

LOCAL GOVERNMENT REORGANISATION IN SURREY

GUILDFORD BOROUGH COUNCIL AND WAVERLEY BOROUGH COUNCIL CONSULTATION RESPONSE

This document sets out the joint response to the consultation on local government reorganisation in Surrey from Guildford Borough Council and Waverley Borough Council.

As named consultees, we welcome the opportunity to provide our comments on the two proposals being considered by the Secretary of State for the reorganisation of local government in Surrey. We recognise the once-in-a-generation opportunity this process provides to create new unitary councils that deliver high quality services, empower communities, and foster sustainable economic growth.

Together with nine of Surrey's eleven principal authorities, our councils co-authored the proposal to create three unitary authorities for Surrey. Whilst the decision regarding the submission of this proposal was an executive function under Part 1 of the Local Government and Public Involvement in Health Act 2007, both councils also voted to support the three-unitary proposal.¹

Our detailed response to each question of the consultation, for both the two-unitary proposal and the three-unitary proposal, is set out below.

¹ Guildford: Agenda for Council on Wednesday, 7th May, 2025, 7.00 pm - Guildford Borough Council; Waverley: Agenda for Council on Tuesday, 6th May, 2025, 7.00 pm - Waverley Borough Council.

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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.

Two-unitary proposal: No.

Summary

This proposal prioritises population size over real economic geography, creating large, remote councils that divide established economic areas, long recognised by its authors. It lacks robust evidence and risks undermining local growth by fragmenting coherent communities.

This proposal would create two new unitary authorities that are large in scale and remote from the communities they are intended to serve.

Rather than building unitary authorities that reflect Surrey's real economic areas and recognised geographies, this proposal prioritises achieving a population threshold of at least 500,000, drawing boundaries to meet this target. This is contrary to the guidance from government that such a threshold 'is 'not a strict target'.²

This is despite the proposal itself acknowledging, emphatically, in enlarged font, that:

'Surrey is a large geography with a mix of rural and urban areas. The North and parts of the East of the county are more densely populated, with more significant rural areas in the West and South.'3

While acknowledging the core argument of the three-unitary proposal, it nevertheless disregards the diversity of Surrey's communities and the functional economic geography that exists on the ground, fragmenting coherent economic areas, particularly in the county's north, across different unitary authorities.

This is underpinned by the claim that:

'The three unitary model would create three very distinctive new communities with significant variations in key metrics and characteristics, setting the new councils off on unequal and unsustainable footings.'4

² 'Written Ministerial Statement – Local Government Reorganisation', 3 June 2025, Statement UIN HCWS676, Written statements - Written questions, answers and statements - UK Parliament.

³ Two-unitary proposal, p. 13.

⁴ Two-unitary proposal, p. 43.

Far from *creating* 'significant variations' in 'characteristics', the three-unitary proposal *reflects* the variation that already exists. This proposal provides no evidence or analysis to justify or explain its claim.

We believe that, if implemented, this proposal would significantly undermine Surrey's potential to foster sustainable economic growth.

Our view is based on the following observations:

Flawed economic modelling

The proposal claims it will 'drive growth across Surrey', citing the assertion that 'the two new councils will cover functional economic areas' and are 'designed on a suitable geographic area'. However, the evidence used to support this claim is both limited and misrepresented.

Rather than creating the conditions that will foster sustainable economic growth, we believe that **this proposal would divide and fragment Surrey's economic geography and functioning economies**, stymieing the ability of the new councils to foster sustainable local economic growth.

This proposal claims that it:

'Creates sensible economic areas, with growth potential across both unitary footprints, similarity in business survival rates and similar size council tax bases.'6

It then goes on to state that:

'The health of the business sector is critically important to the local economy, as employers, providers of services, and payers of Non-Domestic Rates. The health of the sector can be determined by the number of businesses started, ended and active.'⁷

However, the evidence provided within this proposal to substantiate this claim actually shows that the three-unitary proposal also creates sensible economic areas to the same extent:

⁵ Two-unitary proposal, p. 58.

⁶ Two-unitary proposal, p. 29

⁷ Two-unitary proposal, p. 41.

	Population ⁸	Percentage of business births ⁹	Percentage of business deaths ¹⁰	Percentage of active businesses ¹¹	Percentage of rateable value ¹²
East Surrey	33.8%	32.7%	32.6%	33.1%	27%
West Surrey	38.9%	37.3%	37.6%	38.3%	40%
North Surrey	27.3%	30.0%	29.9%	28.6%	33%

Even when assessed against the two-unitary proposal's own data and criteria, the three-unitary model clearly demonstrates equal, if not greater, suitability in creating viable, economically coherent councils. **The proposal provides no explanation as to how their conclusion reflects the evidence, besides stating that it provides 'the most equitable model**'.¹³ This flawed rationale assumes that new unitary councils must be *exactly* equitable in size and composition, rather than *proportionately* aligned with their distinct economic profiles.

Further, with limited evidence, the proposal claims that two-unitary councils would:

'create sensible economic areas, with growth potential across both unitary footprints¹⁴

It then goes on to state that:

'three unitary councils may become overdependent on single economic drivers, e.g., East Surrey reliant on Gatwick.'15

However, we note that that the sole difference between what the two proposals suggest constitutes East Surrey is whether or not it includes the borough of Elmbridge:

- Two-unitary East Surrey: Epsom & Ewell, Reigate and Banstead, Mole Valley, Tandridge and Elmbridge.¹⁶
- Three-unitary East Surrey: Epsom & Ewell, Reigate and Banstead, Mole Valley and Tandridge.¹⁷

It is inconsistent and, frankly, misleading to suggest that East Surrey is a 'sensible economic area' under the two-unitary model, yet without evidence it becomes economically unviable under the three-unitary model, especially when the only difference is the inclusion or exclusion of Elmbridge.

⁸ 2023 mid-year estimates of the population for England and Wales'.

⁹ Percentage split business births, two-unitary proposal, p. 187.

¹⁰ Percentage split business deaths, two-unitary proposal, p. 187.

¹¹ Percentage split active businesses, two-unitary proposal, p. 187.

¹² Percentage split of net amount receivable of NNDR, two-unitary proposal, p. 206.

¹³ Two-unitary proposal, p. 41.

¹⁴ Two-unitary proposal, p. 29.

¹⁵ Two-unitary proposal, p. 33.

¹⁶ Two-unitary proposal, p. 29.

¹⁷ Three-unitary proposal, p. 8.

The cause of this flawed logic is the total exclusion of any meaningful analysis or evidence to articulate the economic picture in Surrey, or explain how this proposal creates sensible economic areas. Such analysis is limited to the assertion that:

'There is potential for continued growth across each council area, with Runnymede, Spelthorne and Woking having the strongest levels of high-tech industry employment.'18

This extremely limited analysis (both in terms of breadth and depth) does not provide a satisfactory evidence-base upon which new boundaries can be reliably proposed. It also fails to adequately justify the conclusions of this proposal. This stands in stark contrast to the detailed, robust, and evidence-based assessment of Surrey's entire economic landscape provided in the three-unitary proposal.

The only information contained within the proposal that underpins its claim that Surrey has two functional economic geographies is the observation that:

'Surrey County Council has enhanced the delivery of economic responsibilities on Surrey footprint. For years Surrey was split between two Local Enterprise Partnerships rooted in adjoining counties, leading to inequalities between the west and east of the county' 19

The proposal's reliance on historic LEP boundaries as seeming justification for its economic geography is fundamentally flawed.

If applied consistently, this logic would lead to incoherent groupings, such as the placing of communities like Staines, Guildford and Woking in the same council area as Winchester, Andover and Basingstoke; or Epsom, Reigate and Oxted alongside Chichester, Brighton and Worthing. These are clearly not coherent local geographies for local government.

More significantly, even if this assertion were accepted as a 'robust and evidence-based' justification (as this proposal claims to be built upon) it overlooks a key inconsistency: under the previous LEP arrangements, Elmbridge was part of the western EM3 LEP, and not the eastern Coast to Capital LEP.²⁰

This inconsistency is particularly striking given that than rather placing Elmbridge in the corresponding western-unitary, this proposal places it into East Surrey instead. No evidence or explanation is provided to justify this. This is curious given that, as mentioned above, the logic of this proposal is that Elmbridge's inclusion in East Surrey is the key determining factor for East Surrey supposedly forming a 'sensible economic area'.

Whilst not cited in this proposal, there is a wealth of evidence from recent years which demonstrates a strong local understanding of Surrey's functional economic areas. This includes the Interim Strategic Statement, produced in 2017, which identifies four distinct sub-areas in Surrey which its authors (Surrey County Council

¹⁸ Two-unitary proposal, p. 58.

¹⁹ Two-unitary proposal, p. 18.

²⁰ Two-unitary proposal, p. 5.

and all districts and boroughs) recognise to be distinct functional economic areas. These are:

- Upper M3: the boroughs of Elmbridge, Runnymede and Spelthorne.
- East Surrey: the boroughs and districts of Epsom & Ewell, Mole Valley, Reigate & Banstead, and Tandridge
- Blackwater Valley: extends beyond Surrey's boundaries into Hampshire and Berkshire but incorporates areas of Guildford, Surrey Heath and Waverley.
- A3 corridor: large areas of the boroughs of Guildford, Waverley and Woking.²¹

The two unitary model would divide these areas that the authors of the proposal themselves recognise to be Surrey's functional economic geography, in particular, the 'Upper M3' area, with Spelthorne and Runnymede being in the West and Elmbridge being in the East. No evidence is provided to support this partition.

This proposal would place areas together such as Staines and Haslemere, or Walton-on-Thames and Oxted that have little in common in terms of shared identity or economy. As provided within the three-unitary proposal, there is significant evidence which demonstrates that North Surrey is a distinct area, with strong links into London and exhibiting similar characteristics to an outer London borough, and considerable commuting within the area itself.

This proposal provides no clear economic rationale for its boundaries, besides meeting a self-imposed 500,000 population threshold. What limited evidence this proposal uses to support its assertion to create functional economic areas also demonstrates the viability of the three-unitary proposal.

In contrast, the three-unitary proposal provides a robust and comprehensive evidence base that is demonstrably reflective of Surrey's functional economic geography. It offers a far stronger foundation for delivering sustained, locally responsive economic growth.

Equitable tax bases, undermined by economic incoherence

We recognise that the two unitary authorities that this proposal would establish would have an appropriate and approximately even Council Tax base (47% for East Surrey and 53% for West Surrey). However, we are concerned at the extent to which this proposal fixates on achieving an *exactly* equitable share of taxation, population and service demand, rather assessing whether these councils would be *proportionately* equitable.

As the evidence from this proposal shows, whilst a three-unitary configuration for Surrey would not divide Surrey's tax base exactly into thirds, the division would be proportionate and appropriate to the populations of the new council areas. More

²¹ 'Interim Local Strategic Statement for Surrey 2016-2031', jointly produced by Surrey County Council and Surrey's eleven districts and borough councils, p. 2.

significantly, it would also be closely aligned to the service demand for upper-tier functions:

	Council Tax base ²²	Population 23	Adult Social Care need ²⁴	Children's Social Care need ²⁵	School Transport need ²⁶	Percentage of highways ²⁷
East Surrey	34.1%	33.8%	33%	35%	34%	37%
West Surrey	38.4%	38.9%	38%	38%	38%	44%
North Surrey	27.6%	27.3%	30%	28%	27%	20%

As this data from this proposal itself shows, the three-unitary configuration would create councils with a local taxation base proportionality aligned to both population and upper-tier service demand. Yet, the two unitary proposal inexplicably dismisses this option purely on the basis that it does not exactly divide Surrey's local taxation base. The two unitary proposal does not articulate why exactly equitable local taxation bases should be regarded as an important objective for local government reorganisation. Nor does it explain how, in achieving this, it offsets the negative impacts it would precipitate by splitting the functional economic areas that have been long recognised locally, including by its authors.

