

**MINUTES OF THE MEETING OF THE CABINET
HELD ON 18 MARCH 2025 AT 2.30 PM
SURREY COUNTY COUNCIL, COUNCIL CHAMBER, WOODHATCH
PLACE, 11 COCKSHOT HILL, REIGATE, SURREY, RH2 8EF.**

These minutes are subject to confirmation by the Cabinet at its next meeting.

Members: (*present)

- * Tim Oliver OBE (Chairman)
- * Natalie Bramhall
- * Clare Curran
- * Kevin Deanus
- * Matt Furniss
- * Marisa Heath
- * David Lewis
- * Sinead Mooney
- * Mark Nuti
- * Denise Turner-Stewart

Deputy Cabinet Members

- * Maureen Attewell
- * Steve Bax
- * Paul Deach
- Jonathan Hulley

PART ONE
IN PUBLIC

45/25 APOLOGIES FOR ABSENCE [Item 1]

Apologies were received from Councillor Jonathan Hulley.

46/25 DECLARATIONS OF INTEREST [Item 2]

There were none.

47/25 DEVOLUTION AND LOCAL GOVERNMENT REORGANISATION [Item 3]

The report was introduced by the Leader of the Council who explained that earlier in the day a Full Council meeting had taken place where there had been a lengthy discussion and debate around the interim plan that would be submitted to Government on devolution and local government reorganisation. The decision on whether the interim plan should be submitted to Government rested with the Cabinet. There were six recommendations in the Cabinet report.

The Leader explained that following the publication of the English Devolution White Paper on 16 December 2024, all councils in Surrey were invited to move forward on an accelerated pathway for local government reorganisation (LGR), paving the way to unlock further devolution and create more sustainable, effective local government for the County. One of the key aims was to have mayors across the whole of the country by the end of the

parliamentary term. Surrey did not have the option to create a combined authority as there were no unitaries within the existing Surrey footprint. An option that was explored was to join up with an existing unitary in an adjoining county. The Council had approached Hampshire, East and West Sussex, Kent and the Berkshires but there had been no forthcoming response. This left the council with one option if it was to comply with current legislation which was to create two unitaries or more within the county. The Government's request was for a single submission to be made and for the size of the unitary to be around 500,000 or more. In exceptional circumstances less than 500,000 would be considered. In the case of Surrey this would equate to two unitary authorities or possibly more. The Leader explained that the County Council was a strategic authority that delivered services to 1.2 million residents across 650 square miles of land. The services provided were of huge importance supporting vulnerable adults, children and their families, maintaining highways, delivering library services and many other things. The knowledge within the organisation was considerable.

It was the view of officers and from the analysis undertaken that the more services were disaggregated, the more risks there would be that things would go wrong and people would fall through the gaps. Costs would also be greater. The Part B annex produced by the County Council explained the costs of disaggregation and the savings that could be delivered. There were more savings with having two unitaries as opposed to three. Work was still being undertaken to refine this data. Importantly, the new unitaries would need to be financially sustainable from day one. The Leader explained that he had seen information from the Leader of the Liberal Democrat Group on social media stating that only Conservatives had voted for two unitaries. The Leader explained that the majority of the Liberal Group were twin hatters and the position they had taken reflected their roles as District and Borough councillors rather than County Councillors. County Council services would need to be split up where as District and Borough services would be consolidated which was a lot easier to manage. The County Council budget was £1.2b whilst the District and Borough councils budget was £180m. £900m of the County Councils budget was spent on social care. The Leader explained that he struggled with the argument that the Districts and Boroughs had put forward that a population of 400,000 was a local council. A key part of LGR was not just about creating two or three councils but about residents getting more involved in local issues that impact them and addressing health inequalities in the county. It was commented that the NHS was actively looking at restructuring within Surrey Heartlands to match the proposed unitary structure. Conversations were also ongoing with the Chief Constable and Police and Crime Commissioner.

At this stage the Council was being asked to submit an interim business case. Part A of that document had been agreed with District and Borough Leaders. There were two Part B annexes, one produced by the District and Boroughs and one produced by the County Council. Both of these would be submitted together to Government for consideration. It would then be for the Government to give the Council a steer on next steps. The expectation would then be for a final business plan to be submitted by 9 May. The Government would then go out to consultation to inform residents of the proposals with the aim of a shadow authority being in place from 2026.

It was agreed that the section titled 'Empowering Surrey towns and villages' in Annex 7, Part B would be amended to include the following ' the options when

considering what structures should look like should include but is not limited to: town and parish councils, local committees which comprise all unitary councillors represented communities within previous borough and district boundaries or smaller areas as appropriate, community area partnerships and any structures involving local elected representatives associated with the current Surrey County Council delivering in partnership strategy i.e. the towns and villages work footprint'. The Leader agreed that final wording would be left to officers for inclusion to the annex. Both the Part A and Part B of the interim plan were being considered by the District and Boroughs at their relevant formal committees. The Part A and Part B documents would be submitted to Government with a joint letter from the Leader and Chair of the Surrey Leaders Group on 21 March.

