



# **Shaping Surrey's Future**

**Interim plan for local government reorganisation in  
Surrey**

**March 2025**

# Foreword

Since receiving the ministerial letter inviting reorganisation proposals in February, Surrey's local authorities have worked together to consider the options for change. All authorities agree that local government reorganisation is essential to maximising devolution opportunities and driving economic growth. We also recognise that the current system of local government has been in place for 50 years. This is a once in a generation opportunity to get the structure of local government right for Surrey.

We all firmly believe in the necessity for change. The current two-tier system is not working, and we see local government reorganisation as a critical opportunity to improve this system and the outcomes for residents, maximise value for money and make Surrey a brilliant place to live, work, and do business.

Devolution is our aim, and we want to play our part in bringing the Government's devolution vision to life. We see a key role for a new elected Mayor, working alongside the unitary authorities to support a strategic and coordinated vision across the county.

We intend to work with Government to take advantage of the new devolution powers announced and would like to work to the fastest possible timetable.

This document sets out our shared vision for the future of local government in Surrey.





Our priority is to create the conditions to maximise local economic growth, supporting Government's growth mission for the UK, and enabling a thriving economy for our residents and businesses.

We want to support the government's ambitions to build more and better homes, and to provide public services in a holistic, joined up way that improves outcomes for all our residents and businesses and drives the best value for money.

Our interim plan for reorganisation is the result of close collaboration among local authorities in Surrey and engagement with stakeholders. We have worked together, across the county and the political spectrum, to develop an interim proposal that delivers the best outcome for the residents and businesses of Surrey.

Reorganisation will enhance efficiency and help place local government on a sound financial footing, giving us the opportunity to work together to address Surrey's notable debt challenges.

We are keenly aware, however, that local government is more than numbers on a balance sheet – we deliver vital services that residents and businesses rely on, and we play a unique role in local place shaping.

It is vital that local authorities are demonstratively rooted in, serve the needs of, and are accountable to local people. By building up a structure for local government around our county's communities, we can ensure that, from day one, local government in Surrey is geared towards achieving the best outcomes for residents and fostering inclusive economic growth.



While not all authorities have expressed a clear preference at this stage of the process, of the majority that have, all strongly support and recommend a three unitary model. The analysis is clear that three unitary authorities best balance financial considerations with those of local accountability and connection. Three unitary authorities will create financially sustainable local government that aligns with Surrey's human and economic geography, giving us the best opportunity to maximise economic growth and provide the best service to our citizens as we move forward with devolution and the establishment of a Mayoral Strategic Authority.

While we have made strong progress, there is more work to do. We have outlined our current position and where additional support is required from the government in this interim proposal.

We look forward to continuing to work together to improve local government in Surrey.

# Executive summary

This document details the progress in developing a proposal for local government reorganisation in Surrey.

In reaching this point, we have considered the financial and non-financial case for change and have identified **two options for reorganisation**: a two unitary model or a three unitary authority model. A one unitary authority model for Surrey does not meet the criteria set out in the English Devolution White Paper, nor the specification set out by the Minister in his invitation for proposals.

Due to time constraints, our financial modelling is preliminary. However, our work suggests that **both options are financially viable and would result in significant financial benefits and improved value for money** by reducing duplication and improving service delivery. Short term benefits are expected from both options, and longer-term opportunities for transformation have also been identified. These include leveraging economies of scale and integrating upper and lower tier services to deliver holistic, needs-based services and improved outcomes. This includes, for instance, joining up decisions on investment in local infrastructure and local planning in unitary authorities covering functional geographic areas, helping to improve housing delivery and encouraging economic growth.

While the financial case is important, we have also considered the non-financial benefits of reorganisation. Our work highlights the importance of **maintaining strong local connections and accountability** between local government and the communities we serve. Doing so will ensure that the structures and services of local government reflect local identity, and the challenges and opportunities faced, making sure that we are best placed to do all we can to improve outcomes for the people who rely on our services.





Getting unitary boundaries right is crucial to maximise the **opportunities of devolution for economic growth**. Ensuring that unitaries reflect coherent economic geographies will enable each authority to have an economic strategy focused on its specific strengths. It will maximise the opportunity for inward investment and growth – supported by enhanced strategic planning, improved local infrastructure and housing delivery. All of which contributes to growing Surrey’s economy in support of the government’s growth mission for the UK.

**For all of us who have expressed a view, the three unitary authority option strikes the best balance between efficiency and maintaining a strong local connection, as well as maximising local economic growth by ensuring that unitary authorities reflect the economic geography of Surrey.**

The current system of local government has stood for 50 years, and this is a once in a generation opportunity to change and improve. We have therefore tried to think in a strategic, long-term way. But this means that we need to separately resolve **the local authority debt position** in Surrey, especially unsecured debt. As our interim plan sets out, we have identified options for dealing with debt and would welcome conversations with MHCLG to progress this further, alongside Woking Borough Council’s Commissioners. Other challenges identified include **service delivery risks** and the need for **capacity funding to deliver this ambitious change** and associated local engagement in the timeframes.

