

To: All Members of the Council

Dear Councillor,

COUNCIL - TUESDAY, 6TH MAY, 2025 , Council Chamber - Epsom Town Hall

Please find attached the following document(s) for the meeting of the Council to be held on Tuesday, 6th May, 2025.

7. LOCAL GOVERNMENT REORGANISATION IN SURREY (Pages 3 - 34)

Further to the decision taken at an Extraordinary meeting of Full Council on 18 March 2025, this report seeks to present the options available to this Council further to the invitation by the Minister for Local Government and English Devolution to submit a full proposal by 9 May 2025.

For further information, please contact democraticservices@epsom-ewell.gov.uk or tel: 01372 732000

Yours sincerely

A handwritten signature in black ink, appearing to read "Sing".

Chief Executive

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LOCAL GOVERNMENT REORGANISATION IN SURREY

Head of Service:	Jackie King, Chief Executive
Report Author:	Piero Ionta
Wards affected:	(All Wards);
Appendices (attached):	Appendix 1 – Proposal 1 – TO FOLLOW Appendix 2 – Proposal 2 – TO FOLLOW Appendix 3 – Letter from MHCLG, dated 5/2/25 Appendix 4 – MHCLG reply to Interim Plan

Summary

Further to the decision taken at an Extraordinary meeting of Full Council on 18 March 2025, this report seeks to present the options available to this Council further to the invitation by the Minister for Local Government and English Devolution to submit a full proposal by 9 May 2025.

Recommendation (s)

The Council is asked to:

- (1) Consider the two proposals for a single tier of local government in Surrey, as outlined at Appendix 1 and 2, and agree its preferred final Local Government Reorganisation Plan for Epsom and Ewell, to be submitted to the Ministry of Housing, Communities and Local Government by 9 May 2025.**
- (2) Delegate authority to the Chief Executive in consultation with Chair of Standards and Constitution Committee to finalise and submit the Council's submission, making any necessary factual or typographical clarifications or corrections prior to its submission.**

1 Reason for Recommendation

- 1.1 On 18 March 2025, following a recommendation from Full Council, the Joint Interim Local Government Reorganisation Plan was approved. This Plan, drawn up by all county, district and borough councils in Surrey, was subsequently submitted to the Ministry of Housing, Communities and Local Government (MHCLG).

- 1.2 Since that time Surrey County Council (SCC) has focused on developing a proposal for two unitary councils across Surrey (**Appendix 1 – to follow**), while the eight Surrey Districts and Boroughs (Ds and Bs) which did express a preference have focused on developing a proposal for three unitary councils (**Appendix 2 – to follow**). Council is asked to consider the detailed proposals, alongside the options outlined in paragraph 2.9 and resolve to choose one of those options.

2 Background

- 2.1 Following the decision taken on 18 March 2025, where Full Council approved the Joint Interim Local Government Reorganisation Plan, this Plan was subsequently submitted to the Ministry of Housing, Communities and Local Government on behalf of Surrey County Council (SCC) and the eleven District and Borough Councils (Ds and Bs).
- 2.2 At the same Council meeting, Members expressed an initial preference regarding the future structure of local government across Surrey; expressing their preference to be the establishment of three new unitary councils to be created when the twelve current authorities demise.
- 2.3 Since that time the Chair of the RA Majority Group, the Chief Executive, Section 151 Officer and other senior officers have had regular meetings with both SCC and the Ds and Bs to support the development of detailed proposals for the creation of two unitary councils by SCC (Appendix 1- to follow) and three unitary councils by the Ds and Bs (Appendix 2- to follow).
- 2.4 In developing these proposals, authorities have had regard to the guidance issued by the Secretary of State in his letter of invitation on 5 February 2025 (**Appendix 3**). They have also had regard to feedback provided by the Ministry of Housing, Communities and Local Government (MHCLG) in March 2025. A summary of the feedback is attached at **Appendix 4**.

Final Proposals

- 2.5 Two final proposals are presented for consideration. The first proposal (Appendix 1 – to follow) for the creation of two unitary councils and the second for the creation of three unitary councils (Appendix 2 – to follow).
- 2.6 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.
- 2.7 It is expected that both proposals will be submitted to the Ministry in response to its invitation of 5 February 2025.
- 2.8 Both SCC and those Ds and Bs leading the development of the three unitary proposal have made it clear that other authorities are welcome to support their proposal and submit it jointly.

