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Response on the two unitary proposal

1) Does the proposal suggest sensible economic areas and geographies which will achieve a single tier of local government for the whole of Surrey? Please explain your answer, including any comments on whether this proposal suggests sensible economic areas (for example reflect economic geography/travel to work areas/functioning economies) for councils with an appropriate tax base that does not create an undue advantage or disadvantage for one part of the area, and a sensible geography that will help to increase housing supply and meet local needs?

No.

The two unitary proposal does not suggest sensible economic areas and /or geographies.

Economic and travel to work areas: The proposal makes no mention of the local functional economic geographies that have long been recognised as existing across the area, and the proposed two unitary geography does not reflect these.

For example, it does not acknowledge or reflect the well-established Gatwick Diamond economic area, which is a key sub-regional geography including Epsom & Ewell, Reigate & Banstead, Tandridge, and Mole Valley authorities - but does not extend to Elmbridge. This geography has been recognised in regional, sub-regional and local economic development strategies since the early 2000s and in local planning documents; and the area has a well-established business identity.

The proposal does not provide any evidence or consideration of local travel to work areas – and the proposed geography of the two unitaries does not align with these either. Travel to work area information from the ONS shows that towns in Elmbridge fall into different travel to work areas from the rest of East Surrey.

Conversely, the three unitary proposal demonstrates how evidence of both functional economic areas and travel to work areas has informed the proposed unitary groupings.

Housing supply and meeting local housing needs: The scale and geography of the proposed two unitaries also does not reflect the diversity of local places and communities across the county and its multiple centres.

The two unitary proposal asserts that larger councils will be better positioned to identify housing sites and overcome delivery challenges but provides no evidence to back this assertion up.

It makes no reference to relevant evidence about housing supply and local need, failing to recognise the complexity of local housing market areas, land availability, constraints, and housing affordability issues. Instead, it suggests that land area and population /housing density are the key determinants when it comes to housing delivery, and that achieving an equitable split of these across the two unitary is a sufficient basis for good planning. In doing so it fails to demonstrate an understanding of the importance of place-based spatial planning that reflects on-the-ground realities (and which is a key tenet in national planning policy).

Appropriate tax base: Council tax harmonisation calculations were agreed collectively across the 12 Surrey authorities and demonstrate little variation in maximum percentage increase under either a three or two unitary scenario (6.96% vs 6.84% respectively). The two unitary proposal does not acknowledge this evidence, which shows that it does not provide a substantively more advantageous solution than the three unitary proposal.

Suggesting (as the two unitary proposal does) that a satisfactory outcome of unitarisation should be achieving the most 'numerically similar' council tax base and business rates income is further demonstration of the lack of understanding of the Government's aspirations for a stronger place-based approach within local government.

Conclusion: The two unitary proposal does not explain or evidence how the proposed new council geographies are in any way reflective of 'functional' areas. Instead of proposing geographies grounded in evidence of how local areas in Surrey function, the two unitary proposal has been predicated on achieving a 500,000-population threshold along with 'similar levels of variation' or 'an equitable split' across a numerical metrics such as population density, economic (in)activity, and percentage land use coverage.

The logic for this methodology is not clear, given that new authorities will have the autonomy to determine how local services are provided and funded to best meet local needs. We believe this methodology misinterprets what the Government is seeking to achieve through local government reorganisation. 'Similar levels of variation' (with no consideration of local sectoral strengths, labour market characteristics or other locational advantages) is not a sound basis for place-based local government that is able to effectively support economic growth and housing delivery.

2) Will the local government structures being put forward, if implemented, achieve the outcomes described? Please explain your answer, including any specific comments on the evidence and analysis to support the proposals.

No.

While a vision is included in the two unitary proposal, the two unitary solution does not provide the only means for meeting this vision.

The vision is described as 'Strengthen / Save / Simplify' with a number of priorities under each category.

The vast majority of these would or (or could) be equally delivered under a two or three unitary scenario. There are several which we consider could actually *be better achieved* under a three unitary model, and only two (out of 19) which would likely be better achieved under a two unitary model.

Many of the stated priorities are dependent on how detailed transition planning, and then implementation, is undertaken and managed. This includes all of the following:

- Safe and legal services from day one
- Clear strategic priorities
- Resilience to financial shocks
- Insight and intelligence
- Better protection and support for vulnerable children and young people (due to bringing together upper and lower tier services)
- Economies of scale in commissioning
- Maximising use of available income and funding

- Creating commercial opportunities
- Shared IT and digital services
- Prioritising the most efficient and effective delivery models
- Leveraging the Surrey Pension Fund to stimulate growth
- Clearer responsibilities (from removal of two-tier structures)
- Maintaining a clear digital and physical presence
- Joined up processes
- Operating as a single public service system

We have not seen any convincing evidence in the two unitary proposal as to why the above things could only be delivered by a two unitary solution with the boundaries as proposed and could not be delivered by a three unitary solution.

In addition, we believe the following priorities from the two unitary submission would actually be better delivered under a three unitary scenario. These are:

- Better resident experience (due to councils only having one local council)
- Strong local democracy

As noted elsewhere in our consultation response (questions 6 and 8), there is no evidence in the two unitary proposal it has taken account of local residents' views or has tried to address local concerns; nor that the limited community engagement mechanisms proposed would improve the resident experience or local democracy - particularly as the two unitaries would be operating across larger areas with fewer councillors per ward than proposed in the three unitary proposal.

We have identified only two priorities from the two unitary proposal that may be more achievable in the shorter term under a two unitary scenario, which are:

- Leaner workforce due to only requiring two sets of senior managers rather than three; and
- Savings in property and assets due to only requiring two council 'headquarters' buildings rather than three.

However, even for these objectives, the benefits of a two unitary solution rather than a three unitary solution are limited in scope. This is due to – firstly – increasing levels of local need and population limiting the extent to which workforce reduction can be achieved without impacting on service quality. And – secondly – the need to retain most existing operational hubs across the area to ensure the continued effective and efficient delivery of local services.

3) Is the councils' proposal for unitary local government of the right size to achieve efficiencies, improve capacity and withstand financial shocks and is this supported by a rationale for the population size proposed? Please explain your answer, including any specific comments on the efficiencies identified to help improve the councils' finances, how it will manage transition costs and any future service transformation opportunities identified.