We are concerned that the fragmentation this proposal would create would undermine the longer term ability of these proposed councils to foster sustainable and coherent economic growth, undermining the local taxation yield in future years and impacting the ability of the new authorities to deliver high quality and sustainable public services.

Fragmenting established housing area, undermining housing supply

This proposal fails to align with established housing market areas, undermining its ability to deliver coherent local plans, infrastructure investment, and the resultant economic growth these things deliver for local people.

It separates Elmbridge from Runnymede and Spelthorne, despite strong evidence demonstrating that these three boroughs form a closely aligned housing market area in North Surrey, a unique identity that is supported by a robust evidence base within the three-unitary proposal. This fragmentation risks

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²² 2025/26 budget papers for all principal authorities in Surrey.

²³ 2023 mid-year estimates of the population for England and Wales'.

²⁴ Percentage split of ASC Relative Needs Formula, two-unitary proposal, p. 208.

²⁵ Percentage split of CSC Relative Needs Formula, two-unitary proposal, p. 209.

²⁶ Estimated split of total Home to School Transport 2025/26 expenditure, two-unitary proposal, p. 210.

²⁷ Percentage split on highways by unitary, two-unitary proposal, p. 224.

disjointed planning and missed opportunities for coordinated delivery across both the authorities it proposes be established.

It also raises the risk that unmet housing need in more urbanised areas like Elmbridge, Runnymede and Spelthorne may be displaced into more rural parts of the county. These areas often lack the infrastructure to support large-scale development and already face significant pressures on land use, making such displacement both unsustainable and contentious.

In contrast, the three-unitary model is explicitly designed around housing market geographies, creating new councils that are optimised to deliver upon Government's missions for sustainable economic growth and increasing the delivery of new homes. It enables tailored responses to local housing needs, supports the strategic use of grey belt land, and facilitates infrastructure investment at the right scale. By avoiding the pitfalls of overly large, disconnected authorities, it provides a more effective framework for increasing housing supply and meeting demand sustainably.

New councils unable to meet local need

We believe that his proposal prioritises arbitrary size and exact equitability over local identity and responsiveness. It creates authorities that are too large and diverse to deliver genuinely place-based services.

For example, East Surrey would stretch from urban Elmbridge to rural Tandridge, encompassing communities with vastly different needs and priorities. Straddling recognised economic boundaries, this proposal risks creating councils that take a one-size-fits-all approach to service delivery that fails to reflect local circumstances and needs.

Whilst this proposal places a great weight on creating authorities with a population of at least 500,000, the proposal does not set out the rationale for this proposed approach, or why it is the right fit for Surrey.

In contrast, the three-unitary proposal provides a clear and compelling rationale for its configuration, supported by robust evidence and local consensus. Unlike this proposal, the three-unitary proposal creates councils that align with Surrey's functional communities and local identities. It enables more responsive service delivery, stronger democratic accountability, and better alignment with local priorities.

Three-unitary proposal: Yes.

Summary

This proposal reflects Surrey's real economic areas and travel-to-work patterns. It is based on strong evidence and creates councils that align with local identities, supporting sustainable growth and responsive service delivery.

This proposal, jointly developed by nine of Surrey's eleven district and borough councils including Guildford and Waverley, was underpinned by a robust evidence base based on real economic areas and travel-to-work patterns. We believe it presents a well-evidenced, coherent and future-proof model for local government reorganisation.

Crucially, the three-unitary model enables responsive, place-based service delivery and democratic accountability, laying the foundations for future economic prosperity and growth, strategic planning, housing growth and devolution. In our view, this proposal represents the most sensible and effective configuration for achieving a single tier of local government across Surrey.

Our view is based on the following observations:

Sensible economic areas

As the evidence set out in the proposal demonstrates, the proposed three unitary councils of North Surrey, East Surrey and West Surrey have each been developed to reflect the economic geography in Surrey as it exists on the ground.

It is noteworthy that the boundaries for these new proposed councils are underpinned by a comprehensive and detailed analysis of travel-to-work areas, commuting flows and other sources such as the 2021 Census and other modelling, forecasts, and estimates from organisations like the ONS, Valuation Office Agency, HM Land Registry, Business Register and Employment Survey, Ofcom, and DWP, amongst others.

Moreover though, this proposal clearly demonstrates how the three new unitary authorities algin with the economic boundaries that are already locally recognised to exist in Surrey by all twelve principal authorities (Surrey County Council together with the eleven districts and boroughs).

The Interim Strategic Statement, produced in 2017, identifies four distinct sub-areas in Surrey which its authors (Surrey County Council and all districts and boroughs) recognise to be distinct functional economic areas. These are:

- Upper M3: the boroughs of Elmbridge, Runnymede and Spelthorne.
- East Surrey: the boroughs and districts of Epsom & Ewell, Mole Valley, Reigate & Banstead, and Tandridge

- Blackwater Valley: extends beyond Surrey's boundaries into Hampshire and Berkshire but incorporates areas of Guildford, Surrey Heath and Waverley.
- A3 corridor: large areas of the boroughs of Guildford, Waverley and Woking.²⁸

Similarly, the Surrey 2050 Place Ambition (also jointly produced by all principal authorities in Surrey), identifies nine 'Strategic Opportunity Areas', which it defines as areas 'with significant long term potential for delivering good growth' and are 'areas where there are opportunities to maximise the value of strategic economic assets' to 'support long term prosperity'.²⁹

This proposal delivers unitary authorities which align with these universally and long recognised economic areas in Surrey, creating sensible economic areas for the new councils that reflect the reality on the ground. It would allow the new councils to cultivate the best possible conditions to maximise sustained economic growth in their area, reflective of the strengths of their distinct economies.

As this proposal notes, Surrey has a strong local economy with significant Gross Value Added (GVA). By creating unitary authorities that are able to take a coherent and strategic approach to delivering growth, it places the new Strategic Mayoral Authority in the strongest possible position to use their county-wide devolved powers to deliver joined-up infrastructure planning and provide a strategic regional approach to skills, transport and planning.

Appropriate tax base that does not create an undue advantage or disadvantage for one part of the area

This proposal would create three unitary authorities each with an appropriate tax base that would not unduly advantage or disadvantage any of the new councils.

Rather than seeking to partition Surrey into exactly equitable areas, this proposal would create councils whose council tax base would be proportionate to their size. Our analysis supports this:

	Council Tax base ³⁰	Population ³¹	Council Tax per capita
	£434m	415,649	C1 O11
East Surrey	(34.1%)	(34.8%)	£1,044
	£489m	478,126	C1 033
West Surrey	(38.4%)	(38.9%)	£1,023
	£351m	334,896	C1 O49
North Surrey	(27.6%)	(27.3%)	£1,048

²⁸ 'Interim Local Strategic Statement for Surrey 2016-2031', jointly produced by Surrey County Council and Surrey's eleven districts and borough councils, p. 2.

²⁹ 'Surrey 2050 Place Ambition', jointly produced by Surrey County Council and Surrey's eleven districts and borough councils,

³⁰ 2025/26 budget papers for all principal authorities in Surrey. This figure combines both the lower and upper-tier precepted amount (including ASC precept).

³¹ 2023 mid-year estimates of the population for England and Wales', ONS, July 2024.

With almost exactly equitable council tax bases, proportionate to their population, no one area would be unduly advantaged or disadvantaged by this proposal.

Moreover though, with Council Tax bases per capita of over £1,000, these councils would be able to yield council tax levels significantly higher than any other similarly sized council. This was discussed in Part B of the Interim Proposal submitted jointly by all of Surrey's eleven district and borough councils.³²

Building on this, data from Surrey County Council shows that demand for upper-tier services closely matches the population and council tax income of the proposed new unitary authorities:

	Council Tax base ³³	Population 34	Adult Social Care need ³⁵	Children's Social Care need ³⁶	School Transport need ³⁷	Percentage of highways ³⁸
East Surrey	34.1%	33.8%	33%	35%	34%	37%
West Surrey	38.4%	38.9%	38%	38%	38%	44%
North Surrey	27.6%	27.3%	30%	28%	27%	20%

This equitability is noticeable particularly with regards to Adults and Children's services, the costliest services currently provided by the county council.

Furthermore, we note that highways is the only significant upper-tier function where the distribution of responsibilities diverges meaningfully from the population and tax base profiles of the proposed new councils. This is an expected and acceptable outcome of grouping areas based on shared identities and coherent economic geographies, and similarly reflects the distribution and use of the highways network in Surrey. For example, the urban North Surrey authority, with its higher population density, will manage a smaller but more intensively used road network. In contrast, West Surrey's larger geographical footprint includes more rural areas with lower traffic volumes.

In our view, this modest variation in highways responsibilities should not be the determining factor in the decision on local government reorganisation. Rather, the local tax base, population and service demand should be assessed holistically; the evidence for which demonstrates the suitability of this proposal.

³² surrey-district-and-borough-council-s-interim-plan, page 33.

³³ 2025/26 budget papers for all principal authorities in Surrey.

³⁴ 2023 mid-year estimates of the population for England and Wales'.

³⁵ Percentage split of ASC Relative Needs Formula, two-unitary proposal, p. 208.

³⁶ Percentage split of CSC Relative Needs Formula, two-unitary proposal, p. 209.

³⁷ Estimated split of total Home to School Transport 2025/26 expenditure, two-unitary proposal, p. 210.

³⁸ Percentage split on highways by unitary, two-unitary proposal, p. 224.

Sensible geography to increase housing supply

We recognise that Surrey faces significant housing pressures, with affordability ratios well above the national average and growing demand driven by inward migration. The proposal shows that aligning unitary boundaries with housing market areas will enable more effective local plan-making and infrastructure delivery.

The three-unitary model supports a strategic approach to unlocking housing land, including the use of grey belt areas and coordinated infrastructure investment. It avoids the pitfalls seen in other reorganisations, where large, disconnected authorities struggled to deliver coherent housing strategies. By enabling tailored responses to local housing needs, the model will help increase supply and meet demand sustainably.

Importantly, the three-unitary model aligns with established housing market geographies, as evidenced by Strategic Housing Market Assessments (SHMAs) across Surrey. These assessments consistently group the proposed unitary areas, such as Guildford, Waverley and Woking in West Surrey and Reigate & Banstead, Mole Valley and Tandridge in East Surrey, into coherent housing markets, reinforcing the case for boundaries that reflect real housing need and delivery patterns.

In North Surrey, the proposal highlights that Runnymede and Spelthorne already share a Strategic Housing Market Assessment, and uses evidence from recent analysis which demonstrates that Elmbridge is closely aligned with this market area. This supports the case for unified plan-making across a tightly connected sub-region, where housing pressures and development opportunities are best addressed across a wider, functional economic area.

Sensible geography to meet local needs

This proposal creates three unitary authorities that reflect the local identities and functional economic geography of Surrey. As the proposal itself demonstrates, this will place each of the new unitary authorities in the best position to create and deliver place-based services that achieve the best outcome for their residents. They will be able to harness distinct local opportunities that exist within their areas and best suited to overcome the challenges that are unique to their area.

Whilst it has been noted that the population of these new authorities would be less than 500,000, we note that the position of government is that this figure is 'not a strict target' and should 'set out the rationale for their proposed approach clearly' to 'determine the right fit for their area'.³⁹

In creating new authorities that align with Surrey's functional communities, rather than seeking to meet an arbitrary population threshold, this proposal

^{39 &#}x27;Written Ministerial Statement – Local Government Reorganisation', 3 June 2025, Statement UIN HCWS676, Written statements - Written questions, answers and statements - UK Parliament.

Clearly shows how three unitarity councils is the optimum configuration for Surrey. This proposal clearly explains and demonstrates how doing so would create new councils that would deliver high quality and sustainable services and that are best placed to foster sustained economic growth for the coming decades.