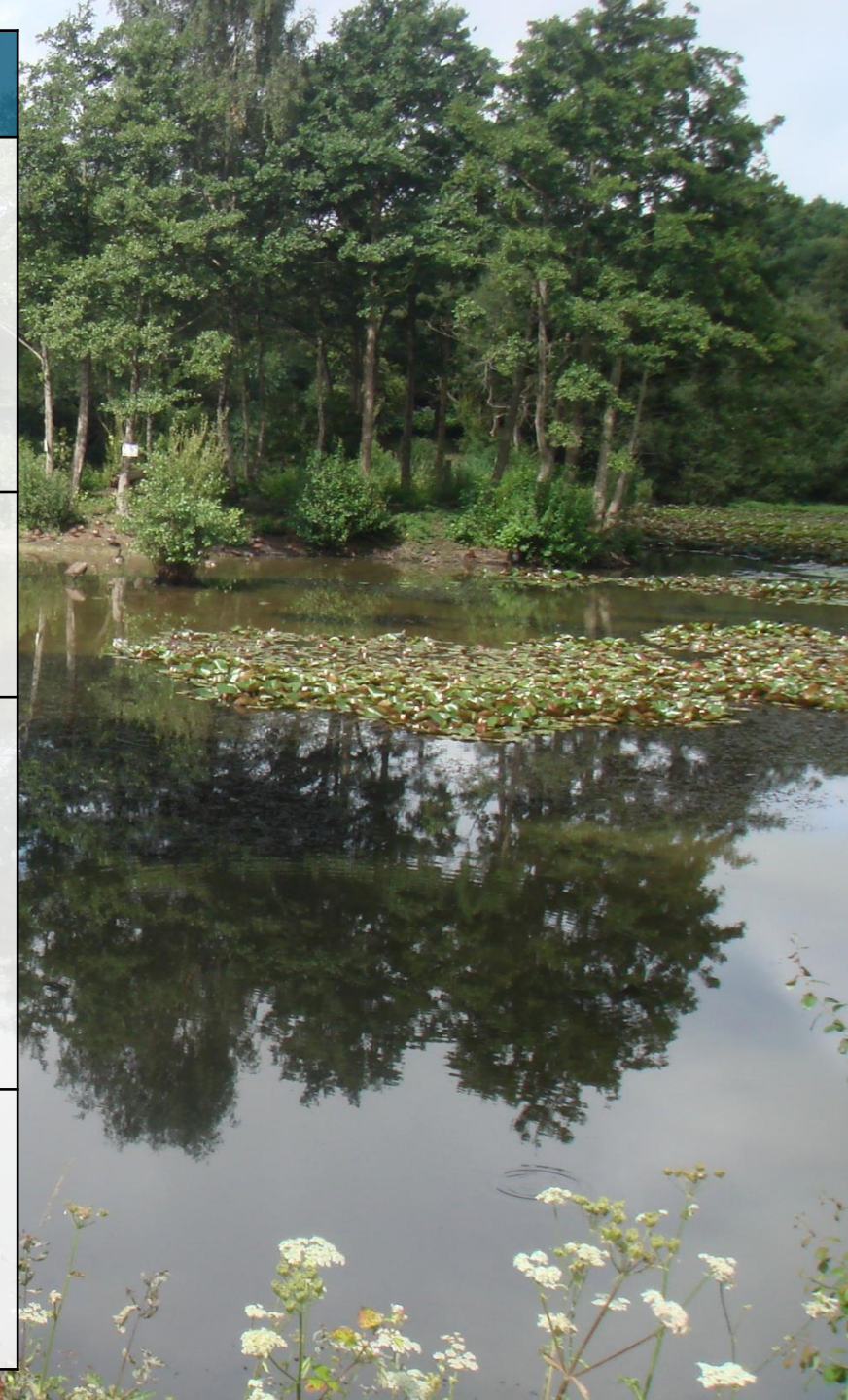
This proposal is the product of considerable engagement and coordination between Surrey’s local authorities. Each district and borough council in Surrey has received and debated this proposal at a meeting of its Full Council. We have also engaged with other public sector partners, including Woking’s Commissioners. This engagement will continue and ramp up as we finalise the plan due in May.

We look forward to continuing to work together to improve local government in Surrey, realising the opportunities of devolution and unlocking economic growth.



# Ministerial criteria – summary

Ministerial criteria for the interim plan	Summary	Page
a) Identify any barriers or challenges where further clarity or support would be helpful.	We have identified the following areas: debt, capacity funding, service delivery risks, consultation and engagement as further clarity and support would be helpful.	<a href="#">Page 10</a>
b) Identify the likely options for the size and boundaries of new councils that will offer the best structures for delivery of high-quality and sustainable public services across the area, along with indicative efficiency saving opportunities.	<p>In this pack, we have considered options for two or three unitary councils in Surrey.</p> <p>All of us who have expressed a view agree that three unitary councils is the best model for Surrey.</p>	<a href="#">Page 12</a>
c) Include indicative costs and arrangements in relation to any options including planning for future service transformation opportunities.	We expect that there will be many opportunities for greater efficiencies and improved outcomes from transforming services and we propose to establish a two-year transformation programme. Though we haven't yet confirmed our assumptions, we expect the potential for ongoing savings to be significant.	<a href="#">Page 34</a>



Ministerial criteria for the interim plan	Summary	Page
d) Include early views as to the councillor numbers that will ensure both effective democratic representation for all parts of the area, and also effective governance and decision-making arrangements which will balance the unique needs of your cities, towns, rural and coastal areas, in line with the Local Government Boundary Commission for England guidance.	<p>We propose using the new Surrey County Council boundaries, with up to 3 members per division as the basis for democratic representation in Surrey. This would result in a reduction from 534 to 243 councillors across Surrey, which is in line with the Local Government Boundary Commission guidance.</p> <p>We feel this best balances local representation with effective governance and decision-making.</p>	<a href="#">Page 36</a>
e) Include early views on how new structures will support devolution ambitions	<p>The new unitary authorities will support devolution ambitions by aligning local authority boundaries with Surrey's distinct economic clusters, enhancing strategic planning, and creating a more attractive investment climate for businesses.</p>	<a href="#">Page 40</a>
f) Include a summary of local engagement that has been undertaken and any views expressed, along with your further plans for wide local engagement to help shape your developing proposals.	<p>We have been working collaboratively together, across districts and boroughs, to develop this interim plan. We have also engaged with elected members, local partners and some stakeholders.</p> <p>Following the submission of this interim plan, we will develop a comprehensive consultation and engagement plan to make sure that the voice of residents and stakeholders informs our final submission – as it should.</p>	<a href="#">Page 42</a>
g) Set out indicative costs of preparing proposals and standing up an implementation team as well as any arrangements proposed to coordinate potential capacity funding across the area.	<p>We have estimated that costs of implementation will be in the region of £60m, though this does not include the considerable officer time and loss of capacity involved in developing and moving the proposal forward. We are keen to explore how the government can support us with this, particularly as capacity is limited given other key priorities.</p>	<a href="#">Page 44</a>



# Our theory of change

In developing our proposals for two or three unitary authorities in Surrey, we have considered the key benefits and outcomes any future model needs to meet. The theory of change for local government reorganisation (LGR) is well established and we have used previous examples of change to set our criteria, listed on the right of this page.

We have used financial and non-financial analysis to develop and evaluate the options for two and three unitary authorities, using data from previous experience of reorganisation; published reports and accounts; detailed accounts from all authorities; and previous analysis commissioned by PwC into local government reorganisation in Surrey.

