary councils.

The group then proceeded to discuss and compare the optimum number and size of unitary authorities to ensure the smooth running of services for residents whilst also securing efficiencies. It seemed clear that one unitary authority model for Surrey would not meet the criteria for reorganisation and devolution.