No.

The two unitary proposal assumes that larger authorities are more effective and efficient than smaller ones. However, it has been widely reported – based on evidence from existing unitary authorities — that there is no correlation between population size and the performance or financial sustainability of unitary councils. In fact, on balance, the optimal

size appears to be somewhere between 350,000 and 500,000, which is smaller than the authorities provided in the two unitary proposal and more akin to those within the three unitary proposal.

It is also clear from recent local government reorganisation that has taken place that indicative financial modelling at the business case stage is not a guarantee of long-term council financial sustainability (with, for example, both Somerset and Cumberland Councils requesting Exceptional Financial Support, and considerable debt challenges in Cornwall). Savings are relatively marginal compared to overall expenditure and only realised over extended timeframes. We therefore urge the Government to treat the financial modelling within the two-unitary submission with caution.

Efficiencies and transition costs: We agree that there some areas where a two unitary model can offer greater initial financial savings – for example through requiring only two rather than three council headquarters, and two rather than three senior management teams. However, we question the assumptions in the two unitary proposal's financial modelling both in relation to the costs and efficiencies associated with three unitaries compared to two.

For example, when it comes to senior staff structures, the two unitary mid-point scenario makes no allowance for the smaller size of the authorities and assumes that the upper tier authority senior staffing structure would be replicated fully – whereas in reality this would not be needed. This assumption therefore underplays the efficiencies that a three unitary scenario could deliver.

When it comes to disaggregation assumptions, the two unitary proposal assumes considerable duplication of current upper tier staff at the management levels below senior staff. This fails to recognise that the existing sub-area / quadrant delivery model means that the majority of this management structure is already in place. This double counting therefore misleadingly inflates the financial impact of disaggregation for a three unitary solution in the two unitary proposal (this notwithstanding our views that full disaggregation at Day 1 is not the most appropriate delivery approach).

Overall, this means that the two unitary proposal has over-estimated when it comes to the financial differences between having two or three unitary authorities.

Transformation opportunities: When it comes to transformation, we do not disagree with the transformation opportunities identified in the two unitary submission. We also appreciate that decisions about transformation and public service reform will be for the new Councils.

However, the approach to transformation in the two unitary proposal appears predicated on 'business as usual' county county-style service delivery models rather than reflecting the opportunity for genuine service reform that local government reorganisation offers, and which can improve service delivery and unlock capacity as the Government's White Paper envisages. For example, it fails to explore the introduction of partnership and place based models of adult social care and children's services delivery that would maximise benefits from both bringing together upper tier and lower tier services and only provides a weak and informal mechanism for better integration with health and other public services (see also our answer to question 5).

It is these and other such opportunities that will genuinely deliver long term efficiencies and capacity improvements, and secure long term financial sustainability in the face of rising demand - and which the two unitary proposal fails to properly consider.

4) As an area covering councils in Best Value intervention and in receipt of Exceptional Financial Support, do you agree the proposal will put local government in the area as a whole on a firmer footing? As of 17 June 2025, councils in Surrey in Best Value intervention are Spelthorne Borough Council and Woking Borough Council. As of 17 June 2025, the council in Surrey in receipt of Exceptional Financial Support in 2025/26 is Woking Borough Council.

Please explain your answer, including any specific comments on the area-specific arrangements necessary to make new structures viable.

Yes

Epsom & Ewell Borough Council has a low level of serviceable debt; and we strongly believe that our Council (and our residents) should not be expected to contribute to the resolution of the debt problems of other local authorities in Surrey that are geographically distant from us (for example through the sale of assets or use of reserves).

At Epsom & Ewell, we are aligned with all other councils in Surrey in the view that the Government must write off the unserviceable debt that exists as part of local government reorganisation in Surrey, and that this is the only reliable route to ensuring that new unitary authorities are financially sustainable from the outset.

As such we welcome recognition in the Ministerial letter of 17 June that the majority of Woking's debt cannot be managed locally, that the Government is committed to addressing that debt to ensure new councils are sustainable in the long term, and the ongoing discussions that are taking place on this issue.

Subject to this issue being resolved, we believe that – when it comes to purely financial considerations – either a two or three unitary model in Surrey can result in local government in Surrey being on a relatively firm footing.

Avoiding overreliance on early financial modelling: It is our view that - at this stage in the local government reorganisation process - there is considerable uncertainty about both the financial modelling that has been undertaken to date, and the future fiscal environment within which the new authorities will be operating.

We are aware that experience elsewhere in the country has demonstrated that early modelling of the financial impacts of unitarisation is inherently uncertain and is not a guarantee of long term council financial sustainability (for example, Somerset Council which although only established in 2023 has already needed to seek Exceptional Financial Support from Government.

That is why, fundamentally, we do not believe that LGR should be led by financial considerations alone. It is why Epsom & Ewell Borough Council supports the three unitary proposal, which takes a more holistic view across *all* the Government's identified LGR criteria, and not the two unitary proposal, whose development has been driven by a focus on short term financial savings and hitting a widely questioned population target.

5) Will the proposal prioritise the delivery of high quality and sustainable public services to citizens, improve local government and service delivery, avoid unnecessary fragmentation of services and lead to better value for money in the delivery of these services? Please explain your answer, including any comments on the public service reform opportunities within the proposal, including social care, children's services, SEND and homelessness, and wider public services, including public safety.

No.

The two unitary proposal has prioritised meeting the indicative (and widely questioned) 500,000 population target over the delivery of sustainable public services or improvements to local government service delivery models.

While it does recognise that benefits can be realised from bringing upper and lower tier services together, it does not fully explore the scale of opportunity for reform and innovation that local government reorganisation presents - rather being predicated on a 'business as usual' county council-style service delivery approach.

Delivery of 'high risk' local government services such as adult social care, children's services, SEND and homelessness:

<u>Disaggregation:</u> The two unitary submission proposes a disaggregated service delivery model for high-risk services currently carried out by Surrey County Council.

It recognises that this will come with some significant potential risks however dismisses options for models such as shared services with limited explanation of why, despite encouragement from Government to properly consider such models.