In addition to this, we note that since the submission of this proposal, the ONS have published their new population projections. Whereas their 2018 projections (as used in the proposal) forecast neglectable population growth in Surrey in the coming years, these new forecasts now predict considerable population growth:

	2025 population ⁴⁰	2047 population	
East Surrey	420,648	462,365	
		517,067 (500,000	
West Surrey	483,501	population achieved	
		in 2037)	
North Surrey	341,693	369,156	

As these forecasts demonstrate, contrary to the limited population growth projections available at the time of the proposal's submission, all areas of Surrey are now expected to experience significant population increases over the coming decades. This further reinforces the long-term viability of the three-unitary proposal.

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⁴⁰ 'Subnational population projections for England: 2022-based', ONS.

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.

Two-unitary proposal - No.

Summary

While the proposal outlines positive outcomes, many would be achieved by any unitary model. It fails to show why two unitaries are better than three, and its financial and service assumptions are inconsistent and poorly evidenced.

This proposal sets out a number of desired outcomes, summarised by the claim that two unitarity authorities will 'strengthen, save and simplify'. It provides considerable detail on how the authors argue their configuration best delivers these outcomes.⁴¹

However, we note that with many of these outcomes, *any proposal* for the creation of unitary local government would achieve these. Regardless of size, unitarisation would always bring together functions like waste collection and disposal or licencing and trading standards.⁴² This proposal fails to articulate why the two-unitary configuration in particular is the best one to achieve the outcomes it espouses.

Moreover, this proposal's conclusions rest on the flawed assumption that disaggregation necessarily requires full duplication or triplication of the entire service structures of Surrey County Council. It is the only proposal that mandates disaggregation, not considering whether any other potential models of service delivery could offer better value or outcomes, and neglecting to consider that many of these services are already delivered in a locality model. We note that this proposal assesses options against both the criteria set out by Government and what it describes as 'our own priorities for LGR'.⁴³

In contrast, the three-unitary proposal uses only the Government's published criteria as the basis for its assessment.⁴⁴ We are concerned that a proposal which claims to be 'robust and evidence-based' introduces additional, subjective measures that perhaps reflect the institutional preferences of its authors, rather than an objective framework for evaluation.⁴⁵

Our view is based on the following observations:

⁴¹ Two-unitary proposal, pp. 54-66.

⁴² Two-unitary proposal, pp. 58 & 60.

⁴³ Two-unitary proposal, p. 43.

⁴⁴ Three-unitary proposal, p. 10.

⁴⁵ Two-unitary proposal, p. 5.

Strengthening?

This proposal sets out thirteen outcomes that it claims will be 'strengthened' as a result of its implementation.

We note that many of these, which are presented as advantages of the two-unitary proposal, would be deliverable in either a two- or a three-unitary configuration, as they relate to matters that will be decided through detailed transition planning and implementation.

For example, the two unitary proposal suggests the new councils would be able to establish 'clear strategic priorities', build 'resilience to external financial shocks', use 'insight and intelligence' to inform service delivery. When compared to the *status quo*, both of the proposals under consultation would deliver significant improvement in these areas, and **it is wholly misleading to suggest that a three-unitary configuration would not be able achieve these**. We also note that these objectives are also addressed at length within the three-unitary proposal, with a clearer articulation as to how these are best met by its proposal.

The proposal also claims it will deliver 'safe and legal services from day one', asserting that:

'We will not allow the disaggregation of county council services to squander the hard-earned improvements gained for county services in recent years, in particular the improvements in practice and focus for Surrey County Council's Children's Services.*47

We note that the onus is on all of Surrey's principal authorities to ensure their services are effectively transitioned, regardless of whether that is to two or three new councils. The authors offer no evidence to suggest that this outcome can only be achieved through their preferred model. On the contrary, the two unitary model is the only proposal that mandates the disaggregation of Children's Services, something which its own scoring recognises as a risk for its own preferred option, which warns that the two-unitary option would lead to disruption of 'crucial services including Adults Social Care and Children's Services'.⁴⁸

Many of the other outcomes this proposal claims will be strengthened through its implementation would, in fact, be achieved by any form of unitarisation, regardless of the number of councils created. Those listed in this proposal in this way include:

- Social care and homelessness.⁴⁹
- Children's Services, Leisure, Early Help and Housing.⁵⁰
- Temporary accommodation, Housing, Children's and Adult Social Care.⁵¹
- Housing Planning and Adult Social Care.⁵²

⁴⁶ Two-unitary proposal, p. 55.

⁴⁷ Two-unitary proposal, p. 54.

⁴⁸ Two-unitary proposal, p. 31.

⁴⁹ Two-unitary proposal, p. 55.

⁵⁰ Ibid.

⁵¹ Two-unitary proposal, p. 58.

⁵² Two-unitary proposal, p. 58.

- Planning enforcement and infrastructure development to support housing delivery.⁵³
- Waste collection and disposal.⁵⁴
- Cultural and Leisure Services.⁵⁵
- Trading Standards and Licencing.⁵⁶
- Rationalising of community safety partnerships.⁵⁷
- Emergency planning and resilience.⁵⁸
- On- and off-street parking.⁵⁹
- Social care assessments, grants, benefits, housing and planning applications.⁶⁰

For each of these functions, the proposal offers no clear explanation as to why a two-unitary configuration would be better placed to deliver improved outcomes than the three-unitary alternative.

In contrast, the three-unitary proposal clearly demonstrates how aligning new councils with Surrey's functional economic geography and recognisable communities enables more coherent delivery of these services within each area, improving outcomes for residents and supporting sustainable economic growth.

The proposal also claims it will 'accelerate housing delivery', yet provides no evidence to support how this would be achieved under a two-unitary model. By contrast, the three-unitary proposal presents robust evidence not only of how it would enable housing delivery, but also of how the two-unitary model risks undermining this objective.

Saving?

Many of the outcomes listed in this section of the proposal, such as delivering economies of scale in commissioning, maximising the use of available income and funding, creating commercial opportunities, providing for a leaner workforce, making savings in property and assets, and leveraging the Surrey Pension Fund to stimulate local growth, could equally be achieved under the three-unitary model.⁶¹

Yet the proposal provides little evidence to demonstrate why a two-unitary configuration is best placed to achieve these outcomes. On the contrary, evidence from Peopletoo and the District Councils Network (DCN) both suggest that there is no evidence that authorities of the size proposed here achieve lower unit costs as a result of greater buying power, with their analysis of existing unitaries

⁵⁵ Two-unitary proposal, p. 60.

⁵³ Two-unitary proposal, p. 58.

⁵⁴ Ibid.

⁵⁶ Ibid.

⁵⁷ Ibid.

⁵⁸ Ibid..

⁵⁹ Two-unitary proposal, p. 63.

⁶⁰ Ibid.

⁶¹ Two-unitary proposal, pp. 61-2.

showing that councils of a smaller size are more optimal for achieving the lowest unit cost.⁶²

The proposal argues, unconvincingly, that reducing the number of principal authorities from twelve to three would result in high costs, despite clear opportunities for rationalisation and economies of scale. At the same time, it concedes that its preferred two-unitary model would not be financially viable under base-case assumptions.⁶³

The proposal relies heavily on financial modelling to justify its preferred configuration, asserting that a three-unitary model would not be financially viable. **However, we believe this modelling is fundamentally flawed**.

The analysis fails to account for the fact that Surrey County Council's social care services are already delivered on a locality basis, with existing middle management structures in place. It also mandates that these services must be disaggregated, as if not already offered in a localised way. As a result, the proposal assumes that the entire county-wide footprint for these services would need to be duplicated two or three times. This modelling leads to the creation of over 500 additional middle management posts compared to current staffing levels, without any justification for why such duplication would be required. The proposal's conclusions rest on the flawed assumption that disaggregation necessarily requires this extent of duplication or triplication of the service structures of Surrey County Council.

In contrast, the more robust and realistic financial model, supported by the Section 151 Officers of three-quarters of Surrey's principal authorities, demonstrates that a three-unitary model is financially viable. This model reflects the localised service delivery already in place. It allows for the duplication of some specialist cross-county roles, while also exploring opportunities for these to be shared across the new councils.

Further, the proposal states that the new councils should prioritise 'the most efficient and effective delivery models'.⁶⁴ **Yet its financial modelling assumes that all upper-tier functions must be disaggregated, regardless of whether shared service models might offer better value**. To support this claim, the proposal points towards the tri-borough shared service model of Westminster, Hammersmith and Fulham, and Kensington and Chelsea.⁶⁵

However, the proposal fails to mention that the tri-borough model evolved into a successful bi-borough partnership between Westminster and Kensington and Chelsea. Without clear reasoning, it also overlooks numerous examples of effective shared service models, such as:

⁶² LGR – Unit costs count vs unitary based on population banding, Peopletoo, March 2025; Performance data undermines case for mega councils, District Councils Network, 10 March 2025, UPDATED: Performance data undermines case for mega councils | District Councils' Network.

⁶³ Two-unitary proposal, pp. 47-8.

⁶⁴ Two-unitary proposal, p. 62.

⁶⁵ Ibid.

- The North West Regional Improvement Plan Pilot, which brings together the Department for Education with regional partners to improve children's social care in the North West.
- Harrow and Brent's joint commissioning for SEN transport.
- The delivery of services by Kingston, Richmond, and Windsor and Maidenhead through a shared community interest company.
- The shared Adult Social Care Services provided by Leicestershire County Council on behalf of Rutland County Council.
- The joint statutory safeguarding adults board fulfilling the duties of both Staffordshire County Council and Stoke-on-Trent City Council.

Notably, and in marked contradiction to its ostensible preference for avoiding shared service arrangements, the proposal simultaneously suggests that IT and digital services should continue to be delivered in partnership, citing benefits such as simplified governance, operational efficiencies, and increased buying power. 66 Yet it offers no clear rationale for why other services cannot be delivered in a similar way.

Ultimately, it will be for the shadow authorities to determine how best to deliver services. However, while this proposal highlights the risks of disaggregation, it fails to explain why shared or partnership models should be discounted – or why disaggregating into two authorities would enable 'significant transformation', while doing so into three would not.⁶⁷

In contrast to this, the three-unitary proposal offers a far more robust and open proposal for service delivery by the new councils, with a partnership model to avoid the risks of disaggregation being considered to maximise opportunities for future collaboration and improve integration with health and other public services.

While this proposal may suggest greater short-term financial savings, we believe these are outweighed by the long-term non-financial disadvantages. Local government reorganisation is a once-in-a-generation opportunity to optimise local government in Surrey to deliver sustainable growth, new homes, and improved outcomes.

While the two-unitary model may appear attractive over a 3-5 year horizon, the robust and evidence-based analysis in the three-unitary proposal demonstrates that over the next 3-5 decades, it is the only model capable of delivering both the Government's criteria and the outcomes this proposal itself aspires to.

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⁶⁶ Two-unitary proposal, p. 61.

⁶⁷ Two-unitary proposal, p. 5.

Simplifying?

The proposal identifies six key outcomes it seeks to achieve through implementation, followed by a proposed target operating model and details on its democracy and governance arrangements.

These are to deliver: 'clearer responsibilities', 'better resident experience', 'maintaining a clear digital and physical presence', 'joined up processes', 'strong local democracy' and 'operating as a single public service system'.⁶⁸

The underlying rationale appears to be that two single-tier councils are inherently simpler than twelve councils across two tiers. Beyond unsupported claims that three-unitary authorities would be 'imbalanced' and lead to 'uneven delivery', **the proposal offers no clear explanation of how a two-unitary configuration would deliver these benefits more effectively than any other unitary model.** ⁶⁹

The same applies to the proposed operating model, which does not meaningfully demonstrate how it aligns with or enhances the benefits claimed for the two-unitary configuration.

In contrast, the three-unitary proposal presents a well-evidenced alternative, showing how each of these outcomes, and the proposed operating model, would be strengthened by aligning new councils with Surrey's recognised social and economic geography.

In the final section, which focuses on democracy and governance, the proposal fails to provide sufficient depth or clarity on how the two-unitary model would specifically 'strengthen' local democracy or give 'residents more clarity on who their local councillors are'. These benefits would also be realised, if not enhanced, under the three-unitary model, where members would come together within authorities that clearly reflect Surrey's recognised local identities and economic geography.