The financial benefits and potential costs have been applied to both options and show that both are financially viable and create efficiencies and the potential to improve services. There are some differences in the anticipated benefits:

- Financial savings – two unitary authorities create greater potential for savings, but both options offer significant savings. Due to the topography of Surrey, property and service delivery will still need to be spread across the large unitary areas, minimising differences in benefits.
- Non-financial benefits – three unitary authorities better reflect local identities and the reality of Surrey's economic geography – which means more potential to deliver services aligned to local needs and maximise the growth of local economies.

The detailed assessment of these options against the benefits on the right are explained later in this report. This work has been carried out by district and borough councils working together, engaging County colleagues, with regular meetings between Leaders, Chief Executives, Section 151 Officers and Monitoring Officers throughout the process. We have also engaged key public sector organisations including the police, MPs and universities. A more detailed resident engagement plan is under development.

## Financial benefits

- **Reduced duplication**
- **Fewer councillors, elections & senior officers**
- **Economies of scale**
- **Asset rationalisation**
- **Opportunities for transformation & service improvement**

## Non-financial benefits

- **High quality & sustainable public services – more holistic delivery**
- **Recognises and meets local needs**
- **Supports devolution**
- **Enable local engagement & economic growth**

A scenic landscape of rolling green hills and forests under a bright sky. The foreground shows a mix of green fields and trees, with a road and some construction equipment visible. The middle ground is dominated by dense green forests covering the hills. The background shows more distant hills under a clear, bright sky.

# Barriers and challenges

Our view on areas where further clarity or support from Government would be helpful

# Barriers and challenges

We have identified the following areas that would benefit from further discussion between MHCLG and councils in Surrey:

**Debt** – The significant levels of debt across Surrey’s local authorities are well recognised and widely publicised. Ongoing discussions between local and national government, along with Commissioners and Best Value inspectors (where applicable), are focused on the best strategies for managing this debt. Whilst we have ideas to address the issue, we would welcome clarity on Government’s position, so that we can engage positively on a solution, to avoid debt coming across to a successor body.

**Capacity funding** – While we share the government’s ambitions on devolution and reorganisation, we are concerned that the inherent complexity involved in moving to new structures for unitary local government is a considerable undertaking in highly ambitious timescales. We have estimated that costs of implementation will be in the region of £60m, though this does not include the considerable officer time and loss of capacity involved in moving the proposal forward. We are keen to explore how the government can support us with this, particularly as capacity in local government is limited given other key priorities.

**Service delivery risks** – The period of implementation will result in risk associated with transition, particularly with reference to maintaining the delivery of core services. While we will seek to minimise these locally, we would also be keen to discuss government support in this area.

**Consultation** – We agree with Government's keenness to ensure that all proposals reflect full democratic consultation. We have ensured that all 11 district and borough councils have been part of the process, alongside Surrey County Council and other public sector organisations and MPs. We are keen to discuss how we ensure wider consultation is part of the process moving forward.

**Engagement** - This proposition reflects considerable analysis and work. We would welcome the opportunity to discuss this with officials and Ministers. We would also welcome a **named official** with whom we can work, to ensure that the proposition we bring for 9 May addresses Government priorities.



# The size and boundaries of unitary authorities

Our interim analysis of the options for unitary local government in Surrey that will offer the best structure for delivery of high-quality and sustainable public services, and provide significant efficiency savings compared to the *status quo*



# Our proposal

Our proposal is driven by a deep analysis of both financial and non-financial factors and considerations. It is guided by the belief that, given the current system has been in place for 50 years, this is a once in a generation opportunity for Surrey. It is vital that we get the structure of local government right to stand the test of time.

Our work has identified two viable options for the reorganisation of local government in Surrey: a move to a two or three unitary model. Together, Surrey's district, borough and county leaders agree that one unitary council for the entire county would not meet the government's criteria for reorganisation and devolution. We also believe that an authority of that size and scale will not be able to meet the diverse needs of the county. It has therefore been discounted as an option.

Both considered options create financially viable new unitary authorities with population ranges of approximately 600k for two, and 400k for three authorities. Existing district and borough boundaries will serve as the building blocks of the new unitary authorities, enabling LGR at pace.



Overall, our conclusion is that a model with either two or three unitary authorities in Surrey would be financially resilient, robust and able to deliver substantial efficiency savings compared to the current two-tier model of local government.

Our analysis shows that a three unitary model best recognises the social and economic reality of Surrey, enabling each new unitary to have a more coherent and stronger local grounding in the places it serves. This model will ensure that each new council is well placed to provide place leadership and deliver high quality services. It will give residents reasons to be proud of the place they live and to be ambitious for its, and their, future.

Crucially, a three unitary structure would also enable us to maximise economic growth, supporting the government's central growth mission and creating jobs and opportunities for residents and businesses.

The shape and location of proposed new unitary authorities therefore reflect this. We have developed options for the boundaries and would like to discuss these with Government as part of the next stage of development.

# Options for reorganisation

Despite the diversity in human and physical geography, the evidence suggests that Surrey's population and economic output is divided relatively evenly across the county.

## Two unitary authorities

- To form two unitary authorities, the most logical option would be to split the county down the middle, with an east and west unitary.
- This would create two large authorities, each containing economic hubs and a mixture of suburban areas, towns and villages – though an economic hub in the north would be fragmented between both.
- The authorities would serve a variety of different places which don't necessarily share a common local identity and have distinct needs and challenges

