

## DRAFT MINUTES

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Meeting ID	5016
Committee	Reorganisation & Transformation Board
Date	09/04/2025
Attendees	Councillor Malcolm Beecher (Chair) Councillor John Boughtflower (Committee Member) Councillor Jon Button (Committee Member) Councillor Lawrence Nichols (Committee Member) Councillor Joanne Sexton (Committee Member) Councillor Chris Bateson (Monitor) Terry Collier (Officer) Linda Heron (Officer) Daniel Mouawad (Officer) Lee O'Neil (Officer) Committee Managers (Monitor)

Item ID	28058
Item Title	Apologies
Summary	Linda Heron joined the meeting at 15:26 due to a conflicting meeting.  Terry Collier left the meeting at 16:30 to attend a conflicting meeting.

Item ID	28059
Item Title	Minutes
Summary	<p>The minutes of the last meeting held on 26 March 2025 were not yet available. Committee Services were collaborating with IT colleagues to retrieve the recording of the meeting to ensure the minutes were completed in a timely manner.</p> <p>DCM acknowledged that all Political Group Leaders were members of the Reorganisation &amp; Transformation Board, and it was incumbent on all members to keep Group colleagues updated. Minutes of the Board meetings will be automatically reported to CPRC as a standing item.</p>

Item ID	28074
Item Title	Local Government Reorganisation
Summary	<p>Interim proposals were submitted to the Ministry on 21 March as stipulated.</p> <p>A formal response from the Ministry was received last Friday 4 March stating "Thank you for submitting your interim plans. The amount of collaboration and hard work from all councils is clear to see across the</p>

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.... 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 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.

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. More detail on those rationales would be helpful, and you may wish to support existing narratives with data.

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. 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. 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. 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.

A Ministry meeting took place this morning where it was confirmed that it

	<p>would be helpful to see further detail in proposals on the projected financial sustainability of proposed unitaries and how they could manage debt locally including: projections of unitaries' core funding, operational budget, debt servicing costs (MRP and interest), General Fund debt/CFR, and the contribution of transformation/efficiencies). They suggested meeting again to discuss in more detail local proposals for managing debt in 7 days. This is a very tall order to deliver in the next week over Easter and mindful we have so little time before the final submission scheduled for the 9<sup>th</sup> May.</p> <p>Separate, though liked to the submission deadline of the 9<sup>th</sup> May, we have an ECM in Spelthorne taking place on the Tuesday 6 May and a full Council LRG briefing scheduled for Thursday 1 May.</p>
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Item ID	28076
Item Title	Interim Submission - Response from Ministry
Summary	<p>DCM- The Council sent a formal response to the ministry on March 28th, which was also published on their website. The response included a letter signed by the leader, deputy leader, and another council member, as well as an appendix detailing 8 pages of inaccuracies and omissions. Additionally, there are 10 more pages of corrections and omissions that were not sent to the ministry but are available for discussion.</p> <p>On April 3rd, the ministry confirmed receipt of the Council's response regarding the Secretary of State's proposed intervention at Spelthorne Borough Council. The ministry stated that the representation will be considered by ministers when deciding whether to implement the proposal. Any decisions will be published on gov.uk, along with an explanatory memorandum summarising the representations received.</p> <p>The impact of the additional 10 pages of corrections and omissions on the ministry's decision was at this stage unknown. The ministry was systematically considering responses, but due to the Easter recess, no further communication from the minister was expected until after the Easter Bank holiday weekend.</p> <p>The submission is publicly available, and everyone has had the opportunity to review it. It's important to recognize that both submitted and non-submitted materials will likely be discussed in various forums over time, especially as corrections to the best value report are made. The report contained inaccuracies and omissions that should have been addressed.</p> <p>Had the Council seen the report before its publication, they could have helped identify these issues. The ministry is systematically considering the received responses, but it's unclear what other representations they have received. Another leader or councillor from a different authority has also made representations.</p> <p>The Council might need to establish if the ministry would welcome further</p>

	contributions, clarifications, or iterations. The ongoing efforts of the Reorganisation Transformation Board to implement recommendations efficiently might be something to reflect back to the ministry in the future.
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Item ID	28077
Item Title	Project Management/Workstream Update
Summary	<p>The Group considered a presentation on project management which was delivered at the recent Surrey Borough and District Chief Executives Meeting, 02 April 2025. DCM ran through the presentation which set out a five-week forward plan on how the reorganisation project was being managed and the key milestones. The current focus within week 2 was on mapping and engagement plans. This was being demonstrated by Surrey residents having their say in a new survey launched by 8 of Surrey's district and borough councils.</p> <p>15:10-15:48</p>