The three-unitary model would better enable councillors to provide clear strategic direction that reflects the unique challenges and opportunities of their areas. In contrast, a two-unitary configuration would group together members from geographically and economically diverse communities – risking a lack of strategic coherence and weakening members' ability to provide effective scrutiny and representation.

We support the proposal's recommendation to use the electoral boundaries established by the 2024 Local Government Boundary Commission for England (LGBCE) as the basis for the new councils. We also support the move to all-out elections every four years.

However, while the proposal considers both two- and three-member divisions, it expresses a preference for the lower number. It claims this aligns with the

⁶⁸ Two-unitary proposal, p. 63.

⁶⁹ Two-unitary proposal, p. 43.

⁷⁰ Two-unitary proposal, p. 65.

Government's ambition for fewer politicians with stronger powers, as set out in the English Devolution White Paper. Yet it does not explain why three-member divisions, still a significant reduction in councillor numbers compared to the *status quo*, would not achieve the same objective.

The proposal bases this decision on a narrow analysis of electorate ratios in areas recently subject to LGR, such as Cornwall, North Yorkshire, and Buckinghamshire. In contrast, the three-unitary proposal recommends three councillors per division based on a broader and more robust analysis of authorities of similar size, and with express reference to LGBCE guidance.

Three-unitary proposal - Yes.

Summary

This proposal clearly explains how it will deliver better outcomes, including economic growth, housing, and public service reform. It is grounded in evidence and offers a more coherent and locally responsive model.

In clear alignment with the criteria established by government, this proposal sets out six key outcomes it aims to achieve through implementation:

- 1. Supporting economic growth, housing and infrastructure delivery.
- 2. Unlocking the benefits of devolution.
- 3. Valuing and advocating for Surrey's unique identities and places.
- 4. Providing strong democratic accountability, representation and community empowerment.
- 5. Securing financial efficiency, resilience and the ability to withstand financial shocks.
- 6. Delivering high quality, innovative and sustainable public services that are responsive to local need and enable wider public sector reform.

We believe the three-unitary proposal offers a robust and well-evidenced explanation of how these outcomes can be best achieved. In doing so, it also comprehensively demonstrates how it will better deliver upon the outcomes to strengthen, simplify and save, that the two-unitary proposal attempts to articulate.

We believe that this is the only proposal that fully meets the government's criteria while reflecting the lived reality of Surrey's communities and the county's recognised economic geography. It is grounded in evidence, shaped by resident and stakeholder engagement, and designed to deliver long-term growth, resilience, and democratic legitimacy.

Our view is based on the following observations:

Supporting economic growth, housing and infrastructure delivery.

The three-unitary proposal is built around Surrey's established functional economic areas, enabling each new authority to plan strategically for growth, housing, and infrastructure in a way that reflects real commuting patterns, housing markets, and business ecosystems.

This contrasts with the two-unitary proposal, which cuts across economic clusters, embeds incoherence, and risks conflicting growth incentives. The three-unitary model supports targeted investment, local plan-making within real housing market areas, and stronger advocacy for infrastructure funding, advantages the two-unitary proposal cannot credibly claim.

Unlocking the benefits of devolution.

The three-unitary proposal lays the essential groundwork for a Mayoral Strategic Authority for Surrey, enabling a coherent and strategic approach to planning, transport, and skills. It ensures that devolved powers can be used effectively across a geography that makes sense.

The two-unitary proposal, by contrast, would require the Mayoral Authority to compensate for misaligned local planning, undermining its ability to deliver on the government's national mission for growth. **Only the three-unitary model enables devolution to work with, rather than against, local structures**.

Valuing and advocating for Surrey's unique identities and places.

Each of the three proposed authorities reflects a distinct and recognisable local identity. This enables tailored, place-based services and strengthens the connection between councils and communities. The two-unitary proposal, by contrast, imposes arbitrary boundaries that disconnect communities and dilute local identity. Resident engagement confirms this: 63% of respondents supported the three-unitary model, citing local understanding and decision-making as top priorities. The three-unitary proposal is not just more popular, it is more legitimate.

Providing strong democratic accountability, representation and community empowerment.

The three-unitary proposal enhances democratic accountability by **creating** councils that are close enough to their communities to be responsive and representative. It supports participatory governance, neighbourhood empowerment, and meaningful local engagement.

The two-unitary proposal, by contrast, risks a democratic deficit, relying on top-down structures like area boards that have failed elsewhere. Evidence from Wiltshire and Somerset shows that such mechanisms cannot compensate for the remoteness of oversized authorities. The three-unitary model avoids these pitfalls entirely.

Securing financial efficiency, resilience and the ability to withstand financial shocks.

While the two-unitary proposal shows marginally higher short-term savings, the three-unitary proposal is financially viable and delivers substantial efficiencies, £22.5m annually by year four, plus £39.8m from transformation.

Crucially, it does so while preserving local responsiveness and avoiding the hidden costs of incoherence and democratic disengagement. The three-unitary model also provides a more credible platform for managing Surrey's significant debt

challenges, including the stranded debt of Woking Borough Council, which the two-unitary proposal fails to address adequately.

Delivering high quality, innovative and sustainable public services that are responsive to local need and enable wider public sector reform.

By aligning service delivery with real communities and geographies, the three-unitary proposal enables holistic, needs-based services that are responsive, efficient, and sustainable and deliver on the government's prevention agenda. It supports integration with health and other partners, and builds on existing collaboration across Surrey.

The two-unitary proposal, by contrast, fragments service delivery, disrupts existing partnerships, and risks undermining the very outcomes it claims to support. The three-unitary model is not only more coherent, but also more capable of delivering the transformation residents expect.

3. Is the 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.

Two-unitary proposal: No.

Summary

The proposal assumes bigger is better, but provides no rationale for its population targets. Its financial modelling is flawed and overstates the costs of creating three councils, while underestimating the risks of its own approach.

No explanation on size and scale

This proposal claims it:

'Will deliver economies of scale and financial efficiencies through the consolidation of existing service arrangements that are currently duplicated across the districts and borough.'71

Whilst this proposal explains how it will deliver this when compared to the current two-tier system, we do not believe it satisfactorily articulates how these economies of scale and efficiencies are best optimised by a two-unitary configuration, given that regardless of the number of councils, unitarisation would bring duplicated functions together regardless of size.

With little evidence to substantiate this belief, this proposal assumes that there is no upper limit to the efficiencies that can be realised through aggregation and scale. However, evidence from Peopletoo and the DCN both suggest that there is no evidence that authorities of the size proposed here achieve lower unit costs as a result of greater buying power, with their analysis of existing unitaries showing that councils of a smaller size are more optimal for achieving the lowest unit cost.⁷²

Moreover, the proposal relies heavily on financial modelling to justify its preferred configuration, claiming that three-unitaries would not be financially viable. However, as noted earlier in this response, we believe that **this modelling is deeply flawed**. The more robust and realistic financial model that underpins the three-unitary

⁷¹ Two-unitary proposal, p. 29.

⁷² LGR – Unit costs count vs unitary based on population banding, Peopletoo, March 2025; Performance data undermines case for mega councils, District Councils Network, 10 March 2025, UPDATED: Performance data undermines case for mega councils | District Councils Network.

proposal, supported by the Section 151 Officers of three-quarters of Surrey's principal authorities, demonstrates otherwise.

The proposal argues, unconvincingly, that reducing the number of principal authorities from twelve to three would result in high costs, despite clear opportunities for rationalisation and economies of scale. At the same time, it concedes that its preferred two-unitary model would not be financially viable under base-case assumptions.⁷³

Flawed financial modelling

The proposal relies heavily on financial modelling to justify its preferred configuration, asserting that a three-unitary model would not be financially viable. However, we believe this modelling contains significant flaws.

Firstly, it significantly underestimates the savings achieved in previous local government reorganisations through the consolidation of back-office functions. Some of these savings can be realised immediately through the use of short-term contracts, interims, or temporary staff in the lead-up to vesting day. Further savings are typically realised over time through service transformation and organisational restructuring, including within county-level services.

Secondly, and more fundamentally, the proposal drastically overestimates the costs of disaggregation. It fails to recognise that Surrey County Council's social care services are already delivered on a locality basis, with middle management structures already in place. As a result, the proposal assumes that the entire county-wide footprint for these services would need to be duplicated two or three times.

This modelling results in the **creation of over 500 additional middle management posts compared to current staffing levels**, with no rationale provided for this level of duplication. The proposal's conclusions rest on the flawed assumption that disaggregation necessarily requires full duplication or triplication of services.

Similarly, in declaring three-unitaries to be unviable, this proposal significantly underestimates the savings that can be realised amongst the most senior officer leadership and management.

Firstly, it suggests the disaggregation of posts where this would not be necessary, for example within Surrey Fire and Rescue or internal audit (a function provided by contract to the county council and numerous districts and boroughs by the Southern Internal Audit Partnership). This proposal does not suggest Surrey Fire and Rescue will be disaggregated, but instead will sit at the Strategic Authority Level, so it unclear why its senior staffing structure is being disaggregated.⁷⁴

Secondly though, it assumes that the Surrey County Council pay scales would be replicated in the new unitaries. Surrey County Council salaries significantly higher than unitaries between 350,000 and 600,000 population, so this is unrealistic but contributes to the flawed conclusion that three unitary authorities would be unviable.

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⁷³ Two-unitary proposal, pp. 47-8.

⁷⁴ Two-unitary proposal, p. 92.

Smaller unitaries shown to have lower senior salaries than larger ones. Therefore, the three-unitary proposal benchmarked similar salary levels and then applied a small deflator applied to 2 unitary option and slightly higher for 3 unitary option.

Unlike the three-unitary proposal, this proposal's modelling also does not consider the additional £15m that will be collectable through the Adult Social Care Precept, accounted for by including the current lower-tier precept with that currently collected for Surrey County Council. With the cost of social care in Surrey outstripping funding, this additional money would enable greater funding to be provided for Adult Social Care, offsetting the need meet these savings elsewhere. Whilst it would be for the new councils to decide if this was necessary, we note that Surrey County Council has deemed it necessary to increase this precept by the maximum amount for many years.

Further, the proposal significantly underestimates redundancy costs arising from reorganisation, including those associated with pension strain. In comparison, the three unitary proposal takes into account the large number of tier 1-3 officers with significant local government service, resulting in larger redundancy payments. The three unitary model also accounts for significant pension strain due to the number of officers at early retirement age, which the two unitary proposal omits.

In contrast, a more robust and realistic financial model, supported by the Section 151 Officers of three-quarters of Surrey's principal authorities, demonstrates that a three-unitary model is financially viable. It reflects the localised service delivery already in place, allowing for the duplication of some specialist cross-county roles while also exploring opportunities for shared delivery across the new councils.

No rationale for the population size proposed.

This proposal is rooted in the belief that each new council must have a population greater than 500,000. However, it provides no rationale – other than for meeting this target – for the population sizes it proposes.

In fact, this proposal appears to not have been driven by a desire to create unitary authorities that reflect recognised economic areas, geographies, or local identities. Instead, it assumes that the new unitary councils must be equal in size and composition, rather than proportionately aligned with their distinct economic profiles and community identities.

While the three-unitary proposal clearly explains the rationale behind its proposed population sizes, this proposal offers no such justification. Although the minister has stated that 500,000 is 'not a strict target', this proposal treats it as a rigid minimum threshold, below which no configuration is deemed acceptable.⁷⁵

We believe this to be a wholly flawed approach. It appears that the underlying motivation was to partition Surrey as equitably as possible. Indeed, the proposal

⁷⁵ 'Written Ministerial Statement – Local Government Reorganisation', 3 June 2025, Statement UIN HCWS676, <u>Written statements - Written questions</u>, answers and statements - UK Parliament.

expresses pride in this, stating that it 'will offer the most equitable population split'.⁷⁶ However, this was neither a requirement of the government's criteria for local government reorganisation, nor does it represent a sound basis for designing governance structures that reflect local identity, circumstances, or need.