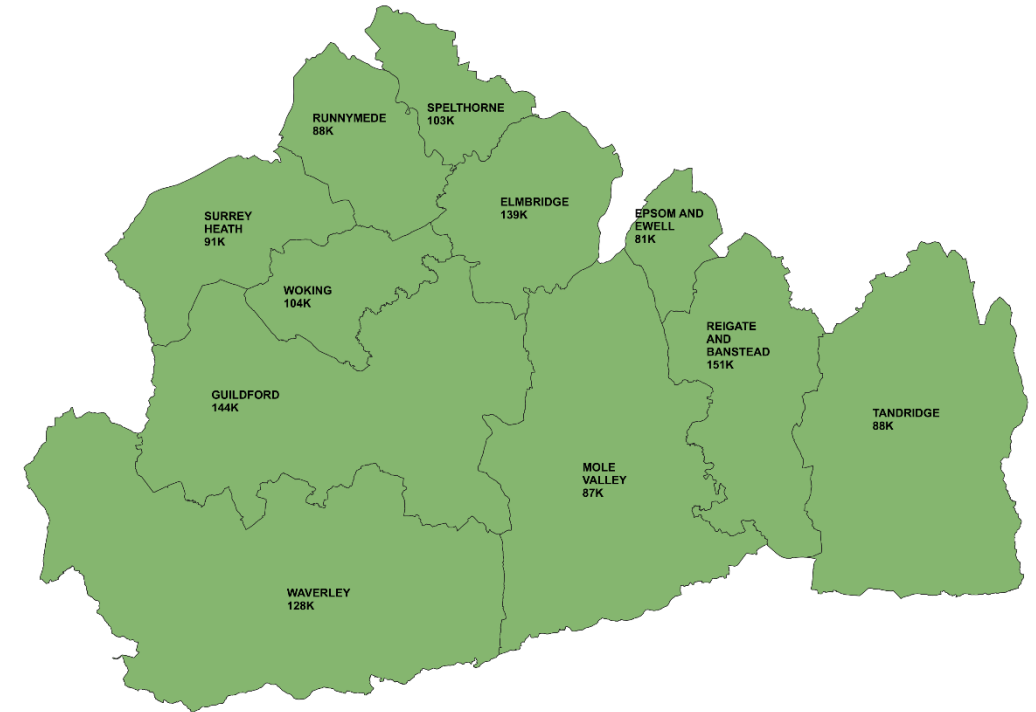
## Three unitary authorities

- To create three authorities, the proposal is to create a northwest Surrey unitary, then split the south-west and east into unitary authorities.
- This would create three coherent authorities, each with a distinct economic hub and character. The north-west would cover more urbanised, suburban London areas, while the southwest and east would mostly serve smaller, though still strategically significant, towns and villages.
- The authorities would have a clearer sense of local identity and a coherent pitch for economic growth.

Our evidence shows that **both two and three unitary configurations would create financially sustainable local authorities**, improving services for residents. While two unitaries offer slightly greater savings, both options deliver significant savings against the current model. Non-financially, three unitaries are preferable as they better reflect Surrey's diverse places, identities, and communities.

**Both options produce positive finances, and given the much stronger alignment between three unitaries and Surrey's economic geography, all of us who have expressed an opinion agree three unitary authorities is the best option for Surrey.**

## Districts and their population



# Population

According to the latest Office for National Statistics population data, Surrey has a population of approximately 1.2 million.

Estimates for future population growth (from 2020), forecast that population growth will remain flat over the 25-year forecast period. However, these growth estimates were made before the pandemic as well as the recent increase in housing targets as part of the new National Planning Policy Framework.

Updated population projections are due in May 2025, though it is reasonable to expect that Surrey's population will increase following post-pandemic trends (such as the "race for space") and the increased housing targets.

**Population sizes for each model – on current numbers - would roughly be:**

- **600k each for two unitary authorities**
- **400k each for three unitary authorities**







# The picture in Surrey

The following slides set out the contextual factors of Surrey needed to understand the proposed models.

# Strategically located

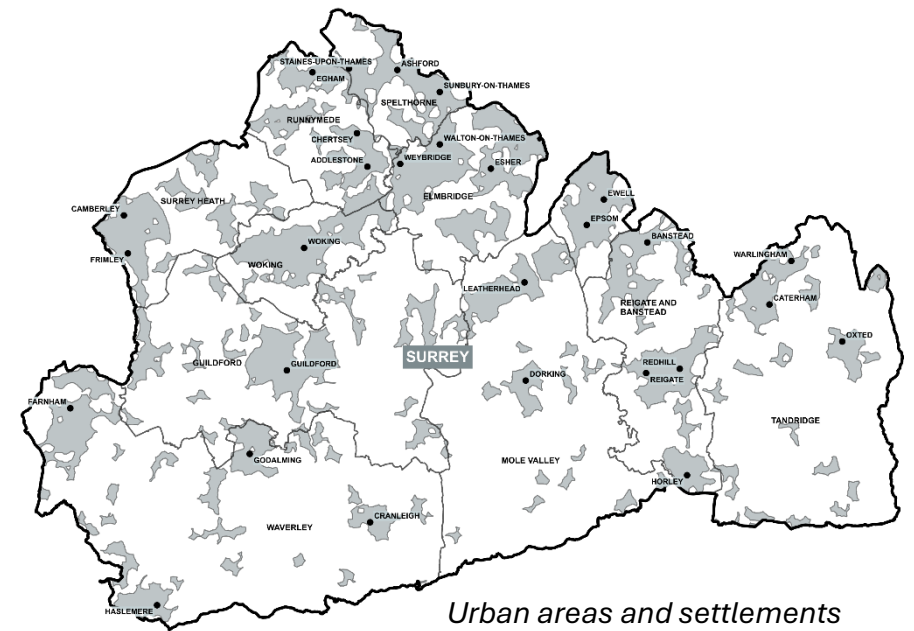
Surrey benefits from a **strategic position in the south-east** of England. It has strong relationships with surrounding areas and **plays a crucial role in the economic success and future growth potential of London and the greater south-east area.**

Close to London, Heathrow and Gatwick, the county has strong connectivity to the wider south-east, predominantly on a north-south basis with the capital being a significant centre of gravity.

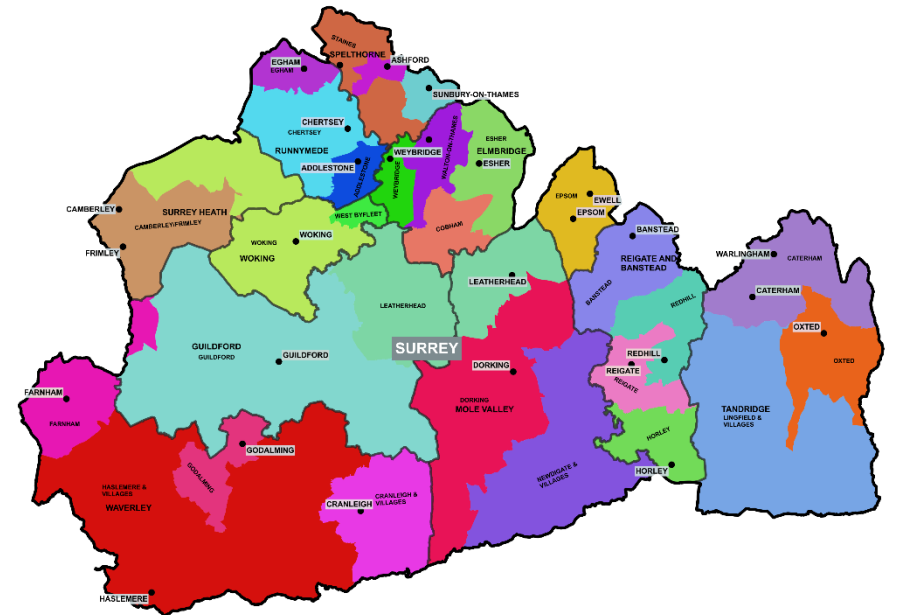
With a population of 1.2m, **Surrey is one of England's most densely populated counties.** It is characterised by a **polycentric settlement pattern focused around local town and village centre footprints**, with no one area dominating.

