

Minutes of Reorganisation & Transformation Board

14 May 2025

Present:

Councillor M. Beecher
Councillor J.R. Boughtflower
Councillor J. Button
Councillor L. E. Nichols

Apologies:

Councillor J.R. Sexton

29 Apologies

Apologies were received from Councillor Sexton.

30 Minutes

The minutes from 30 April 2025 would be deferred for agreement to the next meeting.

31 Local Government Reorganisation

32 Final Submissions

Two submissions were discussed at the Extraordinary Council Meeting. Surrey County Council provided their submission for a two unitary authority preference benchmarked against one and three unitary authorities, and a majority of districts and boroughs put forward a submission for a three unitary authority preference benchmarked against two unitary authorities. These had been submitted to government by the deadline.

33 Cover Letter for 3 Unitary Submission

It was highlighted that the cover letter contained signatures from all districts and boroughs in Surrey with the exception of Elmbridge and Mole Valley who voted to support a two unitary configuration alongside Surrey County Council.

34 Next Steps MHCLG/PAO

There was no clear next steps, but it was expected that Parliament would need to make a decision in Autumn for shadow authorities to be created. Prior to that, a consultation would take place with stakeholders.

All Surrey Chief Executives were due to meet with the Ministry the following Thursday (22nd May), and it was hoped further clarity would be provided, and guidance would be sought from the Ministry regarding what would happen to irrecoverable debt.

35 Spelthorne Finances

The Chief Executive wished to place on record his thanks to Cllr Nichols for assisting in finalising draft correspondence to all Leaders, chief executives, and Section 151 Officers regarding the Council's finances. Agreement was sought to put the letter into the public domain as there were indications it was already being circulated in public areas. This would also require the endorsement of the Commissioners.

The Board confirmed there were no objections to publicising the letter, as long as the Commissioners endorsed the publication.

36 Transformation

37 Best Value - Ministry Letter, Directions and Memorandum

Formal communication had been received from the Ministry last Thursday which had been published publicly.

Three parts to the correspondence had been received: a formal letter to the chief executive, an explanatory memorandum, and the directions made under the LGA 1999.

Attention was drawn to comments regarding Surrey County Council's representation and request to act as the Council's Commissioner. The Board requested the Chief Executive seek to obtain, from SCC, a copy of the representation if possible.

38 Best Value Press Release

All Councillors and staff had been informed of the Minister's correspondence on the day it was received, and a press release had been issued.

39 Commissioners Engagement

Four Commissioners had been appointed until 31 January 2026 and had also served as Best Value Inspectors for the Council. An additional Chief of Staff and Deputy Chief of Staff had also been appointed. Each Commissioner would be assigned specific areas of focus. Meetings had already taken place between a majority of the Commissioners and Management Team, Group Heads, and most political group leaders.

40 Action Plans - Feedback from Audit Committee

Three actions plans were presented to the Audit Committee at their meeting on 8 May 2025, and all were approved. Updates would continue to be provided to the Audit Committee at future meetings.

Members advised that the documents were not easily readable, so alternative ways of presenting the information were being explored. Lead members for actions would continue to be sought to address actions alongside officers.

The group were aware that Commissioners may suggest changes to future reports and action plans, and had already provided useful feedback on templates.

41 Project Management (incl. Improvement & Recovery Coordinator)

The Project Manager highlighted that since the last meeting, recommendations had been re-organised and consolidated from 188 into 62 clearly defined activities. A meeting would take place with the Commissioners to review the plans and approach and seek guidance.

An Improvement and Recovery Coordinator would be recruited as part of the Intervention to oversee the process.

42 Recruitment & Retention (Vacancy Assessment Template)

There was evidence that pending Local Government Reorganisation was having an impact on staffing and recruitment across local authorities in Surrey, and there has been difficulty recruiting to some roles. There was a risk that staffing costs could rise as agency and interim staff would be required to fill statutory role vacancies. Management Team acknowledged that staff were concerned about the status of their roles, and they were doing what they could to reassure staff and enable training to assist them with possible future changes.

As part of the Transformation Programme, Management Team were taking a tougher approach on vacancies. An assessment template had been created to require further considerations for managers to fill posts. Additionally, Management Team and Group Heads would review any vacancy savings at their monthly meeting.

43 Budget Gap Savings

£500k in vacancy savings had already been built into 2025/2026 . A budget gap of £4m was predicted for 2026/2027, though there was hope that the sale of two assets would assist in reducing this by reducing interest payments and Minimum Revenue Provision (MRP) net of income forgone estimated as a net

ongoing saving of £1.3m which will be further boosted if progress is made with other regeneration site disposals

The status of the River Thames Scheme and the Council's capital contribution to it was queried as with Local Government Reorganisation, there was the possibility that the scheme would not go ahead. The Board acknowledged that if Local Government Reorganisation proceeded, it would be down to the unitary authority/ies to make a decision as to whether it wished to contribute.

44 AOB

The Commissioners would review the Reorganisation & Transformation Board, its Terms of Reference, and how effective it was in overseeing the implementation of plans and project management. Minutes of the meetings would continue to be reported to the Corporate Policy and Resources Committee.