As highlighted in our responses to questions 1 and 6, this approach disregards a robust and long-established evidence base showing that such a configuration fails to reflect coherent economic geography or local identity.

Three-unitary proposal: Yes.

Summary

This model balances scale with local identity. It is financially viable, supported by most of Surrey's Section 151 Officers, and designed to deliver long-term savings while staying close to communities.

This proposal for three new councils in Surrey presents the right scale to deliver efficiencies, enhance capacity, and strengthen the financial resilience of local government. While government guidance suggests a population of around 500,000 for each new council, it has been made clear that this figure is indicative, not prescriptive. The proposal sets out a clear rationale for why slightly smaller councils are more appropriate for Surrey, and how they will still meet the outcomes the government expects.

Each of the three proposed councils would serve populations ranging from 330,000 to 480,000. These proposed authorities would be substantial, capable organisations, and the proposal demonstrates that they would be financially sustainable and able to deliver high-quality services. Their slightly smaller size is a deliberate design choice, ensuring that each council reflects real communities and economic areas, rather than imposing artificial boundaries to meet a numerical target.

The proposal includes strong evidence to support this:

- Each council would benefit from a robust local economy and tax base.
 Collectively, they would encompass Surrey's £51 billion economy, with each contributing between £16 billion and £18 billion in GVA.
- Financial modelling shows that the three-unitary model would deliver significant savings, over £60 million by year four, through reduced duplication, streamlined management, and service transformation.

⁷⁶ Two-unitary proposal, p. 30.

- These savings would help address future financial pressures, including rising demand for services such as social care and housing, as well as the impact of inflation and funding reform.
- A clear plan is included for managing transition costs, using existing budgets and capital receipts to fund changes. The proposal also outlines a phased approach to transformation, ensuring service continuity while improvements are implemented.

Developed with input from the Section 151 Officers of three-quarters of Surrey's principal authorities, the financial modelling underpinning this proposal is both robust and realistic. It shows that **the new councils would be better equipped to withstand financial shocks**. Operating at a larger scale than the current districts, they would be more resilient and better able to manage risk, while remaining small enough to stay connected to local communities and responsive to local needs.

Importantly, the proposal acknowledges the financial challenges facing Surrey, including high levels of debt in some councils. It makes a clear case for government collaboration to address these issues, particularly the debt held by Woking Borough Council, as part of a successful reorganisation. Crucially, it does not group the three most indebted districts (Woking, Spelthorne, and Runnymede) into a single unitary authority.

In summary, the three unitary model strikes the right balance between scale, efficiency, and local identity. It is grounded in real places, backed by strong evidence, and designed to deliver better services and stronger finances for the long term, fully aligned with the government's criteria for local government reorganisation.

4. The proposal covers an area in which there are 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?

Councils in Best Value intervention are Spelthorne Borough Council and Woking Borough Council.

The councils in in receipt of Exceptional Financial Support is Woking Borough Council.

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

Two-unitary proposal: No.

Summary

The proposal rightly supports the need for the government to write off stranded debt. However, the financial modelling underpinning the proposal is not reliable or credible, appearing driven by a pre-determined preference to emphasise short-term savings at the expense of meeting the government's wider criteria, and the viability of the three unitary model. In contrast, the three-unitary proposal offers a more balanced and sustainable approach, with the potential to deliver long-term resilience, high-quality services, and economic growth.

We support this proposal's view that the stranded debt related to historical commercial activities, in particular for Woking Borough Council, should be written off.⁷⁷

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.

However, as noted in our response to question 2, this proposal is the only one that requires the disaggregation of key upper-tier services. This assumption underpins the claim that three unitary authorities are not financially viable, a view challenged by the alternative three-unitary proposal. That proposal outlines a partnership model for service delivery, designed to minimise both service disruption and financial risk associated with disaggregation.

As mentioned in response to other questions though, we do not believe the financial modelling that underpins this modelling to be reliable or credible. We believe that the modelling has been driven by its author's pre-determined preference to show focus upon the supposed short-term viability of the two-unitary proposal, to the detriment of meeting the wider criteria set by government.

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⁷⁷ Two-unitary proposal, p. 7.

In contrast, the three-unitary proposal takes a significantly more holistic view of the criteria. With sound financial modelling, it would create authorities that were both financially robust, but best placed to deliver high quality and sustainable services, as well as continued sustainable local economic growth.

The two-unitary proposal seeks to depict its preferred option as delivering the best savings in the next 3-5 years. With robust modelling, the three-unitary proposal has proven that it deliver these savings in only a slightly later timeframe, but then place these new authorities on the firmest possible foundation for the next 3-5 decades.

Three-unitary proposal: Yes.

Summary

The proposal sets out a credible and realistic plan to strengthen local government, directly acknowledging the financial challenges in the area and calling for national action to address them. It outlines a phased approach to financial resilience across the new unitary authorities, including detailed modelling, risk management, and a clear transformation plan. It avoids assuming structural change alone can solve financial issues, instead advocating for tailored solutions and continuity from district and borough levels to preserve accountability.

The proposal provides a credible and well-considered route to putting local government in the area on a firmer footing, including for those councils currently in Best Value intervention or in receipt of Exceptional Financial Support.

The financial challenges facing Woking and Spelthorne are acknowledged directly and transparently in the proposal. In Woking's case, the scale of the debt is clearly recognised as a structural issue that cannot be absorbed by a new unitary authority without undermining its viability. The proposal is clear that this must be addressed through national action; specifically, the writing off of Woking's stranded debt as part of the government's forthcoming Spending Review. This is a necessary step to ensure that the new council which includes Woking can be financially sustainable from day one.

At the same time, the proposal sets out a wider plan for financial resilience across all three new unitary authorities. It includes detailed modelling of transition costs, savings from reducing duplication, and opportunities for transformation. These are not presented as quick fixes, but as part of a phased and realistic approach to building long-term sustainability. The proposal also includes a clear implementation and transformation plan, with a focus on maintaining service continuity, managing risk, and embedding good governance.

Importantly, the proposal avoids assuming that financial issues can be solved through structural change alone. It recognises that area-specific arrangements will be needed, particularly in relation to Woking's debt, and that these must be agreed with government. It also proposes that the new councils be designated as 'continuing authorities' from the district and borough level, rather than the county, to preserve local accountability and financial prudence.

In short, the proposal does not treat the financial challenges in parts of Surrey as isolated problems. Instead, it integrates them into a wider strategy for reform, and with the right support from government, it offers a strong foundation for more resilient and sustainable local government across the whole area.

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.

Two-unitary proposal: No.

Summary

The proposal lists many benefits of unitarisation, but doesn't explain why two councils would deliver them better than three. It risks creating remote authorities that are less responsive to local needs.

As noted in our response to question 2, this proposal highlights a number of benefits that will be realised by the unitarisation of local government in Surrey, with the bringing of upper- and lower-tier services into in organisation.

Those listed in this proposal include:

- Social care and homelessness.⁷⁸
- Children's Services, Leisure, Early Help and Housing. 79
- Temporary accommodation, Housing, Children's and Adult Social Care.
- Housing Planning and Adult Social Care.⁸¹
- Planning enforcement and infrastructure development to support housing delivery.⁸²
- Waste collection and disposal.⁸³
- Cultural and Leisure Services.⁸⁴
- Trading Standards and Licencing.⁸⁵
- Rationalising of community safety partnerships.⁸⁶
- Emergency planning and resilience.87
- On- and off-street parking.⁸⁸

⁸⁰ Two-unitary proposal, p. 58.

⁷⁸ Two-unitary proposal, p. 55.

⁷⁹ Ibid.

⁸¹ Ibid.

⁸² Ibid.

⁸³ Ibid.

⁸⁴ Two-unitary proposal, p. 60.

⁸⁵ Ibid.

⁸⁶ Ibid.

⁸⁷ Ibid.

⁸⁸ Two-unitary proposal, p. 63.

 Social care assessments, grants, benefits, housing and planning applications.⁸⁹

Many of the other outcomes this proposal claims will be strengthened through its implementation would, in fact, be achieved by any form of unitarisation, regardless of the number of councils created. For each of these functions, the proposal offers no clear explanation as to why a two-unitary configuration would be better placed to deliver improved outcomes than the three-unitary alternative.

Services not rooted in place and not well-placed for reform

The driving concern which underpins this proposal is the assumption that the new councils must be of equal size, with no regard or consideration given to whether an alternative configuration would create authorities that were proportionally equal, relative to the size of their economies and populations.

By using the evidence provided within this proposal, we can see that the alterative three-unitary proposal would create councils just as well placed to deliver these services:

	Council Tax base ⁹⁰	Population ⁹¹	Adult Social Care need ⁹²	Children's Social Care need ⁹³	School Transport need ⁹⁴	Percentage of highways ⁹⁵
East Surrey	34.1%	33.8%	33%	35%	34%	37%
West Surrey	38.4%	38.9%	38%	38%	38%	44%
North Surrey	27.6%	27.3%	30%	28%	27%	20%

In prioritising numerical equity, the two-unitary proposal fails to articulate how it will create councils that are sufficiently close to communities to enable the place-based solutions necessary to deliver Best Value. In contrast, the three-unitary proposal places place-based service delivery at the heart of its vision for high-quality, sustainable services, rooted in real communities and aligned with Surrey's economic and human geography.

The two-unitary proposal appears to downplay the importance of reflecting place and local identity in the design of local government. It concedes this point, stating:

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⁹⁰ 2025/26 budget papers for all principal authorities in Surrey.

⁹¹ 2023 mid-year estimates of the population for England and Wales'.

⁹² Percentage split of ASC Relative Needs Formula, two-unitary proposal, p. 208.

⁹³ Percentage split of CSC Relative Needs Formula, two-unitary proposal, p. 209.

⁹⁴ Estimated split of total Home to School Transport 2025/26 expenditure, two-unitary proposal, p. 210.

⁹⁵ Percentage split on highways by unitary, two-unitary proposal, p. 224.

'An East and West unitary cover places local stakeholders identify as functional economic geographies, using towns and villages as the focal points for a strengthened community engagement approach. 96

Although it claims to reflect functional economic geographies, the two-unitary proposal provides no evidence to substantiate this assertion. By its own admission, it would create councils not rooted in place.

As a result, and contrary to the comprehensive evidence provided in the three-unitary proposal, **this document would place areas that share little in common** in terms of challenges and strengths, dividing sensible economic areas in pursuit of absolute equality of size for the new authorities.

This matters. As research published recently by the DCN demonstrates, authorities rooted in an identifiable place have a stronger track record of performance in Children's Services.⁹⁷ Able to convene partners effectively and build on deep local knowledge, the three-unitary proposal's place-centric councils will be at the forefront of the shift towards prevention, early intervention and co-production.⁹⁸

The approach this proposal has taken fails to maximise the long-term opportunities presented by reorganisation to create place-based services that are holistic, high-quality, and sustainable. Rather it would fragment service delivery, limit options for public service reform, and undermine local economic growth.

In contrast, the three-unitary proposal is built on well-evidenced boundaries that reflect functional economic areas and local identities. It would provide a coherent strategic foundation for service delivery and reform, enabling the new councils to collaborate effectively with partners, deliver preventative services, improve outcomes for residents, and support long-term economic growth and financial sustainability.

The three-unitary proposal establishes a structure that supports coproduction, enables early intervention, and promotes integrated commissioning. By aligning services such as housing, community support, social care, SEND, and planning within councils rooted in place, it ensures delivery is tailored to the specific needs of each area. This place-based approach not only enhances service quality and value for money but also embeds long-term strategic coherence and strengthens local legitimacy, placing communities at the heart of decision-making.

Risks of disaggregation

Underpinning this proposal is the concern that the risks that disaggregating uppertier functions will potentially negatively impact the delivery of vital services like SEND

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⁹⁶ Two-unitary proposal, p. 32.