With the increasing demand for SEND, adult social care and children's services, it is acknowledged - across the sector and beyond - that reform is needed. The two unitary proposal seemingly rejects this, instead preferring a disaggregated 'business as usual' county council-style service delivery model. This is in contrast to the three unitary proposal which recognises the need for a cautious and phased approach to providing high risk services by limiting disaggregation during the transition period, but also the benefits that different service delivery models – and a focus on place-based working and prevention - can bring to meet the challenges ahead.

<u>Scale:</u> The two unitary proposal argues that the delivery of high-risk services will be compromised in unitary authorities of 300,000-500,000 population compared to its proposed unitaries of 550,000-670,000 population. This is not supported by evidence from across the country that shows no clear link between scale and the quality, effectiveness, or efficiency of service delivery.

Rather, the drivers of quality service provision are multiple and complex. In a world of increasing demand, more important than scale is the ability to deliver high risk services hand in hand with prevention activity, working across genuinely place-based geographies.

In practice, Surrey County Council's Adult and Children's social care services are already delivered over 5 and 4 sub-areas, respectively. Delivery of these services on a local basis, with overarching coordination, is therefore proven to work. These existing sub-areas are much more akin to the geographies proposed in the three unitary proposal than those in the two unitary proposal; undermining the suggestion that a three unitary geography is 'too small.'

Similarly, homelessness services (currently provided by district and borough councils) benefit from local community and place-based collaboration – a model that is already proven to work in East Surrey on the three unitary geography. The two unitary proposal recognises some of the benefits of bringing together upper and lower tier services when it comes to housing and homelessness, but not the benefits of delivery using a local place-based geography.

Wider public service sustainability: The two unitary proposal does not explain with any clarity how it will contribute to wider public service reform and sustainability; nor why it provides a more appropriate geography than the three unitary proposal in this regard.

Working across smaller geographies (more aligned with the three unitary proposal) already takes place in Surrey (for example with three police divisions, and – in the health sector - the Integrated Care System having four place-based partnerships). It is misleading of the authorities supporting the two unitary proposal to suggest that the three unitary proposal does not align with health and police delivery footprints but that the two unitary proposal does.

Although the English Devolution White Paper acknowledges the benefits of place-based public service provision; and this is backed up by recent publications from the Local Government Association and the District Council's Network, in the two unitary proposal, the geographies proposed do not reflect the scale of these established working arrangements nor local place identities (see also our response to questions 1 and 6).

And while Community Boards are identified as the means to engage with partner organisations, no information is provided about how genuine cross-public sector neighbourhood working or outcomes will be achieved.

We therefore consider that the two unitary proposal misses the opportunity to use place-based working to achieve genuine public service reform and improvement – particularly through focusing on early intervention and prevention activity. It misses the opportunity to realise the savings to the public purse that this offers).

6) Has the proposal been informed by local views, and does it consider issues of local identity and cultural and historic importance? Please explain your answer, including any comments on the local engagement activity undertaken on the proposal and how it is proposed that any local concerns will be addressed.

No.

The Government LGR criteria require "evidence of local engagement, an explanation of the views that have been put forward and how concerns will be addressed." The two unitary proposal includes no evidence that the proposal has been well informed by local views. It includes information about a range of communication and promotion tactics that have been used by Surrey County Council, but only very partial (and – in our view - misleading) information about the views that have been put forward. It also fails to explain how the local concerns that have been expressed will be addressed.

Local views: The proposal refers to a resident's panel which 558 residents took part in. Key results from this are not included in the submission, and it has subsequently come to light that the results do not support the proposal: of those who responded 1/3 agreed or strongly agreed with both three and one unitary authorities, compared to 25% for two; and 40% disagreeing with both two and three unitaries).

While there is mention of in-person events, no event was held in Epsom & Ewell, no information is provided about how many events were held, how many people attended or how the proposal has been informed by the views that were collected.

Since so little evidence of local views is included in the submission, it is perhaps unsurprising that there is also no explanation of how any local concerns that were raised will be addressed.

Partner engagement is acknowledged in the submission as having been primarily through the Combined Health and Wellbeing and Integrated Care Partnership Board, with some other engagement – but again it is not clear what views were expressed by most partners or how these have been reflected in the submission. Indeed, misleadingly, the two unitary proposal is presented as having support from Luminis (whose 'supporting' letter actually expresses support for two or more unitaries and particularly for authorities on a smaller footprint) and Community Foundation for Surrey (whose letter expresses a preference for a single unitary).

Local identity and cultural and historic importance: The two unitary proposal also fails to consider issues of local identity, culture, or historic importance. No evidence of any local evidence about - or engagement on – these issues is provided in the submission.

Neither do issues of local identity, culture or historic importance feature in the options appraisal or the rationale provided for the preferred option.

It is not clear why these important considerations – which are clearly requested via the Government criteria - have been neglected.

Democratic process: In terms of the democratic process around agreeing the proposal for submission for Government, we note that (unlike in districts and boroughs across the County) Surrey County Council elected members were only formally presented with the two unitary proposal for consideration, limiting councillors ability to properly consider a range of options to determine which would best reflect local views and provide the best basis for delivery of local government services in the future. Only 36 of 78 county councillors supported that the Cabinet should make a decision on whether the two unitary proposal should be submitted.

This is in stark contrast to Epsom & Ewell, where both proposals were considered, and the three unitary proposal has received cross-party support.

7) Does the councils' proposal support devolution arrangements? Do you have any comments on the proposed devolution arrangements?

No.

The two unitary proposal envisages a Mayoral Strategic Authority (MSA) for Surrey that would divide Surrey's economic geography and make strategic planning more difficult

Oversimplification of Diverse Economic Zones: Surrey has multiple distinct economic zones (e.g. Gatwick Diamond, Heathrow corridor, Guildford tech cluster). A three unitary, rather than a two unitary model allows each council to focus on the specific economic strengths and needs of its area, enabling more tailored growth strategies.

The East/West split proposed by Surrey County Council groups together areas with very different economic profiles. For example, Elmbridge (London-facing, high-income) is grouped with Tandridge and Mole Valley (more rural, Gatwick-facing). This oversimplification in turn, risks diluting strategic focus and misaligning investment priorities, undermining one of the major objectives behind the creation of Mayoral Strategic Authorities.