Item ID	28078
Item Title	Stakeholder Engagement
Summary	<p>The Group considered a presentation on project management which was delivered at the recent Surrey Borough and District Leaders meeting, 28 March 2025.</p> <p>DCM updated The survey results from across the county, districts, and boroughs have been reviewed. If the government supports our application plan and proceeds with statutory instruments, a formal consultation exercise will be required. This could include consulting the populace based on the survey data. The government has not yet committed to a specific proposal due to concerns about potential judicial reviews.</p> <p>The key question for leaders this week was whether to request a month's delay for submission. The county may not support this delay as they were ahead in their preparations, having already secured governance and financial sign-offs. If all leaders do not agree to the delay, the original deadline of May 9th must be adhered to, even if the submission is not fully complete. Further iterations, particularly financial ones involving the Treasury, will be necessary.</p>

Item ID	28079
Item Title	Council Tax Harmonisation
Summary	<p>15:54</p> <p>TC explained that there was consensus among finance officers from county, districts, and boroughs that it made financial sense for new unitary authorities to maximize their tax base and harmonize council tax in one year, despite regulations allowing up to 8 years. Delaying harmonization would result in forgone council tax income, especially as</p>

	<p>local government funding reforms will reduce funding from areas like Surrey. The proposal is to apply the maximum increase allowed under referendum limits based on the weighted average of the component authorities' council tax rates. Authorities with below-average rates would see higher increases, while those with above-average rates would see lower increases. This adjustment aims to address financial pressures and ensure sustainability for new entities.</p>
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Item ID	28075
Item Title	Transformation
Summary	

Item ID	28080
Item Title	Best Value Inspection - Response to Minister's Letter
Summary	<p>A formal response from Spelthorne Borough Council was dispatched to the Ministry on Friday 28 March and published on our website. The response comprised of a letter and Appendix detailing 8 pages of inaccuracies and omissions. Appendix B details a further 10 pages of corrections / omissions which were not sent to the Ministry.</p> <p>On Thursday 3<sup>rd</sup> April, The Ministry confirmed receipt of our response regarding the Secretary of State's proposed intervention at Spelthorne Borough Council. In that receipt, it stated "I can confirm that your representation has been received and will be considered by Ministers when they take decisions on whether to implement the proposal to intervene in Spelthorne Borough Council. Any decisions taken will be published on <a href="http://gov.uk">gov.uk</a> with the other material relating to Spelthorne, and if directions are issued they will be accompanied by an explanatory memorandum that will include a summary of the representations received during this period."</p> <p>The degree to which the further 10 pages of corrections / omissions which were not sent to the Ministry, might have assisted in curtailing Commissioner intervention is not known, though it does appear at face value that the Ministry is systematically considering responses received.</p> <p>As Easter recess for Westminster commences today (Wednesday 9<sup>th</sup> April), we do not expect to hear from the Minister until after the Easter Bank Holiday.</p>

Item ID	28081
Item Title	Demonstration of Continuous Improvement Programme
Summary	Sandy introduced.

	16:27-
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Item ID	28082
Item Title	DRAFT Improvement & Recovery Plan
Summary	16:10- 16:25

Item ID	28085
Item Title	Transformation Chart
Summary	Go back to recording

Item ID	28083
Item Title	Budget Gaps & Commissioners
Summary	<p>15:59 TC The summary table shows the budget gaps projected when the Council approved the 2025-26 budget on February 27th. Initially balanced for 2025-26, the budget gap is projected to rise to £3.9 million, then to £6.8 million in 2027-28, and further to £8.6 million in 2028-29. These projections extend beyond the Council's potential existence. Additional costs, including those for Commissioners and program development, could increase the budget gap by about £1 million in 2026-27. The Commissioners' focus will be on addressing these gaps, debt reduction, asset disposals, and transformation as part of the improvement and recovery plan, ensuring these issues are managed before the Council is replaced by new entities.</p> <p>DCM-16:05 The Minister has indicated that due to the limited timeframe before local government reorganisation, there is little option but to consider appointing Commissioners. This urgency is driven by the ministry's recognition of the substantial amount of work required in a short period. Consequently, there is a distinct prospect of Commissioners being appointed, potentially confirmed by the government and the Minister after Easter.</p>

Item ID	28084
Item Title	Joint Working - Officer & Councillors Leads
Summary	<p>16:53 -16:55</p> <p>Following on from the discussion on <b>Joint Working- Officer &amp; Councillor Leads</b> at the Reorganisation Board meeting yesterday afternoon.</p> <p>I would like to invite Group Leaders to put forward nominations for Councillor leads on each programme and key actions detailed within the Continual Improvement and Recovery Plan. I attach the plan for ease of reference.</p>