Bordering Greater London to the north, the population density in Surrey's north and north-west share many characteristics and settlement patterns with the suburban outer London boroughs.

In contrast to this, the south of the county is predominantly rural, with communities centring upon towns such as Woking, Guildford, Dorking, Redhill and Reigate, as well as many other smaller settlements.



*Urban areas and settlements*



*Surrey's town footprints - spatial boundaries taken from Surrey County Council's Towns Programme.*

# Strong local economies

Surrey has a highly skilled workforce, strong business base and three universities.

The county enjoys a strong local economy that sustains local employment, contributing over £51 billion per year in GVA.

Surrey is home to several of the UK's leading businesses as well as nationally important innovation and research and development assets that cluster in local areas. These hubs are focused in the county's south-west, north-west and east.

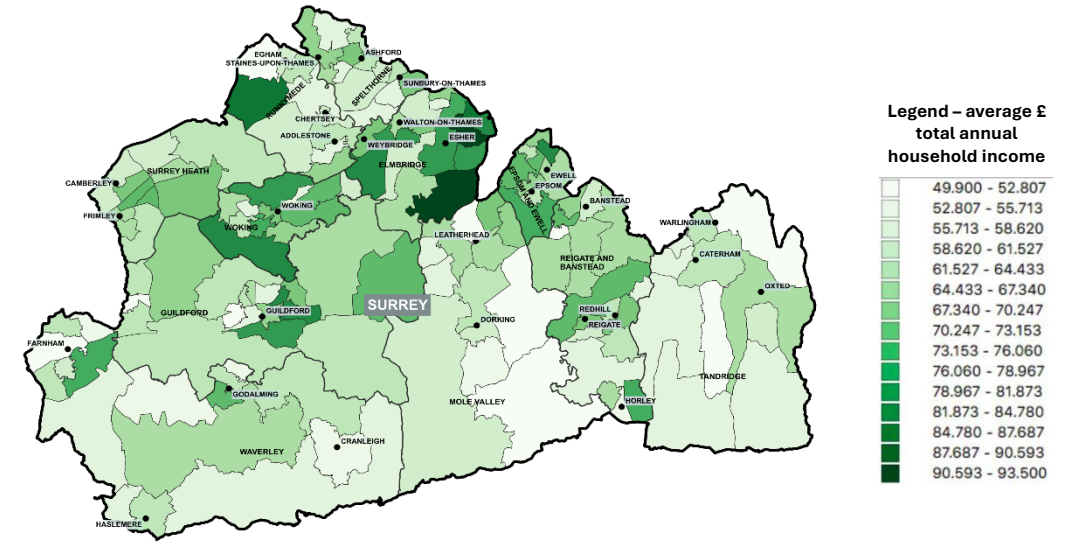
There is a strong local economy that is not reliant on one dominant sector or area but rather, it has strengths across the board in several high-value, knowledge-based sectors.

There are, however, areas of significant relative deprivation.

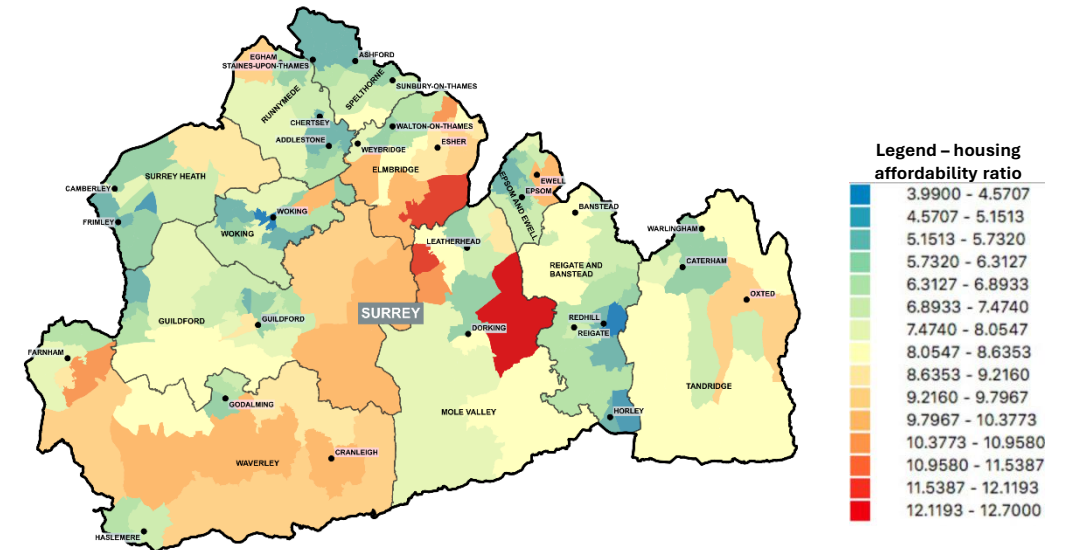
The affordability of housing is considerably more challenging in many areas compared to the broader national average, though pockets of relative affordability exist.

Area	No qualifications	Level 1 and entry level qualifications	Level 2 qualifications or Apprenticeship	Level 3 qualifications	Level 4 qualifications or above	Other qualifications
South East England	18.1%	9.7%	18.6%	16.9%	33.9%	2.8%
England	15.4%	9.8%	19.0%	17.4%	35.8%	2.7%
2 Unitaries						
East Surrey	13.2%	8.7%	17.8%	15.6%	42.2%	2.6%
West Surrey	12.5%	8.1%	16.8%	17.5%	42.6%	2.5%
3 Unitaries						
East Surrey	13.0%	8.8%	18.3%	16.2%	41.1%	2.5%
North-west Surrey	13.6%	8.8%	17.4%	16.5%	41.1%	2.6%
South-west Surrey	11.9%	7.6%	16.2%	16.8%	45.1%	2.4%

Educational attainment (2021 Census)



Average household income (ONS 2020)



Housing affordability as a ratio of income (ONS 2024)



# Economic clusters

While Surrey's economy is strong, there are distinct geographic clusters of economic activity and industry that drive its strength and dynamism.