A number of the Cabinet commented on the report. The Cabinet Member for Fire and Rescue, and Resilience explained that he had seen a Facebook post from a Councillor about the Full Council meeting which took place earlier in the day. The Facebook post seemed to suggest that a vote had been taken at Full Council on whether members favoured either two or three unitaries. The Leader stated that the Facebook post was misleading and no vote had been taken on whether two or three unitaries should be put forward to Government. A vote had been taken on each of the recommendations in the report with the Council simply recognising that the Cabinet would be debating the issue in the afternoon and deciding on whether to make the submission to Government.

Members commented that the timetable for LGR was being led by the Government and the changes being brought about would streamline services for residents. Feedback from residents on LGR had been positive. It was commented that many of the local councils had seen a decline over time and had accumulated huge debts. The Cabinet Member for Health, Wellbeing and Public Health explained that he had attended a meeting at Runnymede Borough Council where there was a discussion around LGR. Members had pushed for three unitaries but there was clearly no evidence base for this. Turning to the District and Borough interim plan, the Leader highlighted the indicative savings by 2030 for two unitaries would be £123m and for three unitaries would be £66m. When taking off the costs for reorganisation, the net saving for two unitaries would be £65m and for three unitaries would be £4m.

The Cabinet Member for Environment highlighted that both children and adult services recommend two unitaries rather than three as this would better help deliver crucial services for the most vulnerable. This was also the case for the environment directorate. It was commented that the current two tier system of governance was out of date and a one council approach would help address the democratic deficit in local communities. The Cabinet Member for Finance and Resources reminded members that not all District and Boroughs supported the District and Borough LGR submission. The Cabinet Member for Adult Social Care had concerns that having more than two unitaries would impact both staff and residents in social care.

The Leader explained that recommendation six in the report related to the County Devolution deal which was agreed with Government in March 2024. Meetings on LGR were taking place on a weekly basis with District and Borough Chief Executives and Leaders. Both interim plans from the County Council and District and Boroughs would be submitted to Government on 21 March. Recommendation four in the report was amended to clarify that the

District and Borough Councils' interim plan would be submitted to Government alongside the Council's interim plan for the 21 March deadline.

RESOLVED:

1. That Cabinet notes the letter received from government on the 5 February 2025 inviting all councils in Surrey to submit an interim plan for Local Government Reorganisation by 21 March 2025 and a full proposal by 9 May 2025.
2. That Cabinet approves the Council's interim plan for Local Government Reorganisation in Surrey (the interim plan comprises Part A in Annex 6 and SCC authored Part B in Annex 7).
3. That Cabinet agrees that the Leader of Surrey County Council submits the interim plan to Government for the 21 March deadline.
4. That Cabinet notes the District and Borough Councils' (D&B) authored Part B (Annex 8) and submits this to Government alongside the Council's Part B for the 21 March deadline.
5. That Cabinet delegates authority to make any final amendments to the interim plan (and other associated information) for Local Government Reorganisation in Surrey to the Chief Executive, in consultation with the Leader of the Council, before submission within the deadline given by the Secretary of State.
6. That Cabinet delegates authority to the Chief Executive, in consultation with the Leader of the Council, to consent to the making of the necessary Regulations to devolve the Land Assembly and Homes England Compulsory Purchase Powers and Adult Skills Fund thereby implementing and giving effect to these aspects which formed part of the County Deal agreed with government in March 2024.

Reasons for Decisions:

Following the publication of the English Devolution White Paper on 16 December 2024, all councils in Surrey have been invited to move forward on an accelerated pathway for local government reorganisation (LGR), paving the way for further devolution for the county. Approving the Council's interim plan for LGR in Surrey is an important milestone in our ongoing work with the District and Borough councils and government to shape Surrey's future so it remains a uniquely special place where everyone has a great start to life, people live healthy and fulfilling lives, are enabled to achieve their full potential and contribute to their community, and no one is left behind.

Unitary councils are key to unlocking further devolution for Surrey. A County Devolution Deal was put in place with the previous government and implemented by the current government and will bring more powers and decisions closer to communities. To build on the foundations laid by this agreement, unitary councils will make local government in Surrey fit for purpose so we can take the next steps towards more powers, freedoms and flexibilities to benefit Surrey's residents and businesses.

Based on our assessment, we believe that reorganising the current 12 councils into two new unitary authorities is the best direction for Surrey to unlock devolution, realise improved local government services, create more financially sustainable local government and to lay the foundations for future public service reform. A shortlist of potential geographical configurations being considered for these unitaries has been included. We recognise that there is support for 3 unitaries but we have explained in the SCC authored Part B (Annex 7) why that is not our preferred option.

Two unitary councils in Surrey would build on current good examples of community engagement and involvement and work even closer with communities to tackle the specific challenges in the towns and villages they cherish. Partnerships will be more straightforward, less fragmented and more cost effective. Having fewer councils will help enable more transparent, quicker and effective partnership decision-making.

Whilst we seek further devolution for the county, we are also focused on implementing the County Deal agreed with the previous government in March 2024. Securing delegated authority to the Chief Executive, in consultation with the Leader, to consent to the necessary regulations needed to devolve the Homes England Compulsory Purchase Power and the Adult Skills Fund to the county council, is a further step towards fully implementing these devolved powers to the County Council.

(The decisions on this item can be called-in by the Resources and Performance Select Committee)

Meeting closed at 3.24 pm

Chairman

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