Challenges for Strategic Planning: A two-unitary model may struggle to coordinate across disparate economic drivers, leading to fragmented planning for:

- Housing and infrastructure
- Transport corridors (e.g. Gatwick vs Heathrow)

Skills and employment zones

Limited Detail on MSA Implementation Costs/ Dependency on Government Support:

The financial modelling does not include costs for establishing the MSA, which could be significant and affect feasibility. The success of the two-unitary MSA model is contingent on both government writing off Woking's stranded debt and receipt of funding for LGR implementation.

Potential Governance Complexity: The proposal assumes smooth collaboration between the Mayor and two unitary councils but does not fully explore how conflicting priorities or political differences might be managed. While the two-unitary model enables a Mayoral Strategic Authority (MSA), it may limit the Mayor's ability to tailor strategies to distinct subregions.

A three-unitary model could offer more granular input into MSA priorities and better alignment with local delivery.

Whilst the proposal argues that the two unitary model is more efficient and financially sustainable, a three unitary model could:

- Better reflect Surrey's complex economic geography
- Enhance local accountability and service responsiveness
- Support more effective strategic planning under devolution

8) Will the councils' proposal enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment? Do you have any comments on the proposed approach to community engagement?

No.

The two unitary proposal is weak when it comes to the proposed approach to community engagement.

By definition, larger unitary authorities will be more distant from the populations they serve than smaller ones. The two unitary proposal further exacerbates this by suggesting (and modelling) only two elected councillors per ward – generating immaterial financial savings at the expense of local democratic accountability. (We also note that at least one of the signatory authorities to the two unitary proposal also has a publicly stated opposition to this).

The two unitary proposal, as submitted, suggests a model of community engagement predicated on Community Boards. Reigate & Banstead have used this approach in the past and concluded that it is not a particularly effective means of local community engagement.

This proposed approach does not align with the Government's previously stated preference for formal Neighbourhood Area Committees (perhaps somewhat diluted in the English Devolution and Community Empowerment Bill). Informal discussion forums, such as the Community Board model proposed, are clearly a useful element in community engagement but limited in their scope and ability to both achieve genuine resident empowerment and accountability in decision-making. There is no evidence provided in the two unitary submission that proper consideration has been given to alternative or additional models that could strengthen the proposal in this regard (for example models such as participatory budgeting, citizen panels and service co-design, which have been considered in the three unitary proposal).

Note that the above comments relate to the two unitary proposal as submitted. We are aware that subsequently there has been some backtracking by the signatory authorities to the two unitary proposal, with proposed Community Boards being re-named as Neighbourhood Area Committees. In our view, merely changing the name of what is proposed does not resolve the lack of recognition in the official proposal of the importance of - and commitment - to genuine community empowerment.

9) Do you have any other comments with regards to the proposed local government reorganisation in Surrey?

This consultation response: Epsom & Ewell Borough Council's response to this consultation has been informed by discussions with stakeholders.

Rationale for local government reorganisation: Epsom & Ewell Borough Council is committed to ensuring that our local communities are supported, and residents receive high quality local services.

We recognise the Government's desire to reorganise local government, and support the overall aspirations set out in the English Devolution White Paper. However, we have concerns that replacement of the two tier system with a small number of larger unitary authorities will negatively impact on local democratic accountability and local government's ability to deliver genuinely place-based services – high quality statutory services along with prevention work that benefits our residents (particularly the most vulnerable) and ultimately delivers savings to the public purse.

This concern is not just the Council's concern; our stakeholder and resident engagement exercise echoed these sentiments. Concerns expressed include that larger councils will be more removed from the local community, deliver poorer services and be less accountable.

Our preference for three unitaries over two unitaries: Epsom & Ewell Borough Council supports a three unitary solution for local government reorganisation across Surrey.

The three unitary proposal is supported by 75% of the Surrey local authorities (9 out of 12), and reflects the clear preference of local residents, and we urge Government to give due weight to these factors in making its decision.

We do not believe that the two unitary proposal reflects our area's local character or place identity, nor that it has genuinely been informed by a consideration of either local views or robust technical evidence.

While a two unitary solution *may* offer some quicker financial benefits (and even this projection we have some reservations about), it is our view that this would be at the expense of genuinely sustainable, resilient, and effective local authorities in Surrey in the longer term.

We do not subscribe to the suggestion that scale is the most important consideration when it comes to financial efficiency and effectiveness. And we believe that scale should not be the primary consideration when it comes to the delivery of place-based services that support and benefit local residents and enable effective working across the public sector. Only through genuine reform of how local government services are delivered can the challenges of increasing demand and financial sustainability be managed. A 'county council' style service delivery model will not achieve this.

The Council considered both the two and three unitary proposals before resolving - across all political parties - to support the three unitary proposal.

Partnership working and social care: We can confirm that Epsom & Ewell Borough Council is committed to working constructively and proactively – in partnership with the county council, districts and boroughs, other public sector bodies and the voluntary and community sector - to develop a successful transition and implementation model for local social care and other high risk services. Our view accords with that in the three unitary proposal that a phased approach to disaggregation is most appropriate to mitigate short term risk; and that in the longer term, the challenges of increasing demand and financial sustainability can only be fully addressed through a holistic, place-based and partnership approach that prioritises early intervention and prevention, alongside collaboration and/or shared services where it makes operational and financial sense to do so.

Cross boundary considerations: We support the ambition in the English Devolution White Paper that sensibly drawn local authority and mayoral strategic authority boundaries can be a lever to unlock economic and housing growth, infrastructure investment and innovation across public services.

Reservations about financial modelling: We recognise and support that financial considerations are a driver for local government reorganisation.

However, many of the decisions that will have a bearing on both the cost of reorganisation and the savings it can generate will not be taken by existing authorities and will rest with shadow authorities or new unitary authorities which may have very different compositions and priorities to existing councils.

It is also clear from recent local government reorganisation that has taken place that indicative financial modelling at the business case stage is not a guarantee of short term (let alone medium to long term) financial sustainability. Savings are relatively marginal compared to overall expenditure and only realised over extended timeframes. Therefore, we would urge the Government to treat the financial modelling provided at this stage with an appropriate degree of caution.