 ⁹⁷ Building the best places for children and families: Children's Services in new unitary councils,
 District Councils Network, July 2025, DCN-Staff-College-Childrens-Services-report.pdf
 ⁹⁸ Ibid.

as well as adults and children's social care. We support the intention that this should be done so to minimise these risks.

However, we note that this proposal is the only being consulted upon which mandates that such functions must be disaggregated at all. Furthermore, the proposal fails to adequately explain why the disaggregation into two unitary authorities a viable proposition is, but into three authorities in inviable.

Whilst the proposal points towards the tri-borough shared service model of Westminster, Hammersmith and Fulham, and Kensington and Chelsea to support its case, it neglects to mention that the tri-borough model evolved into a successful bi-borough partnership between Westminster and Kensington and Chelsea. ⁹⁹ Similarly, it also overlooks other examples of effective shared service models, such as Harrow and Brent's joint commissioning for SEN transport, and the delivery of services by Kingston, Richmond, and Windsor and Maidenhead through a shared community interest company.

Rooting upper tier services in place matters. As research published recently by the DCN demonstrates, authorities rooted in an identifiable place have a stronger track record of performance in Children's Services.¹⁰⁰ Able to convene partners effectively and build on deep local knowledge, the place-centric councils established by this proposal will be at the forefront of the shift towards prevention, early intervention and co-production.¹⁰¹

In contrast, the three-unitary proposal seeks to manage both the risks and costs associated by disaggregation by proposing a partnership model for these new services. Such an approach will be supported and enhanced by the existing place-based service delivery models these services already use across Surrey currently.

Three-unitary proposal: Yes.

Summary

This model is built around place-based services and real communities. It supports integration, innovation, and long-term reform, with a clear plan to manage transition and improve outcomes.

The proposal prioritises the delivery of high-quality, sustainable public services and presents a clear plan to improve local government and service delivery while avoiding unnecessary fragmentation.

By replacing the current two-tier system with three new unitary authorities, the proposal consolidates services that are currently split between county and district

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⁹⁹ Two-unitary proposal, p. 62.

Building the best places for children and families: Children's Services in new unitary councils,
 District Councils Network, July 2025, DCN-Staff-College-Childrens-Services-report.pdf
 Ibid.

councils. This will reduce duplication, streamline decision-making, and make it easier for residents to access the support they need. It also enables better coordination between related services, such as housing and social care, or planning and infrastructure, which are currently managed by different councils.

Unlike the two-unitary proposal, this proposal clearly and effectively explains how it would create authorities based on well-evidenced boundaries that reflect functional economic areas and local identities. It then explains how this structure would provide a coherent strategic foundation for service delivery and reform. Significantly, this structure enables the new councils to collaborate effectively with partners, deliver effective preventative services, improve outcomes for residents, and support long-term economic growth and financial sustainability.

The proposal includes a phased approach to transformation, ensuring that critical services like adult social care, children's services, SEND, and homelessness support continue safely and legally from day one. **Unlike the two-unitary proposal, it avoids the risks of rushed disaggregation by maintaining initial continuity in these services**, while enabling future reform and local tailoring where beneficial.

Importantly, the proposal recognises the need for innovation and early intervention, outlining opportunities to redesign services around people and places rather than organisational boundaries. These include integrated neighbourhood teams, shared commissioning, and closer collaboration with health, education, and voluntary sector partners.

The proposal also addresses wider public services, including public safety and emergency planning, with plans to maintain strong coordination across the new councils and with key partners such as the police, fire services, and NHS, ensuring resilience and community safety are upheld throughout and beyond reorganisation.

Overall, we believe this proposal offers a practical, well-evidenced route to better value for money, more responsive services, and a stronger, more sustainable system of local government for Surrey.

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.

Two-unitary proposal: No.

Summary

There is little evidence of meaningful engagement with residents or stakeholders. The proposal assumes identity can be reshaped, rather than reflected, and downplays the importance of place.

We are concerned that what is presented as a 'robust and evidence-based' proposal appears instead to rely on thin, discredited evidence that appeals to an eminence-based approach to understanding local views.¹⁰²

Indeed, there is minimal evidence within the proposal to suggest that the views of stakeholders or residents have been meaningfully considered, or that it reflects local identity in any substantive way. In contrast, the three-unitary proposal demonstrates how it was developed through local engagement, with clear evidence showing that both residents and stakeholders support it.

As highlighted in our responses to previous questions, we do not believe this proposal reflects the long-established and widely understood economic and cultural identities that exist across Surrey. Indeed, this proposal claims that three-unitary authorities would:

'create three very distinctive new communities with significant variations in key metrics and characteristics' 103

This claim reveals a flawed foundational assumption within the proposal: that local identity is malleable and can be reshaped by councils to suit a preferred structural model. Far from *creating* 'significant variations' in 'characteristics', the three-unitary proposal *reflects* the variation that already exists. This proposal provides no evidence or analysis to justify or explain its claim.

Rooted in robust and comprehensive evidence, the three-unitary proposal would establish councils that reflect the distinctive variations in identity and characteristics, rather than overlook them. Furthermore, that proposal demonstrates that strong local

¹⁰² Two-unitary proposal, p. 5.

¹⁰³ Two-unitary proposal, p. 43.

identity and a clear sense of place are essential foundations for delivering highquality, effective public services.

Our view is based on the following observations:

Local views - residents

We note that this proposal includes no substantive information regarding resident engagement. Indeed, the only indication of public involvement is a single page of infographics summarising metrics such as:

- Webpage views
- Video views
- Staff and councillor briefings
- Reach via social media
- Leaflets delivered
- Responses to social media comments
- Newsletter distribution.¹⁰⁴

This approach offers a descriptive summary of outputs, not the outcomes of engagement. We consider metrics such as leaflet delivery and webpage views to be a one-dimensional form of engagement, which does not demonstrate how residents' views informed, shaped, or are reflected in the proposal.

However, we do note that, while the proposal is coy in acknowledging it, some engagement was undertaken. Appendix 5 ('Our Approach to Engagement') states that engagement was carried out with Surrey County Council's online panel, described as 'a representative sample of residents'. However, the appendix provides very limited detail, offering no methodology and only a narrow summary of one aspect of the engagement:

'So far, the three outcomes most important to residents are:

- 1. Better value for money when delivering services (60%)
- 2. Clearer accountability (45%)
- 3. A more financially resilient council (37%)¹⁰⁶

Information later provided to the Surrey County Council Audit and Governance Committee (9 June meeting) confirms these outcomes were based on a question about 'what their preferred outcomes would be from unitarisation'. We note that all three outcomes, none of which reflect the full range of responses, could be achieved under any form of unitarisation, including the alternative three-unitary proposal.

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¹⁰⁴ Two-unitary proposal, p. 82.

¹⁰⁵ Two-unitary proposal, p. 245.

¹⁰⁶ Ibid.

¹⁰⁷ Questions and petitions, Audit and Governance Committee, Surrey County Council, 4 June 2025, <u>Item 4a - Member Questions and Responses.pdf</u>.

The proposal does not explain how the two-unitary model was developed based on this limited engagement. Nor does it demonstrate how these outcomes would be better achieved than under the three-unitary proposal, as highlighted in our response to question 2.

Furthermore, the response to the Audit and Governance Committee indicates that residents were asked about their preference for one, two, or three unitary authorities, with results showing 'no clear preference'. Although the lack of transparency limits our ability to assess the reliability of the methodology, we note that this output, known at the time of submission, was not mentioned in the proposal and was only shared with Surrey CC's Audit and Governance Committee in vague terms after submission of this proposal.

Furthermore, we note that Appendix 5 states that this research was undertaken between 12 and 26 February. We therefore believe that it was misleading for residents to be asked 'their sentiment toward the one, two or three unitary authorities', in any form, given that all principal authorities in Surrey, including Surrey County Council, had ruled out a single-unitary option for Surrey on 7 February. The inclusion of this option, that had been discounted by this point, undermines the reliability of this evidence.

On this basis, we do not believe the proposal has been adequately informed by the views of Surrey's residents.

On the contrary, the three-unitary proposal was developed following a robust resident engagement exercise, which received approximately 3,300 responses. This engagement took place in April 2025, following the submission of interim proposals. To ensure relevance, residents were only asked to give their views on the two options under active consideration by principal authorities at that time: the creation of three unitaries, two unitaries, or no preference. An overwhelming majority (63%) supported the creation of three unitary authorities, while fewer than one in five expressed support for the two-unitary option.

The engagement also asked residents to identify their top priorities when deciding how many new councils Surrey should have. As set out in the three-unitary proposal, responses showed that residents overwhelmingly prioritised decisions being made with strong local knowledge and close to the communities they affect. Unlike the two-unitary proposal, the three-unitary model clearly demonstrates how it meets

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¹⁰⁸ Questions and petitions, Audit and Governance Committee, Surrey County Council, 4 June 2025, Item 4a - Member Questions and Responses.pdf.

¹⁰⁹ 'The responses across the three options showed no clear preference. With a third agreeing or strongly agreeing with both three and one unitary authorities, compared to 25% for two. The overall data lacked consensus with 40% disagreeing or strongly disagreeing with both two and three unitaries.', ibid.

¹¹⁰ Two-unitary proposal, p. 245.

¹¹¹ Council leaders rule out devolved 'mega-authority', Emily Dalton, BBC News, 12 February 2025, Council leaders rule out devolved 'mega-authority' - BBC News.

¹¹² Three-unitary proposal, p. 28.

¹¹³ Three-unitary proposal, pp. 28-30.

these priorities by creating new authorities that reflect recognised economic areas and distinct communities.

Local views - stakeholders

The proposal states that 'the engagement of partners' in its development 'has been critical', and Appendix 6 includes a number of letters of support to evidence this claim. However, based on the limited information provided in the proposal, just three paragraphs, we do not believe this engagement constitutes a reliable evidence base for the proposal.

First, the proposal states that the 'primary mechanism for engagement' was through the Combined Health and Wellbeing and Integrated Care Partnership Board, with only brief references to items being 'taken to existing or focused partner meetings' and a small number of dedicated briefing sessions. Given the small number of stakeholders engaged, we do not believe this proposal reflects the breadth of voices across the county who will be affected by, and should help shape, the formation of any new arrangements.

Given the need for proposals to reflect sensible economic areas and support local growth, one notable omission is any meaningful engagement with the business community. Aside from one letter in Appendix 6 from the Surrey Business Leaders Forum, which only states its support for the creation of a Mayoral Strategic Authority on the Surrey footprint, a feature common to both proposals, **there is no evidence of engagement with, or input from, the business sector.** This limited engagement with the business sector, despite its central role in delivering the national mission of economic growth, suggests that **the authors of this proposal did not meaningfully test or seek input on whether it reflects sensible economic geographies.**

Second, the proposal prominently states, in an enlarged font, that:

'A number of dedicated partner briefings were led by the Leader of Surrey County Council, updating key partners on the implications of the English Devolution White Paper, the opportunities presented by the two unitary model, and the model for community engagement through local community boards.'117

As with the authors' approach to resident engagement, we believe that simply 'presenting' the 'opportunities' of their preferred model represents a one-dimensional process that could not meaningfully allow partners' views to inform, shape, or be reflected in the proposal.

¹¹⁶ Two-unitary proposal, pp. 284-285.

¹¹⁴ Two-unitary proposal, p. 81.

¹¹⁵ Ibid.

¹¹⁷ Two-unitary proposal, p. 81.

While the proposal claims that partner engagement was 'critical' to its development, we are concerned that the approach taken to secure this support undermines its credibility. We do not believe this approach complies with the well-established Gunning Principles¹¹⁸:

- 1. **Proposals are still at a formative stage:** by presenting their preferred two-unitary model, the authors had already predetermined the outcome.
- There is sufficient information to give 'intelligent consideration': only the
 two-unitary option appears to have been actively publicised. Given the
 emphasis on the 'opportunities' it presented, we do not believe stakeholders
 were given enough information to provide an informed response, if one was
 genuinely sought.
- 3. **There is adequate time for consideration and response:** the proposal provides no timescales to clarify when this engagement occurred, making it impossible to verify.
- 4. 'Conscientious consideration' must be given to the consultation responses before a decision is made: having already settled on the twounitary configuration and presented its 'opportunities', the views of the authors were already fixed. We do not believe stakeholder feedback was given conscientious consideration.