Guildford is the centre of economic activity in the south-west, with the borough contributing 12.3% of Surrey's GVA and 14.5% of jobs. Key areas of employment in the south-west include scientific and technical activities, manufacturing, research and education, as well as human health activities. Innovative and high-growth activities cluster around the University of Surrey.

Elmbridge leads in north-west, with 13.2% of Surrey's GVA and 11.6% of jobs. With close connectivity to London, the capital and its outer fringe – including Heathrow Airport – is a significant destination for employment and leisure activity. Key employment sectors include wholesale retail and trade, administrative and support services and transportation and storage. Runnymede has a notable financial and insurance activities sector, while Spelthorne has notable construction and manufacturing sectors.

In the east, economic activity is centred on Reigate and Banstead, which contributes 13.7% of Surrey's GVA and is host to 11.4% of the county's jobs. Key employment sectors in the east include human health and social work activities, construction, as well as a notable clustering of financial and insurance activities in Reigate and Banstead and Mole Valley. Further, a notable percentage of jobs in Epsom and Ewell and Tandridge are in the education sector.

# Economic clusters – economic geography

The map to the right plots the major road network (in red) alongside the rail network (hatched lines) and the motorway (purple). This connectivity has been overlaid with a map of Surrey's urban areas and settlements.

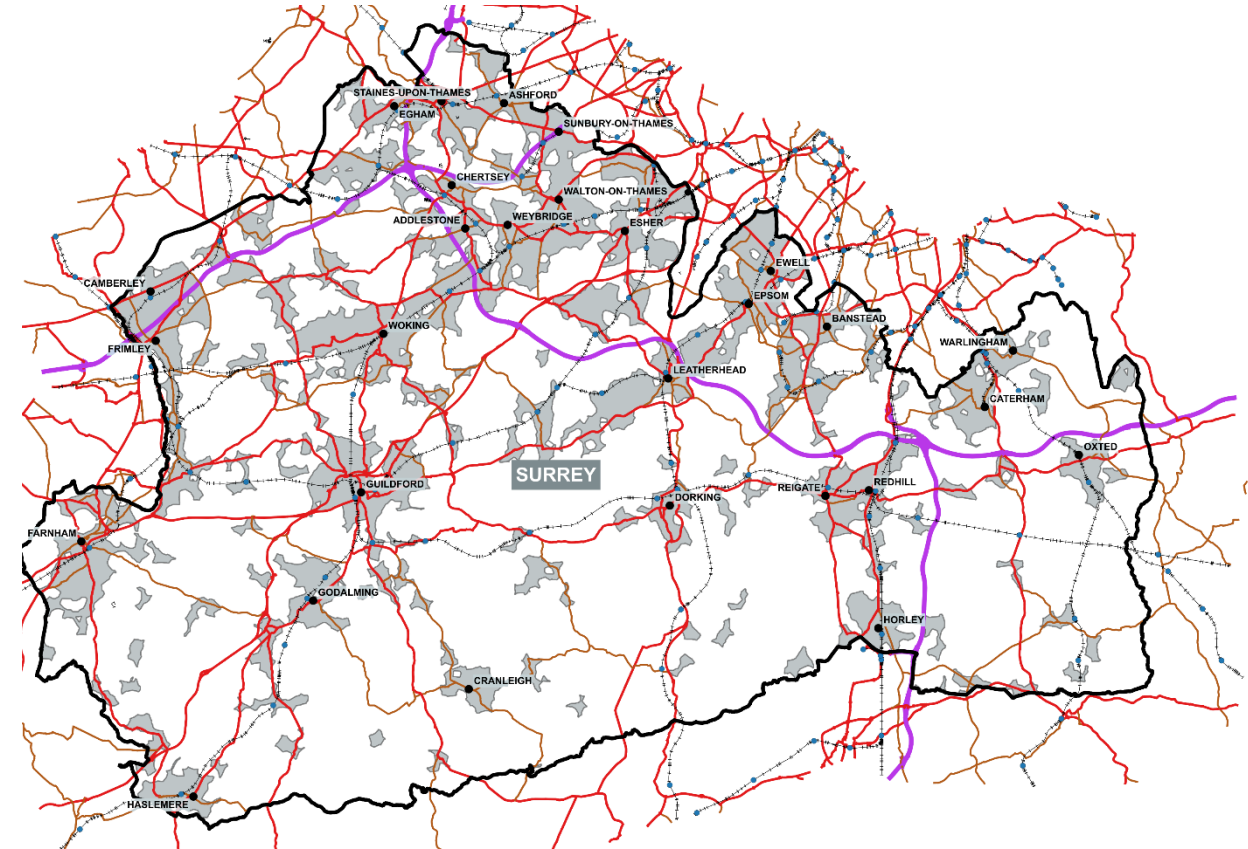
This shows the distinctive features of Surrey that drive the three clusters of economic activity and identity.

As the map shows, the road and rail networks are particularly strong on a North-South basis, creating strong connections on that axis – such as between Godalming, Guildford and Woking. The connectivity is much weaker East-West, creating separation between communities and economic activity.

The North-West of Surrey reflects characteristics and settlement patterns of the suburban outer London boroughs. As noted, it is much more densely connected, and draws its economic drivers from London and Hounslow, as well as neighbouring boroughs.

South-West Surrey's economy is driven particularly by Guildford, with commuting data reflecting the connections between Waverley, Woking and Guildford in particular.

East Surrey is distinct again, with districts and boroughs well connected to each other, but also drawing economic strength from its connection to Gatwick and London, and its place in the Gatwick Diamond.



*Settlements and travel infrastructure*

# Economic clusters – commuting patterns

Travel patterns provide an important insight into people’s sense of place and identity. When looked at through the lens of commuting, they also how illustrate local economic clusters and identities. Using data from the 2021 Census, we have compared where people live and work in Surrey. In all districts, most people live and work locally. Beyond this though, we have denoted (in green) each district’s most frequent commuting destination outside of their district of residence.