Similarly, we would have strong reservations if this modelling were to be used as the basis for determining a solution to unsupported debt in the county (see also our response to question 4).

Response on the three unitary proposal

1) Does the proposal suggest sensible economic areas and geographies which will achieve a single tier of local government for the whole of Surrey? Please explain your answer, including any comments on whether this proposal suggests sensible economic areas (for example reflect economic geography/travel to work areas/functioning economies) for councils with an appropriate tax base that does not create an undue advantage or disadvantage for one part of the area, and a sensible geography that will help to increase housing supply and meet local needs?

Yes.

The proposal makes a strong and sensible case for creating three new councils in Surrey – East Surrey, North Surrey, and West Surrey. These areas are based on how people actually live, work, travel and do business in Surrey. They reflect real communities and local economies, not just lines on a map.

Economic and travel to work areas: Each of the three areas has its own identity and economic links:

- East Surrey includes places like Reigate, Epsom, and Dorking. It has strong links to London and Gatwick Airport, and many people travel within this area for work and services.
- North Surrey includes towns like Walton, Staines, and Egham. It is closely connected to London and Heathrow, with a strong economy based on creative industries, tech, and professional services.
- West Surrey includes Guildford, Woking, and Farnham. It is a hub for innovation, research, and education, with strong transport links and a growing economy.

The proposal shows that these three areas already work well together in terms of housing, transport, and local services. They also have similar challenges and opportunities, which means each new council can focus on what matters most to its communities.

Importantly, the proposal avoids creating councils that are too big or too disconnected from local people. It also avoids splitting up areas that naturally belong together. This means better planning for housing, transport, and jobs – and a fairer system for everyone.

In addition to the strong case made for the three new councils based on existing economic and community ties, further evidence supports the appropriateness of this geography. The proposed East Surrey unitary, comprising Reigate & Banstead, Tandridge, Epsom & Ewell, and Mole Valley, aligns with the well-established Gatwick Diamond economic area. This subregional geography has been recognised in regional and local economic strategies since the early 2000s and reflects a coherent labour market and business identity.

The proposal also aligns with travel to work areas as defined by the ONS, which show that towns in Elmbridge fall into different travel to work areas than those in East Surrey. This reinforces the rationale for grouping areas with shared commuting patterns and economic interdependence.

Furthermore, the three unitary proposal avoids artificial boundaries based solely on population thresholds. Instead, it reflects functional economic geographies, local housing market areas, and shared service delivery patterns. This approach is consistent with national planning policy, which emphasises the importance of place-based spatial planning.

Housing supply and meeting local housing needs: The three unitary submission proposes a sensible, place-based (and evidence-based) approach to housing delivery that aligns with the National Planning Policy Framework. It recognises the importance of taking account of environmental constraints and opportunities, local housing market areas and local economic, retail and transport catchments. Relevant evidence is referred to in the submission.

Conversely, the two unitary proposal provides no evidence that the proposed geographies are sensible ones that will increase housing supply and meet local need. No reference is made (for example) to housing market areas. Rather the two unitary submission appears to suggest that achieving an equitable split in land area and comparable overall housing densities is sufficient to secure sensible and sustainable housing delivery aligned with the Government's housing ambitions.

Appropriate tax base: Importantly, the proposal ensures that each new council has a sustainable tax base. Council tax harmonisation modelling, agreed across all 12 Surrey authorities, shows minimal variation between the two and three unitary scenarios (6.96% vs

6.84%), indicating that the three unitary model does not create an undue financial advantage or disadvantage for any area.

It recognises that different areas have different economic strengths and the tax generation potential that these bring locally: the local councils it proposes have individually strong (although differing) local economies, with each proposed new unitary council contributing between £16 billion and £18 billion in GVA.

Conclusion: By grounding its structure in real-world economic patterns, community identities, and evidence-based planning, the three unitary proposal offers not just a logical reorganisation—but a transformative opportunity to build stronger, more responsive, and future-ready local government across Surrey.

2) Will the local government structures being put forward, if implemented, achieve the outcomes described? Please explain your answer, including any specific comments on the evidence and analysis to support the proposals.

Yes.

The proposal recommends three new councils – East Surrey, North Surrey, and West Surrey – based on real economic areas and travel-to-work patterns. These areas reflect how people live, work, and access services and each has a strong and cohesive local economy and tax base. This structure avoids splitting up communities or creating artificial boundaries, and it supports better planning for housing, transport, and jobs. It is a practical and well-evidenced approach that makes sense for Surrey.

We believe the three unitary proposal includes an ambitious but deliverable vision and principles that both align with the Government's ambitions for LGR whilst also reflecting what is important to local people and communities. Furthermore, it represents a sensible proposal which - rather than being driven by a focus on a (widely challenged) population target and the prospect of short-term financial savings - strikes an appropriate balance between the financial and non-financial considerations within the Government's LGR criteria.

The outcomes described are:

Supports economic growth, housing, and infrastructure delivery: The three unitary authorities identified are based on evidence that takes into account local functional economic geographies and strengths, housing market areas, travel to work patterns, environmental considerations, local population, and workforce characteristics. This is a robust basis for future economic growth and housing and infrastructure delivery, recognising that different local government support and intervention will be needed to reflect the diversity of opportunity and constraints across the county.

We can confirm that the East Surrey geography included within this proposal best reflects what the evidence indicates for our own local area, and a geography that our residents and businesses recognise and identify with (see also our comments on question 1).

Unlocks the benefits of devolution: The three unitary proposal unlocks the benefits of devolution. The two unitary proposal also does this; however, we believe that three unitaries creates a more appropriate population ratio between local and strategic government. See also our comments in relation to question 7.

Values and advocates for Surrey's unique local identities and places: The three unitary proposal respects and seeks to enhance the different, and unique, identities that exist across

Surrey, and includes a detailed and evidence-based analysis of these. It is also consistent with resident views that Epsom & Ewell Borough Council has collected recently via our Residents' Survey, which confirms that our residents feel most connection with Mole Valley (24%), Epsom & Ewell (20%) and Tandridge (18%) and an extremely limited connection with Elmbridge (2%).