In contrast, the three-unitary proposal was developed through a far more robust stakeholder engagement process, the outputs of which directly shaped the final proposal. As set out in Appendix 3 of the proposal, a stakeholder survey was conducted to gather insights, receiving over 130 responses from across Surrey and representing a wide range of sectors.¹¹⁹

Rather than presenting a predetermined outcome, this survey sought stakeholders' views on the opportunities presented by LGR, their concerns, and how relationships could be strengthened through the process. The outputs from this engagement are set out within the three-unitary proposal, with stakeholder views clearly aligning with the configuration it proposes.¹²⁰

Local identity, culture and history

Not only did this proposal fail to seek the views of residents and stakeholders, but it also contains no meaningful consideration of local identity, culture, or history.

While the proposal references Surrey's 'nationally renowned natural attractions' and 'major historic and cultural destinations', these are mentioned only in passing, with no meaningful explanation of how such assets reflect local identity or the strong sense of place that residents clearly value.¹²¹

¹¹⁸ The Gunning Principles, the LGA, February 2019, The Gunning Principles.pdf.

¹¹⁹ Three-unitary proposal, Appendix 3 - summary of stakeholder feedback.

¹²⁰ Three-unitary proposal, pp. 25-7.

¹²¹ Two-unitary proposal, p. 13.

The foreword opens with the bold claim:

'Our story in Surrey is one of ambition, talent and innovation. A place of thriving communities and businesses, creative heritage in the arts and, of course, beautiful countryside 122

Paradoxically, however, the proposal is rooted in the assumption that place and local identity do not matter and, contrary to the criteria set out by government, should not inform the boundaries of new councils.

As noted in our response to question 1, this unorthodox approach is reflected in the unfounded claim:

'The three unitary model would create three very distinctive new communities with significant variations in key metrics and characteristics, setting the new councils off on unequal and unsustainable footings.' 123

This statement reflects a misunderstanding: three unitary authorities would not *create* new communities, but they would *reflect* the distinctive communities that already exist across Surrey.

The proposal goes on to assert:

'Surrey's geography, reflecting its history, is one of multiple towns and villages rather than single centres. These towns and villages are typically the "real places" that people identify with, over and above any administrative boundaries.'124

No evidence is provided to substantiate this claim, and it contradicts the fact that, when compared to the alternative three-unitary proposal, this model would create councils more remote from the 'real places' its authors claim to champion.

We are concerned by the lack of evidence showing how local identity has informed the development of this proposal. **This is further compounded by the limited, dismissive, and contradictory way in which local identity is portrayed**, both as something rooted in towns and villages, and simultaneously as something that a three-unitary configuration could simply create.

By contrast, the three-unitary proposal discusses at considerable length how its proposed configuration reflects Surrey's local identities, culture, and history. **Robust and well-evidenced, the three-unitary proposal would create councils that both reflect and are optimised to deliver high-quality, sustainable services** that align with Surrey's distinct local identities and support long-term economic growth.

¹²² Two-unitary proposal, p. 3.

¹²³ Two-unitary proposal, p. 43.

¹²⁴ Two-unitary proposal, p. 75.

Three-unitary proposal: Yes.

Summary

This proposal is shaped by strong engagement with residents and partners. It reflects Surrey's distinct identities and communities, and shows how local voices will remain central to decision-making.

This proposal has clearly been informed by local views and gives strong consideration to local identity, culture, and history.

The engagement process included over 3,000 residents from across Surrey, with 63% expressing a preference for a three-unitary model. The most important priorities identified were local decision-making and councils having a strong understanding of local issues—highlighting the importance of councils that are close to the communities they serve.

The proposal reflects this by aligning the new unitary councils with Surrey's three distinct functional economic areas, East, North, and West Surrey. These boundaries are based on real places with shared identities and economic links, rather than arbitrary lines. This approach helps preserve local identity and ensures that services are delivered in a way that reflects the unique needs of each area.

Such a conclusion is supported by the robust and well-evidence of engagement with a range of stakeholders. Rather than presenting a predetermined outcome, this survey sought stakeholders' views on the opportunities presented by LGR, their concerns, and how relationships could be strengthened through the process. The outputs from this engagement are set out within the three-unitary proposal, with stakeholder views clearly aligning with the configuration it proposes.¹²⁵

Importantly, the proposal also addresses concerns about the potential loss of local knowledge and community connection. Drawing on evidence from elsewhere, it shows that these cannot be resolved through top-down structures like area boards or local community networks, which often fail to deliver meaningful engagement or influence, and instead create duplication and confusion. Instead, the proposal commits to more innovative and participatory forms of engagement, such as citizen panels, participatory budgeting, and co-designed services, that are embedded in the new councils from the outset.

It is also worth noting that research commissioned by Surrey County Council also found greater support for the three-unitary model than for the two-unitary option. While the research was not included as part of the proposal, it has since been reported to the county council's Audit and Governance Committee and reinforces

¹²⁵ Three-unitary proposal, pp. 25-7.

that residents are more supportive of a structure that keeps decision-making closer to communities and reflects the distinct identities across the county. 126

Overall, the proposal demonstrates a thoughtful and evidence-based approach to local engagement and identity. It reflects the views expressed during consultation and includes practical steps to ensure that local concerns are addressed and that communities remain at the heart of local government.

¹²⁶ Questions and petitions, Audit and Governance Committee, Surrey County Council, 4 June 2025, ltem 4a - Member Questions and Responses.pdf.

7. Does the proposal support devolution arrangements?

Do you have any comments on the proposed devolution arrangements?

Two-unitary proposal: No.

Summary

While it supports a Mayoral Strategic Authority, this model creates councils that are too large and disconnected to support coherent local planning, undermining the benefits of devolution.

This proposal would lead to the establishment of a Mayoral Strategic Authority on the Surrey footprint, an outcome we support. However, as set out in our response to previous questions, we are concerned that if implemented, this proposal would create councils that are too remote from their communities and not reflective of local identities or coherent economic areas.

By dividing Surrey's long-recognised economic areas, this proposal bakes in economic incoherence and conflicting incentives for growth. Local leaders could be perversely incentivised to make strategic decisions that benefit their own authority but undermine growth and wider regional prosperity.

This would not only limit the new authorities' ability to plan effectively for growth, but also undermine the effectiveness of the Mayoral Strategic Authority, which would first need to compensate for the lack of coherent local planning before it could fully utilise its devolved powers.

In contrast, the three-unitary proposal would create councils whose boundaries align with Surrey's distinct economic clusters, ensuring the county is well-positioned to deliver on devolution and local growth ambitions for the benefit of residents across the strategic geography. Fostering growth requires a system-wide approach, and the proposed boundaries are well placed to support this, with coterminous alignment to other public sector boundaries, such as Surrey Police divisions, and near-complete alignment with parliamentary boundaries developed by the Boundary Commission for England based on local ties and identities.

Based on sensible economic areas, the three-unitary model would enable alignment around a coherent economic strategy. Such close alignment would not be possible if this proposal were implemented.

Three-unitary proposal: Yes.

Summary

This model enables devolution to work effectively by aligning local councils with real economic areas. It supports strategic planning and investment across Surrey.

The 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 doesn't just support devolution, it's built to make it work.

8. Will the proposal enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment?

Do you have any comments on the proposed approach to community engagement?

Two-unitary proposal: No.

Summary

The proposal relies on community boards, which have previously been shown to be ineffective within Surrey as recently as 2022. It risks creating remote councils that struggle to connect with local communities.

While this proposal claims to enable 'stronger community engagement', the evidence that underpins this claim is extremely limited. The proposal claims that:

'Two unitary councils will work with partners and residents to deepen collaboration across Surrey's towns and villages so public services are locally responsive, more joined up and more effective in prioritising and delivering the outcomes that matter most to communities.'127

However, the document does not explain how two-unitary authorities would better achieve this aim than a three-unitary configuration, nor how reorganisation would enable progress beyond what is currently possible under the two-tier system.

Indeed, the proposal itself notes that 'two unitaries could be perceived as more remote compared to three unitary councils', further demonstrating the weakness of this proposal in this regard. While the authors claim to be 'committed to using LGR to build stronger and simpler arrangements for local community engagement and neighbourhood empowerment', the proposal provides very limited evidence of how this will be delivered in practice. 129

Closer to residents and with clear alignment to sensible economic areas and local identities, we believe that the three-unitary proposal will be considerably better placed to enable stronger community engagement and deliver genuine neighbourhood empowerment.

Our view is based on the following observations:

¹²⁷ Two-unitary proposal, p. 76.

¹²⁸ Two-unitary proposal, p. 32.

¹²⁹ Two-unitary proposal, p. 74.

Limited scope for meaningful resident involvement

In contrast to the three-unitary proposal, which presents a broad range of options for how innovative engagement could enable stronger community engagement and empower communities, this proposal offers only a limited explanation, which centres on the creation of community boards. While it will be for the new councils to determine how best to undertake resident engagement, we note that this approach could be implemented under either a two- or three-unitary configuration.

This proposal makes considerable virtue of its suggestion of community boards, proclaiming that they:

'Bring together local partners to understand the key issues, agree priorities and drive collaborative action that promotes preventative activity and supports thriving communities: where everyone can access effective early support, fulfil their potential, and no one is left behind.'130

The proposal then goes on to set out the advantages of this approach, claiming that amongst other things, they are 'community focussed' 'inclusive of all partners', 'drive action and improvement', and 'enable direct representation from residents'. 131

We support the intended outcomes this approach seeks to achieve. However, we believe that the proposal represents a one-size-fits-all model that will not suit all areas of what the proposal describes as Surrey's 'multiple towns and villages', each of which it claims, 'are typically the "real places" that people identify with'. 132

In many parished areas, including most of Guildford and all of Waverley, these structures would duplicate the remit and functions already fulfilled by parish and town councils. The proposal provides no satisfactory explanation of how these new Boards would operate alongside existing local structures, which already have a statutory footing, democratic accountability via their elected councillors, and possess decision-making and tax-raising powers.

Lacking clear funding, statutory powers, or the ability to meaningfully shape local services, we believe this approach creates bureaucracy that inhibits, rather than fosters, community empowerment. Indeed, the current pilot undertaken by Surrey County Council confirms that its so-called Neighbourhood Area Committees 'are not constituted, so they do not have direct decision-making powers'. 133

Inconsistent thinking on community boards

¹³⁰ Two-unitary proposal, p. 77.

¹³² Two-unitary proposal, p. 75.

¹³³ FAQ – What decision making powers do the Neighbourhood Area Committees have?, Surrey County Council, Neighbourhood Area Committees - Surrey County Council

We note that despite advocating for them now, the primary author of this proposal, Surrey County Council, appears to share our view that their own previous approach to local area committees was ineffective and disempowering.

Indeed, for a number of years, up to 2022, the county council maintained a series of Local Committees. At that time, the county council sought to be:

'[a] more effective local partner, working with and alongside local people. This includes better supporting county councillors as community leaders, redefining roles to get more staff working directly in communities, providing funding and support for community-led projects and working with Members to better co-ordinate the Council's work and support our communities to do more for themselves.' 134

However, in October 2022, Surrey County Council decided to withdraw from their Local Committees, reasoning:

'This is consistent with residents' expressed desires to be more involved in what the Council is doing but through events and conversations rather than through boards and meetings. This is evidenced by research in the past year which has shown that far more residents have been able to communicate with the Council through a wider range of mechanisms than has been the case historically using traditional Local and Joint Committee processes. For instance, in 2021/22, 11 online engagement sessions reached over 50,000 members of the public, whilst in comparison only 650 residents attended LC/JCs between 2019 and 2021."

Despite well-documented shortcomings in Surrey, including low resident engagement, we are concerned that the proposal seeks to reintroduce a model that was discontinued by the authors of this document due to its demonstratable and well-evidenced ineffectiveness.