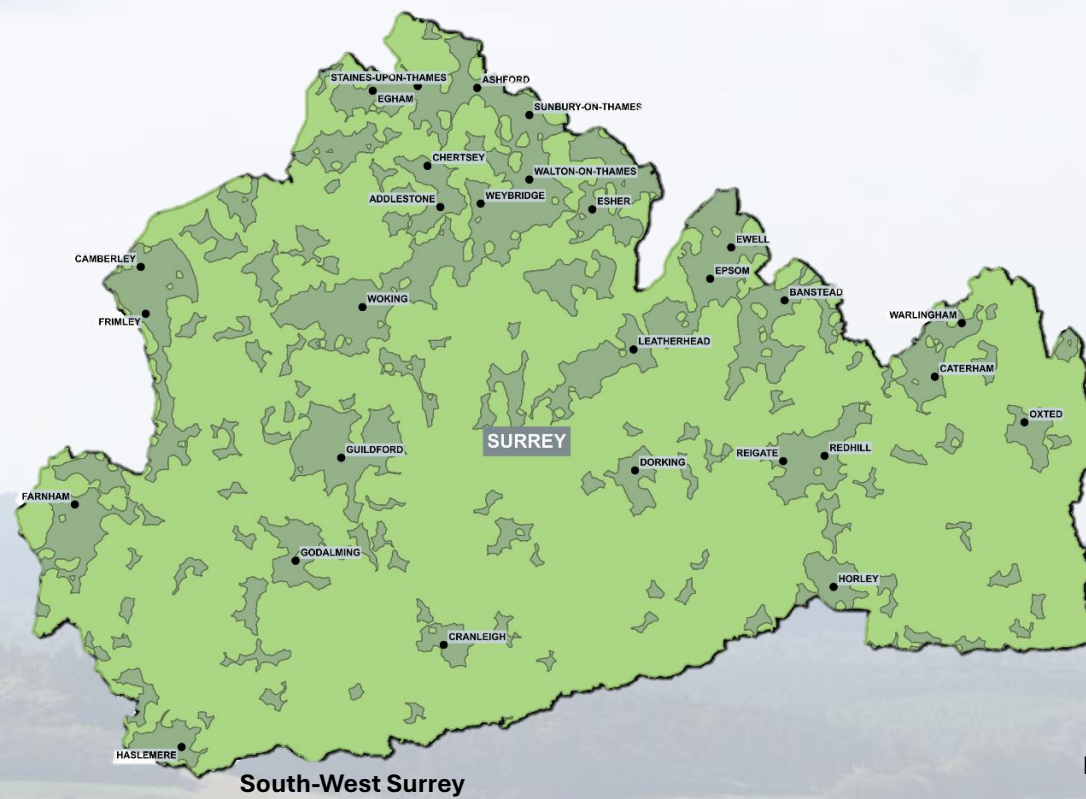
Districts have been ordered on an east-west basis which illustrates the county’s three economic clusters, each of which has their own transport priorities, patterns and identities.

- East Surrey: Residents largely work locally or commute to London or Gatwick. There is a strong connection to Crawley.
- South-west Surrey: Residents commute within these districts, with the main employment centre being in and around Guildford.
- North-west Surrey: Most stay local or commute into London boroughs, particularly Hounslow and Heathrow – which drives a lot of economic activity.

These trends are broadly replicated in post-Covid data such as the Office of Rail and Road’s railway travel data for 2023/24, and are consistent with the patterns in the 2011 Census.

		District of work												
		Spelthorne	Runnymede	Elmbridge	Surrey Heath	Woking	Guildford	Waverley	Epsom	Mole Valley	Reigate and Banstead	Tandridge	London boroughs	Out of Surrey
District of residence	Spelthorne		✓										✓	
	Runnymede	✓		✓									✓	
	Elmbridge												✓	
	Surrey Heath					✓	✓						✓	✓
	Woking						✓							
	Guildford					✓		✓						
	Waverley					✓	✓							
	Epsom												✓	
	Mole Valley										✓			
	Reigate and Banstead									✓				✓
	Tandridge										✓			✓

# Surrey - Local Identity Pen Pictures



## North-West Surrey

The character and pattern of communities in North-West Surrey is distinct. Instead of large destination towns seen in the South-West and East, communities in North-West Surrey have a similar pattern and characteristics to an outer London borough, with dense settlement patterns ribboned by the strategic road and rail network as well as the metropolitan green belt. Communities in North-West Surrey have a distinct identity and sense of place, shaped by these geographical features and how residents move between these settlements for work, leisure and to access services. Development and infrastructure delivery will need to reflect this more urban character.

London is a significant centre of commuting activity, particularly Heathrow, as well as Blackwater and Thames Valley. The area benefits from its proximity to London, as well as Heathrow Airport and other key national transport infrastructure such as the M25 and M3 motorways, boosting local business and investment. The area is generally affluent, though pockets of relative deprivation exist.

## South-West Surrey

South-West Surrey is a dynamic and economically diverse area that plays a significant role in the economic prosperity of the wider region. Consisting of large towns, like Guildford and Woking, as well as many smaller, rural communities, the area benefits from excellent transport connectivity to London, the south-east and beyond. This connectivity makes it a highly attractive area for businesses to be based and as a place to live.

The University of Surrey, in Guildford, hosts a strong cluster of innovation and research activity, particularly in fields such as cybersecurity, artificial intelligence, 5G connectivity, video games and space technology. The area is also home to a number of large employers as well as a thriving small and medium sized business sector, in both rural and urban areas. Key industry areas include technology, finance, healthcare and education.

## East Surrey

East Surrey is characterised by vibrant towns and villages set within attractive and diverse countryside; most notably the Surrey Hills and the High Weald National Landscapes as well as the Low Weald. The area incorporates woodland, heathland and productive rural areas.

The East Surrey authorities all have proximity to London, Brighton and the coast, and to Gatwick airport. They have rail connections to London and share a cohesive road network linking them together, including the M25 and M23. All these links along with a strong local jobs market and quality natural environment, make this area a desirable place to live and work.

The connections and complementarity between East Surrey's towns create a clear local identity and natural fit which, combined with a buoyant local economy and future growth potential as part of the Gatwick Diamond economy, makes the area a coherent and robust geography for any new unitary authority. The area already benefits from a shared footprint for adult and social care.