Provides strong democratic accountability, representation, and community empowerment: The three unitary proposal includes a detailed, well thought through model for democratic accountability, representation, and community empowerment. It is evidence-based, with on a comprehensive assessment of best practice and builds on the Boroughs' and Districts' local knowledge and place leadership experience of what works 'on the ground.'

In addition, smaller unitaries mean that councils (and councillors) are closer to the electorate. In both regards, therefore, the three unitary proposal provides reassurance that community empowerment and democratic accountability can be protected and enhanced; to a much greater degree, and a higher level of confidence, than the two unitary proposal.

Secures financial efficiency, resilience, and the ability to withstand financial shocks: The three unitary proposal is based on robust financial modelling which demonstrates how financial resilience and savings can be achieved, but not at the expense of high-quality public service delivery. It includes consideration of scale, risk, economic and demographic factors, and current and future demand to ensure that the new authorities proposed will be financially sustainable and able to withstand ongoing financial pressures and shocks.

Delivers high-quality, innovative, and sustainable public services that are responsive to local need and enable wider public sector reform: As set out in more detail in our response to question 5, the three unitary proposal recognises the need for innovation, and a focus on prevention and early intervention. It outlines opportunities to redesign services around people and places, rather than organisational boundaries and 'county-council' style delivery models. This includes plans for integrated neighbourhood teams, shared commissioning, and closer working with health, education, and voluntary sector partners. It also addresses opportunities for better coordination and joint working in relation to public safety and resilience. This approach is, in our view, essential as demand for local public services continues to grow.

3) Is the councils' proposal for unitary local government of the right size to achieve efficiencies, improve capacity and withstand financial shocks and is this supported by a rationale for the population size proposed? Please explain your answer, including any specific comments on the efficiencies identified to help improve the councils' finances, how it will manage transition costs and any future service transformation opportunities identified.

Yes.

The proposed three councils are large enough to deliver savings and resilience, while still reflecting real communities. Each has a strong economy and tax base, and the proposal shows how they will save over £60 million by year four.

Local government of 'the right size': The government has said 500,000 is a guide, not a rule, and the slightly smaller size is justified in Surrey to ensure local identity and effective service delivery.

The three unitary proposal clearly explains the rationale for the population sizes proposed, which is based on local evidence and identity, rather than a purely numerical / desk based 'even split' across the area.

The proposal is clear that – in the case of Surrey – three unitaries slightly smaller than the suggested 500,000 figure both makes sense 'on the ground' and will provide a strong basis for sustainable local government in the long term.

The submission explains that each of the three proposed councils would serve a population of between 330,000 and 480,000 (based on 2023 mid-year estimates). However, it is worth noting that the recently released 2022-based sub-national population projections indicate a slightly higher rate of population increase across the area compared to 2018-based projections (thus improving alignment with the indicative target).

These – therefore – are not small unitary authorities and would be in the top 20% by population of existing non-metropolitan unitary authorities. The slightly smaller population size is a deliberate choice to ensure each new council reflects real communities and functional economic areas (rather than being based on non-meaningful boundaries just to meet an indicative population target), while also being of an appropriate scale to manage risk and withstand financial shocks. The appropriateness of these population sizes is backed up by evidence from unitary authorities of a similar scale across the country which deliver high quality services in a financially sustainable manner.

Efficiencies and transition costs: The financial modelling in the three unitary proposal suggests that creating three unitaries would deliver significant savings – over £60 million by year four – through a combination of reducing duplication, streamlining management, and transforming services.

We accept that, in the short term, these savings will be less than were two unitaries created, primarily due to additional reduction in workforce and asset costs being possible under this scenario.

But in the longer term, the modelling indicates that three unitaries would be financially viable while importantly also delivering against the *other* Government LGR criteria which – as per our responses on other consultation questions - the two unitary proposal does not.

(As a general point, we urge Government to treat the financial modelling within both submissions with caution. It is clear from recent local government reorganisation that has taken place that indicative financial modelling at the business case stage is not a guarantee of long-term council financial sustainability, and that savings are marginal compared to overall expenditure and only realised over extended timeframes).

Transformation opportunities: When it comes to transformation opportunities, the three unitary proposal recognises the opportunities for longer term financial efficiencies that exist from not only simply amalgamating lower tier services; but that can be realised from genuine service transformation by bringing together upper and lower tier services, and other public sector partners, to deliver services differently in the future.

While a precautionary approach is taken in the financial modelling to possible financial savings resulting from transformation, the detailed transformation plan outlined in the three unitary submission explains how a comprehensive approach can be taken to unlock innovation as well as efficiency savings. This will make for more resilient councils (and a more resilient public sector generally) in the longer term, in the face of rising demand. Only by moving away from out-dated county council style service delivery models to a focus on early intervention, prevention and place-based working will this be possible.

The three unitary proposal explains how existing budgets and capital receipts can be used to fund this work, while also recognising that a phased approach is necessary so that services can continue safely while improvements are made over time.

4) As an area covering councils in Best Value intervention and in receipt of Exceptional Financial Support, do you agree the proposal will put local government in the area as a whole on a firmer footing? As of 17 June 2025, councils in Surrey in Best Value intervention are Spelthorne Borough Council and Woking Borough Council. As of 17 June 2025, the council in Surrey in receipt of Exceptional Financial Support in 2025/26 is Woking Borough Council.

Please explain your answer, including any specific comments on the area-specific arrangements necessary to make new structures viable.

Yes

The three-unitary proposal provides a credible and well-evidenced path to strengthening local government across Surrey, including for areas currently facing financial challenges. It acknowledges the scale of issues in Woking and Spelthorne and sets out a realistic plan for long-term sustainability, including the need for national support to address Woking's stranded debt. The proposal includes detailed financial modelling, a phased transformation plan, and area-specific arrangements to ensure stability from day one. With the right support, it offers a strong foundation for more resilient, accountable, and financially sustainable local government.

Epsom & Ewell Borough Council has no debt; and we strongly believe that our Council (and our residents) should not be expected to contribute to the resolution of the debt problems of other local authorities in Surrey that are geographically distant from us (for example through the sale of assets or use of reserves).

At Epsom & Ewell, we are aligned with all other councils in Surrey in the view that the Government must write off the unserviceable debt that exists as part of local government reorganisation in Surrey, and that this is the only reliable route to ensuring that new unitary authorities are financially sustainable from the outset.