While the authors previously described them in 2022 as 'traditional' and ineffective, this proposal now claims they are:

'an effective community-level layer of governance to connect the unitary councils [...] to more local areas' 136

The proposal offers no explanation for why this view has changed, how the new Boards will improve upon the lessons of their predecessors, or how the

¹³⁴ Officer Report to Council - Governance Changes – Local and Joint Committees, Surrey County Council, 11 October 2022,

 $[\]frac{https://mycouncil.surreycc.gov.uk/documents/s88699/Item\%2011\%20-\%20Governance\%20Changes \\ \underline{\%20-\%20Local\%20and\%20Joint\%20Committees.pdf}.$

¹³⁵ Ibid.; the County Council resolved to adopt the recommendations in this report at this meeting on 11 October 2022: Agenda for Council on Tuesday, 11 October 2022, 10.00 am - Surrey County Council.

¹³⁶ Two-unitary proposal, p. 76.

evidence now supports a shift in 'residents' desires' toward greater involvement in 'boards and meetings' rather than 'events and conversations'.

Unevidenced assumptions about scale and empowerment

The proposal does not articulate how it would specifically enable stronger community engagement or deliver improved neighbourhood empowerment. Paradoxically and without foundation, it is underpinned by a view that two councils would be more local to residents than the alternative three-unitary configuration.

Furthermore, it claims that three unitaries would lack the:

'scale to provide support and resources to convene and deliver local improvements in partnership with communities.' 137

However, this unsubstantiated claim neglects the fact that the three-unitary proposal would create councils larger than most nationally, many of which already demonstrate best practice in community engagement and neighbourhood empowerment, as evidenced within the three-unitary proposal.

Moreover, the proposal fails to explain how a council with a population of 334,000 (as North Surrey would have under the three-unitary model) supposedly lacks the scale and resources to deliver stronger engagement, while a council of 545,000 (as East Surrey would have under this proposal) is deemed capable of doing so.¹³⁸

In contrast to the one-dimensional approach taken in this proposal, the three-unitary model is designed to bring decision-making closer to the people it affects. Building on national best practice, it gives communities the tools, support, and influence to shape decisions and take action on the issues that matter most to them.

Administrative boundaries without community foundations

Our concerns about the approach suggested in this proposal are rooted in the fact, outlined in our responses to questions 1 and 7, that it does not reflect recognised economic areas or local identity.

As a consequence, we believe that a considerable amount of these new councils' energy and resources, intended to strengthen community engagement and empower communities, will instead be spent justifying the irrationality of their administrative boundaries and attempting to foster a shared identity where one is evidently lacking, due to the absence of any consideration for existing identities and economic areas.

As noted previously, this proposal implicitly acknowledges this as a strength of the alternative three-unitary model, stating:

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¹³⁷ Two-unitary proposal, p. 37.

¹³⁸ Three-unitary proposal, p. 50; two-unitary proposal, p. 40.

'The three unitary model would create three very distinctive new communities with significant variations in key metrics and characteristics, setting the new councils off on unequal and unsustainable footings.' 139

With Surrey's 'distinctive communities' forming the foundation of its proposal, the three-unitary proposal provides a far stronger basis for building meaningful community engagement and neighbourhood empowerment.

Disempowering and diluting the role of councillors

We support the proposal's recommendation to use the electoral boundaries established by the 2024 Local Government Boundary Commission for England (LGBCE) review as the basis for the new councils. We also support the move to allout elections every four years.

However, while the proposal considers both two- and three-member divisions, it expresses a preference for the lower number. It claims this aligns with the Government's ambition for fewer politicians with stronger powers, as set out in the English Devolution White Paper. Yet it does not explain why three-member divisions, still a significant reduction in councillor numbers compared to the *status quo*, would not achieve the same objective.

The proposal bases this decision on a narrow analysis of electorate ratios in areas recently subject to LGR, such as Cornwall, North Yorkshire, and Buckinghamshire. In contrast, the three-unitary proposal recommends three councillors per division based on a broader and more robust analysis of authorities of similar size, and with reference to LGBCE guidance.

Finally, the proposal claims that under a three-unitary configuration, there is a 'risk that Surrey's voice on a national scale will be diluted by three unitary councils that may have opposing views'. This concern could apply equally to a two-unitary model, a point the proposal does not acknowledge.

It also overlooks the role of the Mayoral Strategic Authority, whose elected Mayor will serve as the primary voice for Surrey's interests at the national level. We are also concerned that, in seeking to create evenly balanced authorities, the proposal treats local variations in identity and interest, which should form the foundation of local governance, as a hindrance rather than a strength.

In contrast, the three-unitary proposal creates boundaries that align with Surrey's distinct local identities and long-recognised economic areas, creating councils that will deliver high quality services and foster economic growth.

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¹³⁹ Two-unitary proposal, p. 43.

¹⁴⁰ Two-unitary proposal, p. 36.

Three-unitary proposal: Yes.

Summary

This model brings decision-making closer to residents. It supports genuine empowerment through innovative engagement and councils that reflect real places and priorities.

The proposal will enable stronger community engagement and deliver genuine opportunities for neighbourhood empowerment.

The move to three new unitary councils is designed to bring decision-making closer to the people it affects. Each council will be rooted in a distinct and recognisable part of Surrey, East, North, and West, making it easier for residents to engage with their local council and feel that their voices matter. This is backed by strong public support: over 80% of residents said that understanding local issues and making decisions locally were their top priorities.

The proposal avoids one-size-fits-all or top-down models that have failed both elsewhere and previously in Surrey. Instead, it builds on Surrey's existing strengths, like local partnerships, community forums, and voluntary sector networks, and commits to expanding these in ways that are meaningful and inclusive. For example, it includes plans for participatory budgeting, citizen panels, and codesigned services that reflect the needs and aspirations of each community.

Importantly, the proposal recognises that real empowerment means more than just consultation. It means giving communities the tools, support, and influence to shape decisions and take action on the issues that matter most to them. This approach is not only more democratic, it also leads to better outcomes, because services are designed with and for the people who use them.

By aligning council boundaries with real places and identities, and by embedding community engagement into the heart of how services are delivered, **the proposal meets the government's criteria for stronger local democracy and neighbourhood empowerment.** It offers a practical and forward-thinking model for how councils can work in partnership with their communities to build a more responsive, resilient, and inclusive future.

9. Do you have any other comments on the proposed local government reorganisation in Surrey?

Two-unitary proposal

In questions 1 to 8 of this consultation, we have carefully considered this proposal and identified a wide range of concerns shared by both our councils regarding its credibility. The proposal's foreword boldly claims that 'the evidence is clear' in support of its conclusions. Far from being a 'robust and evidence-based case', however, this proposal is built upon inconsistency, contradiction, and conjecture¹⁴¹:

- It cites business births, deaths, active enterprises and NNDR rates as evidence of viability. 142. Yet the same data shows the three-unitary proposal to be equally viable on these terms.
- It uses historic LEP boundaries to justify its alignment with Surrey's economic geography, yet it fails to explain why Elmbridge is placed in East Surrey, contrary to that very evidence.¹⁴³
- It claims to demonstrate that two-unitary councils would equally apportion population, tax base, and service demand. However, its own data shows these metrics are just as proportionately aligned under the three-unitary model.
- It asserts that its configuration would strengthen and simplify service delivery by unifying functions; but identifies no benefits that would not be achieved by any form of unitarisation.
- It warns of the risks of disaggregation and pledges that its authors 'will not allow' others to 'squander the hard-earned improvements' of county services. 145 Yet it is the only proposal that mandates disaggregation, dismissing even the possibility of proven alternative delivery models.
- Its financial modelling underpins the claim that three-unitary councils are not viable. But this modelling is flawed, assuming wholesale duplication of county structures and the creation of hundreds of new management posts. Even so, it shows the two-unitary model to be unviable under its own base-case assumptions.¹⁴⁶
- It dismissively claims that identity is rooted only in 'towns and villages', implying that local identity is irrelevant to governance.¹⁴⁷ Yet it simultaneously warns that three-unitary councils would 'create' communities, revealing a contradictory stance.¹⁴⁸

¹⁴¹ Two-unitary proposal, p. 5.

¹⁴² Two-unitary proposal, p. 41.

¹⁴³ Two-unitary proposal, p. 18.

¹⁴⁴ Two-unitary proposal, pp. 30-31.

¹⁴⁵ Two-unitary proposal, p. 54

¹⁴⁶ Two-unitary proposal, p. 47.

¹⁴⁷ Two-unitary proposal, p. 75.

¹⁴⁸ Two-unitary proposal, p. 43.

- It claims that stakeholder views were 'critical' to its development. 149 Yet there is no evidence that stakeholders were asked for their views, only presented with the supposed benefits of the authors' preferred option, in disregard of the Gunning Principles. 150
- It celebrates Surrey's 'story' of ambition, talent and innovation, describing it as a 'place of thriving communities and businesses'. 151 Yet it provides no evidence that its proposed boundaries reflect these economic, cultural or social realities.
- It confidently proclaims that 'most importantly, this proposal strengthens local community engagement'. 152 However, its approach to engagement and empowerment is rooted solely in the reintroduction of 'community boards', an approach its own authors abandoned just three years ago, describing them as a 'traditional' method with 'limited interest', and contrary to 'residents' expressed desires' to be engaged through "events and conversations rather than through boards and meetings'. 153

We support the intentions of the English Devolution White Paper and the rationale for local government reorganisation. In particular, we endorse the aim to create robust, resilient councils that deliver high-quality services reflective of local need, and that foster stronger community engagement and empowerment.

While this proposal suggests greater financial savings over the next 3–4 years, we believe these are based on modelling and assumptions that were previously found to be unrealistic. By contrast, the modelling underpinning the three-unitary proposal demonstrates that three unitary authorities in Surrey would be financially viable.

Although it may claim to deliver slightly greater savings in the immediate term, we believe this proposal fails to meet the broader aspirations and intended outcomes of devolution and local government reorganisation.

It would divide Surrey's long-established economic areas and create councils that do not reflect local identity, thereby inhibiting local growth and community cohesion.

By its author's own admission, it would create councils remote from the people it serves and its proposed framework for community empowerment and engagement is based on a methodology that Surrey County Council itself previously discredited and discontinued.

Indeed, the outcomes this proposal seeks to achieve, 'strengthening, saving, and simplifying', would be delivered more effectively through the implementation of the three-unitary model.

¹⁴⁹ Two-unitary proposal, p. 81.

¹⁵⁰ Ibid.

¹⁵¹ Two-unitary proposal, p. 3.

¹⁵³ Officer Report to Council - Governance Changes – Local and Joint Committees, Surrey County Council, 11 October 2022,

https://mycouncil.surreycc.gov.uk/documents/s88699/Item%2011%20-%20Governance%20Changes %20-%20Local%20and%20Joint%20Committees.pdf.

As noted in our responses to questions 1 to 8, it provides limited evidence or explanation to support its conclusions, with significant gaps in analysis that undermine its overall argument. In contrast, the three-unitary proposal is rooted in evidence, reflects local identity and economic geography, and offers a more coherent and sustainable model for future governance in Surrey.

If we are to create local councils in Surrey that are equipped to meet the opportunities and challenges of the next fifty years, the alternative three-unitary proposal offers a far stronger foundation for outcome-focused, financially resilient, and community-empowering local governance.

Three-unitary proposal

This proposal delivers on the intentions of the English Devolution White Paper and meets the government's criteria for local government reorganisation, presenting a clear and credible framework for governance in Surrey.

By delivering real-terms savings within five years, it places the new councils on a strong footing to provide high-quality, preventative, and outcome-focused services. These would be delivered in collaboration with local partners, fostering community empowerment and supporting sustainable economic growth.

Rooted in place and community, local government should deliver high-quality, Best Value services in ways that reflect local needs and circumstances. The three-unitary proposal is robust, well-evidenced, and provides the strongest foundation for achieving this vision in Surrey.