Options for consideration

- 2.9 This Council could decide that -
- 2.9.1 it supports one of the two final proposals and wishes to submit it jointly with other named authorities, or
 - 2.9.2 while it has a preference for one of the two proposals, there are points of detail which it does not support. In this case, it could clearly identify the modifications it would like to see implemented and submit this as a proposal on behalf of this Council. It should be noted that any submission has to be sent by 9 May, so modifications need to be kept to a minimum, with a clear rationale and implications which are easily identified and explained, or
 - 2.9.3 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, this Council will be consulted prior to the implementation of any proposal, or
 - 2.9.4 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 reasons for this decision.

Next Steps

- 2.10 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.
- 2.11 Prior to making an order to implement a proposal, all local authorities affected by the proposal (except the authority(ies) which made it) will be consulted, along with other persons considered appropriate by the Secretary of State.
- 2.12 While the Secretary of State has not confirmed when a final decision is expected, the letter of invitation of 5 February indicated that, if a decision was made to implement any proposal, officials would work with organisations across Surrey to move to elections to new shadow unitary councils as soon as possible. It is currently anticipated that these could be held in May 2026.

3 Risk Assessment

Legal or other duties

- 3.1 Equality Impact Assessment
 - 3.1.1 As outlined above, at the time of writing, the proposals (Appendix 1 and 2) have not been received.

3.1.2 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 new 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.

3.1.3 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.

3.2 Crime & Disorder

3.2.1 There are no direct implications as a result of choosing one of the recommendations set out above.

3.3 Safeguarding

3.3.1 While there are no safeguarding implications arising as a direct result of this report, the impact on vulnerable groups will be an important consideration as proposals continue to be designed.

3.4 Dependencies

3.4.1 Both proposals have significant resourcing implications for all local authorities in Surrey. Further details about the assumptions made are included within each of the proposals.

3.4.2 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 transfer of staff into the new authorities is legally compliant and in line with best practice.

3.4.3 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 risk of redundancy.

- 3.4.4 In the lead up to the go live date for the new authorities there is a risk that staff turnover increases as staff secure alternative roles elsewhere. Where vacancies exist, it may become increasingly difficult to fill these roles. This will be kept under review. It may be possible to enter into 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 retention payments for some key roles where we wish to encourage existing postholders to remain in post until go live.

3.5 Other

There is a risk that this Council does not believe that any proposal is in the interests of the Epsom and Ewell Community

- 3.5.1 While this 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. This Council has tried to mitigate against this risk by meeting with both SCC and the other Ds and Bs to try to influence both bids, and ensure, as far as possible, that both bids reflect the interests of the Epsom and Ewell Community.

There is a risk that a preferred bid contains elements that this Council does not support

- 3.5.2 This could be mitigated by clearly identifying the issues and outlining these, alongside a rationale and an assessment of the implications of any proposed changes. This would need to be submitted as a standalone Epsom and Ewell proposal by 9 May. Given that Council meets on the 6 May, there is a significant risk that there will be insufficient time to prepare a new separate submission. Therefore, any proposed modifications would need to be kept to a minimum. Delegated authority to the Chief Executive would also be required to prepare and submit the modified proposal.

There is a risk that the proposal which this Council decides is in the best interests of the Epsom and Ewell Community is not chosen by the Secretary of State for implementation

- 3.5.3 This 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 this 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 this Council has continued to meet 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 Epsom and Ewell Community.

There is a risk that this Council, while not opposed to either proposal, does not have a strong preference for any specific proposal.

- 3.5.4 As above, this 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 this 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 Epsom and Ewell Community for years to come.

Each proposal poses a significant number of risks

- 3.5.5 Many of these are addressed in the draft submissions. They include financial risks, service risks, public safety risks and employment and resourcing risks. 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.

4 Financial Implications

- 4.1 At the time of writing this report the respective final proposals have not yet been received from SCC and the eight Ds and Bs. The financial implications will be updated through an addendum paper once the agenda has been published and the proposals have been received.
- 4.2 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.
- 4.3 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:
- 4.3.1 • Disaggregation costs of SCC services
 - 4.3.2 • Senior staff structures and associated savings

- 4.3.3 • Service Aggregation and Transformation savings
- 4.3.4 • Implementation and Transformation costs
- 4.3.5 • Cost of Democracy and associated savings
- 4.4 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 will be presented as part of the addendum paper.
- 4.5 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 additional costs of disaggregating SCC's services across 3 unitary councils. In contrast, the eight Ds&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.
- 4.6 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

- 4.7 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.
- 4.8 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. What the default position means therefore 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.