As such we welcome recognition in the Ministerial letter of 17 June that the majority of Woking's debt cannot be managed locally, that the Government is committed to addressing that debt to ensure new councils are sustainable in the long term, and the ongoing discussions that are taking place on this issue.

Subject to this issue being resolved, we believe that – when it comes to purely financial considerations – either a two or three unitary model in Surrey can result in local government in Surrey being on a relatively firm footing.

Avoiding overreliance on early financial modelling: It is our view that - at this stage in the local government reorganisation process - there is considerable uncertainty about both the financial modelling that has been undertaken to date, and the future fiscal environment within which the new authorities will be operating.

We are aware that experience elsewhere in the country has demonstrated that early modelling of the financial impacts of unitarisation is inherently uncertain and is not a guarantee of long term council financial sustainability (for example, Somerset Council which although only established in 2023 has already needed to seek Exceptional Financial Support from Government.

That is why, fundamentally, we do not believe that LGR should be led by financial considerations alone. It is why Epsom & Ewell Borough Council supports the three unitary proposal, which takes a more holistic view across *all* the Government's identified LGR criteria, and not the two unitary proposal, whose development has been driven by a focus on short term financial savings and hitting a widely questioned population target.

5) Will the proposal prioritise the delivery of high quality and sustainable public services to citizens, improve local government and service delivery, avoid unnecessary fragmentation of services and lead to better value for money in the delivery of these services? Please explain your answer, including any comments on the public service reform opportunities within the proposal, including social care, children's services, SEND and homelessness, and wider public services, including public safety.

Yes.

The three-unitary proposal prioritises high-quality, sustainable public services by replacing the current two-tier system with three unitary councils, enabling more joined-up, accessible, and efficient service delivery. It includes a phased approach to transformation, ensuring continuity in critical services like social care and SEND, while creating space for innovation and local tailoring. The proposal also outlines plans for integrated neighbourhood teams, shared commissioning, and strong coordination with partners such as the NHS and emergency services. Overall, it offers a practical and well-evidenced route to more responsive services and a more resilient local government system for Surrey.

Bringing together upper and lower tier services presents an opportunity for improved and more sustainable public services and better value for money. This opportunity is recognised and developed within the three unitary proposal.

The proposal acknowledges how bringing together upper and lower tier activities presents opportunities to reduce duplication, streamline decision-making, and to make it easier for residents to access the support they need; and also to enable better integration between related services (such as housing and social care or planning and infrastructure) which are currently managed by different councils.

Delivery of 'high risk' local government services such as adult social care, children's services, SEND and homelessness:

<u>Disaggregation:</u> The three unitary proposal recognises the need for a carefully planned and phased approach to the delivery of high-risk local government services. Given the timeframes that Surrey LGR is proceeding on, it takes a precautionary approach to upper tier service disaggregation and future transformation across these services.

It recognises the opportunity that shared and partnership models of provision for elements of these high risk services can provide, both in the immediate term (minimising the short term risks of rapid disaggregation) but also, in some instances and for some activities, in the longer term (providing the opportunity for innovation and transformation leading to better prevention outcomes).

The three unitary proposal includes an exploration of different service delivery models (which the two unitary proposal does not). It has considered examples from elsewhere across the country, good practice, and the Government's aspirations for LGR; recognising the importance of giving proper consideration to all viable options, but also that decisions about long term structures will rest with the new unitary authorities. In doing so, it has taken

account of the need to manage risk, respond to increasing demand, and establish structures that create the conditions for reform and innovation when it comes to prevention.

<u>Scale vs place</u>: There is some suggestion in the two unitary proposal that - due to their smaller scale - three unitary authorities will be compromised in their ability to deliver high risk upper tier services in an effective way. However, evidence shows no clear link between scale and the quality, effectiveness, or efficiency of service delivery and across the country unitary authorities of the scale proposed (330,000 to 470,000) successfully deliver these services. Opportunity exists - via shared service and partnership models - to secure economies of scale for back office and specialist functions, at the same time as retaining local community-based service delivery.

In practice, Surrey County Council's Adult and Children's social care services are already delivered over 5 and 4 sub-areas, respectively. These existing sub-areas are much more akin to the geographies proposed in the three unitary proposal than those in the two unitary proposal.

Similarly, homelessness services (currently provided by district and borough councils) and benefit from local community and place-based collaboration – a model that is already proven to work in East Surrey across the proposed three unitary geography.

The drivers of quality service provision are multiple and complex. In a world of increasing demand, more important than scale is the ability to deliver high risk services hand-in-hand with prevention activity, working across genuinely place-based geographies. As evidenced in the submission and referenced in our response to questions 1 and 6, the three unitary proposal includes geographies that genuinely reflect local place identities, and which will therefore be able to realise the Government's aspirations. The two unitary proposal does not.

Wider public service sustainability: The three unitary proposal has prevention at its heart. This is because the Boroughs and Districts have first-hand 'on the ground' experience of the real change that this brings to residents, to how public sector partners work together, and to demand for services such as social care.

The proposal is specific about opportunities to redesign services around people and places, rather than organisational boundaries. This includes plans for integrated neighbourhood teams, shared commissioning, and closer working with health, education, and voluntary sector partners.

Smaller place-based geographies are already established in practice in Surrey (for example with three police divisions, and – in the health sector - the Integrated Care System having four place-based partnerships. A wide range of place-based working to deliver prevention activity already takes place in East Surrey, in which Reigate & Banstead is a key partner.

And although specific geographies vary, all this work takes place across areas which are smaller than that proposed in the two unitary model. This model has proved successful due to the ability to develop and maintain close community and place-based links and relationships. Examples are provided in the proposal.

The three unitary proposal also includes consideration of public safety and emergency planning. It includes plans to maintain strong coordination across the new councils and with key partners like the police, fire services, and NHS, ensuring that resilience and community safety are not compromised during or after reorganisation.

We therefore consider that the three unitary proposal properly recognises, and sets an appropriate framework – not only for, safe local government service delivery, but importantly

for maximising the opportunities for prevention through innovative place-based working with public sector partners to manage future demand and provide genuine value for money.