- 4.9 Under the proposals for two or three unitary councils Surrey, there is no option within which Epsom and Ewell would be with Woking. The only potential option, where Epsom and Ewell 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. Therefore, unless one unitary authority is mandated by Government in defiance of the local proposals, the default position means that assets in the area of Epsom and Ewell could not be sold with a view to using the proceeds of disposal to reduce the debt that has been built up by Woking BC, nor would it be possible for a share of Woking's debt to be taken on by a new unitary which included the area of Epsom and Ewell.
- 4.10 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.
- 4.11 There is one potential option for two unitary councils included within Appendix 1 (to follow), within which both Epsom and Ewell and Spelthorne would be part, this is 'Option 2.2 East/West'.
- 4.12 The debt modelling undertaken for both proposals in Appendices 1 and 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 Epsom and Ewell would be between 7 and 11% based on the 2025/26 net revenue budget. In comparison, the ratio of gross financing costs as a percentage of Net Revenue Budget for Epsom and Ewell Borough Council alone is 27% based on our 2025/26 net revenue budget. This means that any of the two or three unitary councils that would involve the area of Epsom and Ewell is likely to have a level of debt that can be managed locally.

Future Financial Sustainability of the new unitary Councils

- 4.13 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:-
- 4.13.1 Existing budget pressures and increasing demand across all services, but particularly Housing/Homelessness, Adults and Children's Social Care, Education (particularly special educational needs) and home to school transport
- 4.13.2 Local government funding reform and the business rates reset

4.13.3 Inflation, interest rates and economic market uncertainty

4.13.4 Increasing cost of financing debt, even if the stranded debt in relation to Woking BC is written off by Government or financial support for it is provided

4.14 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.

4.15 **Section 151 Officer's comments:** The financial implications have been outlined above. However, they will be updated with more detail around the financial implications of the differences in assumptions used between the two proposals once the final proposals have been received. An addendum paper will be issued prior to the Council meeting which will contain the Section 151 officer's view of reasonableness of the assumptions made in each proposal.

5 Legal Implications

5.1 The English Devolution White Paper sets out an expectation that all two-tier areas such as Surrey will develop proposals for reorganisation.

5.2 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.

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

5.3.1 Type A – a single tier of local authority covering the whole of the county concerned

5.3.2 Type B – a single tier of local authority covering an area that is currently a district, or two or more districts

5.3.3 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

5.3.4 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.

- 5.4 Proposals must be submitted in accordance with the following:
- 5.4.1 Any proposal must be made by 9 May 2025.
 - 5.4.2 In responding to this invitation an authority must have regard to the guidance from the Secretary of State set out in the Schedule to his letter of 5 February 2025 (Appendix 3) and to any further guidance on responding to this invitation received from the Secretary of State.
 - 5.4.3 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.
- 5.5 In support of this formal invitation, local authorities were asked to submit an Interim Plan on or before 21 March 2025, in line with the guidance in the annexe attached to the letter of 5 February 2025 (Appendix 3).
- 5.6 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. Such consultation is entirely separate from any public engagement local authorities who have prepared proposals might have undertaken and is required by law. Whilst local authorities preparing proposals may wish to undertake public engagement this does not constitute consultation in respect of any such proposals. There is no legal requirement imposed on local authorities preparing proposals to undertake consultation as part of the preparation process. The legal requirement relating to consultation is imposed on the Secretary of State.
- 5.7 Following submission of the final plan (by 9 May), should the Minister decide to implement any proposal, legislation will have to be agreed by parliament prior to moving to elections to new shadow Unitary authorities. At this stage it is envisaged that these elections would be held in May 2026. This legislation may cover such matters as structural changes, transfer of functions, transfer of property rights and liabilities, staff transfers and electoral arrangements.
- 5.8 A shadow authority is one that is elected to carry out the functions of a new Unitary Council until that authority 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.

- 5.9 **Legal Officer's comments:** The key legal implications of the Local Government Reorganisation process relevant to this report and its recommendations have been outlined above. At the time of writing, the proposals (Appendix 1 and 2) have not been received; should any legal issues arise upon receipt and review of the two proposals, an addendum paper may be issued prior to the Council meeting.

6 Policies, Plans & Partnerships

- 6.1 **Council's Key Priorities:** The following Key Priorities are engaged:
- Effective Council
- 6.2 **Service Plans:** The matter is not included within the current Service Delivery Plan.
- 6.3 **Climate & Environmental Impact of recommendations:** There are no direct implications as a result of the options available to the Council.
- 6.4 **Sustainability Policy & Community Safety Implications:** There are no direct implications as a result of the options available to the Council.
- 6.5 **Partnerships:** There are no direct implications as a result of the options available to the Council.
- 6.6 **Local Government Reorganisation Implications:** The direct and relevant implications that follow from whichever decision this council takes from those set out in paragraph 2.9 above, are detailed within the contents of this report.

7 Background papers

- 7.1 The documents referred to in compiling this report are as follows:

Previous reports:

- [18 March 2025](#)

Other papers:

- English Devolution White Paper, published on 16 December 2024

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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

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	<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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