6) Has the proposal been informed by local views, and does it consider issues of local identity and cultural and historic importance? Please explain your answer, including any comments on the local engagement activity undertaken on the proposal and how it is proposed that any local concerns will be addressed.

Yes.

Local views: The proposal has been clearly shaped by local views and gives strong weight to local identity, culture, and history. It draws on engagement with over 3,000 residents, 63% of whom preferred a three-unitary model, and reflects priorities such as local decision-making and understanding of community needs. This is backed up by a survey conducted by the Reigate & Banstead Residents' Survey completed by 1,461 residents, that also demonstrated a local preference for a three unitary model (37% compared to 12% for two unitaries).

The proposal provides detailed information from the residents' survey about respondents' priorities for the future and relates these to specific elements of the proposal.

It also provides detailed information about the views expressed by 134 local stakeholders and partner organisations.

In providing a clear picture of local views, the three unitary proposal is therefore notably stronger and more evidence-based than the two unitary proposal.

The three unitary proposal also reflects on concerns expressed locally about local government reorganisation – specifically the potential loss of local knowledge and connection – and explains how these could be resolved through the creation of appropriate community engagement structures.

Local identity and cultural and historic importance: Local identity, community and historic spatial relationships are reflected in the three unitary geography proposed, with details about local characteristics, connections and communities provided for each proposed unitary area.

For the Epsom & Ewell area, the proposed three unitary East Surrey geography reflects our 'on the ground' understanding of how people identify with their local area and communities, and how and where people live, work and spend their leisure time.

Democratic process: The three unitary proposal is supported by the 75% of the principal local authorities in Surrey. The 9 Councils that support it have considered both two and three unitary options and concluded - based on the local knowledge and experience of their councillors - that it represents the preferred option in both reflecting local views and providing a suitable basis for the future delivery of local services.

In Epsom & Ewell both proposals were considered, and the three unitary proposal has received cross-party support.

7) Does the councils' proposal support devolution arrangements? Do you have any comments on the proposed devolution arrangements?

Yes.

The three unitary proposal strongly supports devolution and is designed to unlock its full potential for Surrey.

By creating three new unitary authorities that align with Surrey's distinct economic areas, the proposal lays the groundwork for a new Mayoral Strategic Authority (MSA) covering the whole county. This structure will allow for a more joined-up approach to planning, transport, skills, and infrastructure—key areas where devolved powers can make a real difference.

The proposal sets out a clear timeline: the new unitary councils would be established by April 2027, with elections for a directly elected Mayor of Surrey taking place the same year. This ensures that the new MSA can begin operating immediately, with strong local leadership and a clear democratic mandate.

Importantly, the proposal avoids the pitfalls of a two-unitary model, which would divide Surrey's economic geography and make strategic planning more difficult. Instead, it ensures that local councils and the new Mayor can work together effectively, each focused on their area's needs but aligned around shared goals for growth and investment.

This approach meets the government's criteria by:

- Supporting a coherent strategic footprint for devolution.
- Enabling strong local leadership and accountability.
- Creating the right conditions for long-term economic growth.

In short, the proposal does not just support devolution—it is built to make it work.

8) Will the councils' proposal enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment? Do you have any comments on the proposed approach to community engagement?

Yes.

The three unitary proposal will enable stronger community engagement and neighbourhood empowerment by creating three new councils that are rooted in recognisable parts of Surrey. It prioritises local decision-making, reflects strong public support for more responsive governance, and avoids top-down models that have failed elsewhere. Instead, it builds on existing local strengths and commits to inclusive approaches like participatory budgeting and co-designed services. By aligning council boundaries with real communities and embedding engagement into service delivery, the proposal offers a practical and democratic model that puts residents at the heart of local government.

The loss of accountability and concerns about local decision making were key issues raised by stakeholders and residents via our Surrey-wide engagement exercise and echoed in Reigate and Banstead's Residents' Survey.

The three unitary geographies proposed are ones that are known and familiar to local people, rather than having been developed via a desk-based numbers exercise. This will make it easier for residents to recognise and engage with their local council and feel that their voices are being heard and – importantly – understood.

To further enhance local democracy, the three unitary proposal recommends three councillors per ward, as opposed to the two per ward in the two unitary proposal.

Beyond this, the three unitary proposal seeks to build on existing models that have been successful across the local area and identifies specific opportunities to further strengthen

these. For example, participatory budgeting, citizen panels and service co-design to reflect the needs and aspirations of each community.

We believe that the engagement and empowerment models in the three unitary proposal would enable residents to have a genuine say in council priority setting and service delivery and would complement the introduction of Neighbourhood Area Committees.

Conclusion: The three unitary proposal recognises that real empowerment means more than just promotion and consultation. It means giving communities the tools, support, influence, and accountability to shape decisions and take action on issues that matter to them. Ultimately this will lead to better local outcomes and more responsive, resilient, and sustainable communities.

9) Do you have any other comments with regards to the proposed local government reorganisation in Surrey?

This consultation response: Epsom & Ewell Borough Council's response to this consultation has been informed by discussions with stakeholders.

Our preference for three unitaries over two unitaries: Epsom & Ewell Borough Council supports a three unitary solution for local government reorganisation across Surrey.

The three unitary proposal is supported by 75% of the Surrey local authorities (9 out of 12), and reflects the clear preference of local residents, and we urge Government to give due weight to these factors in making its decision.

We do not believe that the two unitary proposal reflects our area's local character or place identity, nor that it has genuinely been informed by a consideration of either local views or robust technical evidence.

While a two unitary solution *may* offer some quicker financial benefits (and even this projection we have some reservations about), it is our view that this would be at the expense of genuinely sustainable, resilient, and effective local authorities in Surrey in the longer term.

We do not subscribe to the suggestion that scale is the most important consideration when it comes to financial efficiency and effectiveness. And we believe that scale should not be the primary consideration when it comes to the delivery of place-based services that support and benefit local residents and enable effective working across the public sector (include references). Only through genuine reform of how local government services are delivered can the challenges of increasing demand and financial sustainability be managed. A 'county council' style service delivery model will not achieve this.

The Council considered both the two and three unitary proposals before resolving - across all political parties - to support the three unitary proposal.

ENDS