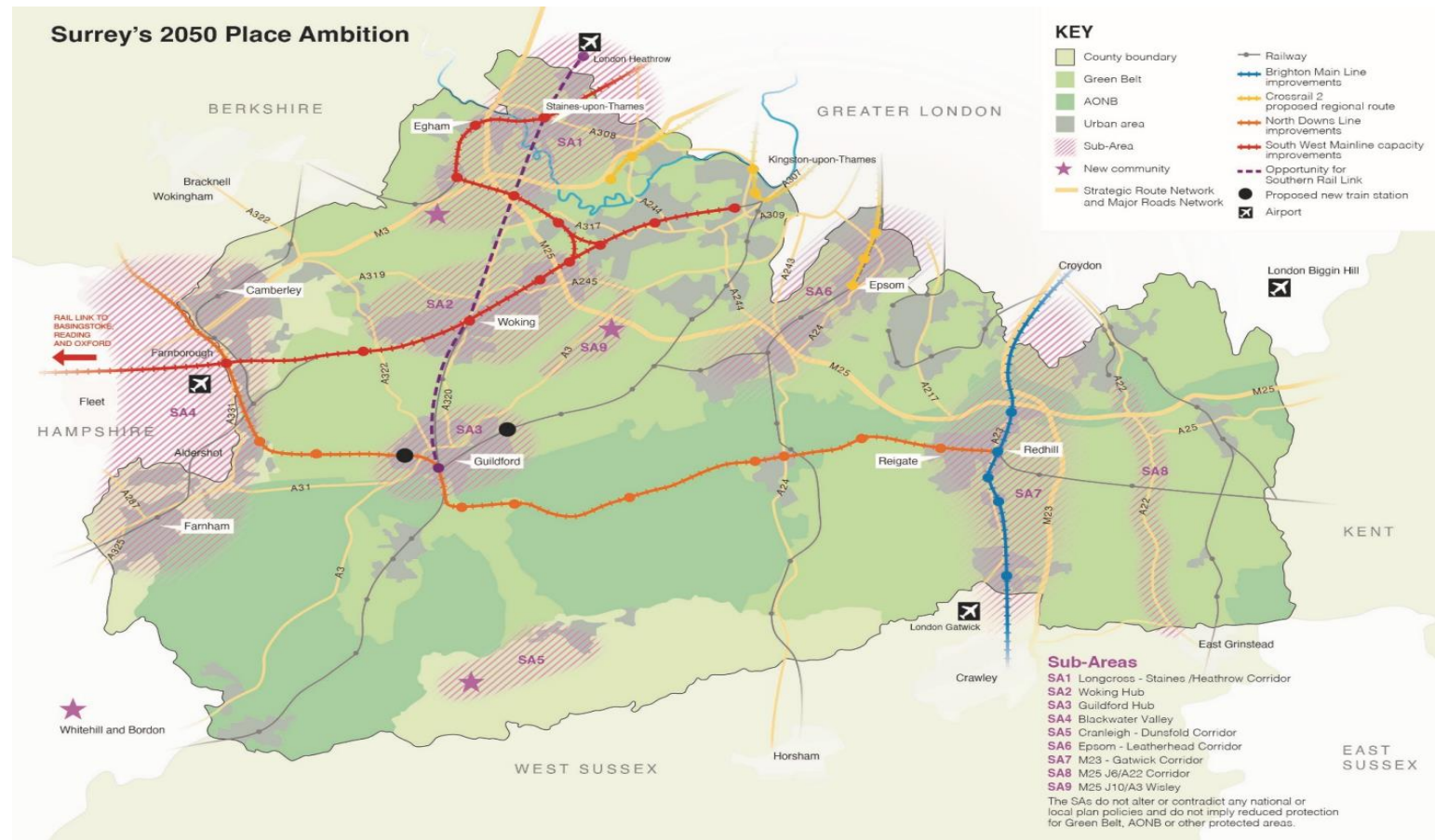
# Future growth areas

Surrey's *2050 Place Ambition* (published in 2023) is a comprehensive vision of good growth for Surrey across the next 30 years. It was agreed through a collaborative process that involved Surrey's local authorities, strategic partners and stakeholders, and aims to address long-term challenges and opportunities.

It identified nine key strategic sub-areas within Surrey and neighbouring areas, such as Blackwater and Thames Valley. These are areas where significant new housing and/or employment development is proposed in adopted and/or emerging local plans, as well as where new strategic infrastructure and investment to address existing infrastructure deficiencies is needed.

The vision noted that the opportunities within the sub-areas, illustrated in the image to the right, require consideration on a wider geographical basis.

They closely correlate with Surrey's places and distinct economic clusters, as well as the proposed three unitary geography of Surrey.

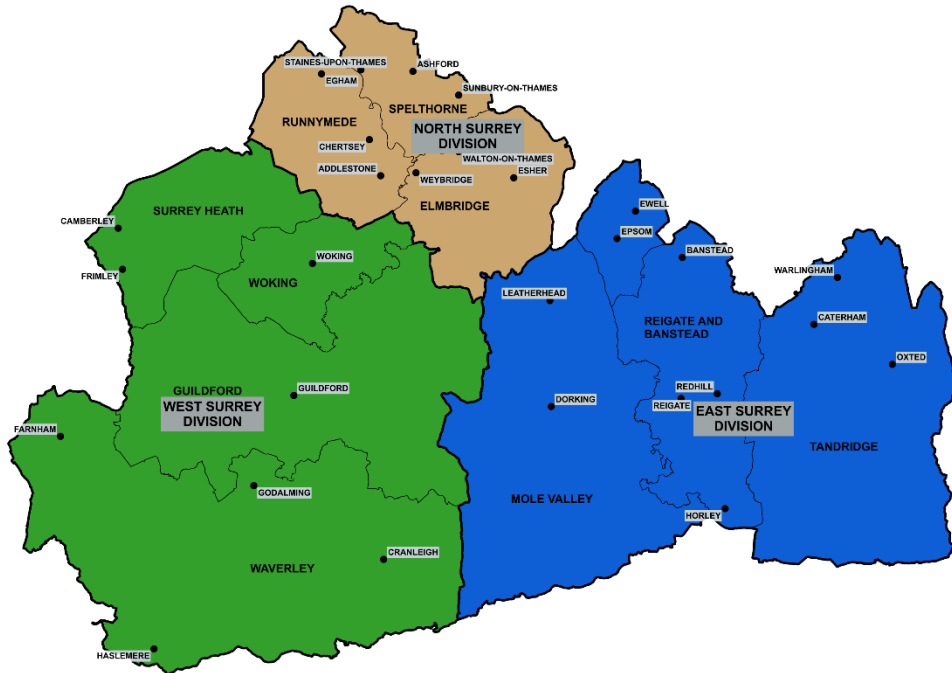




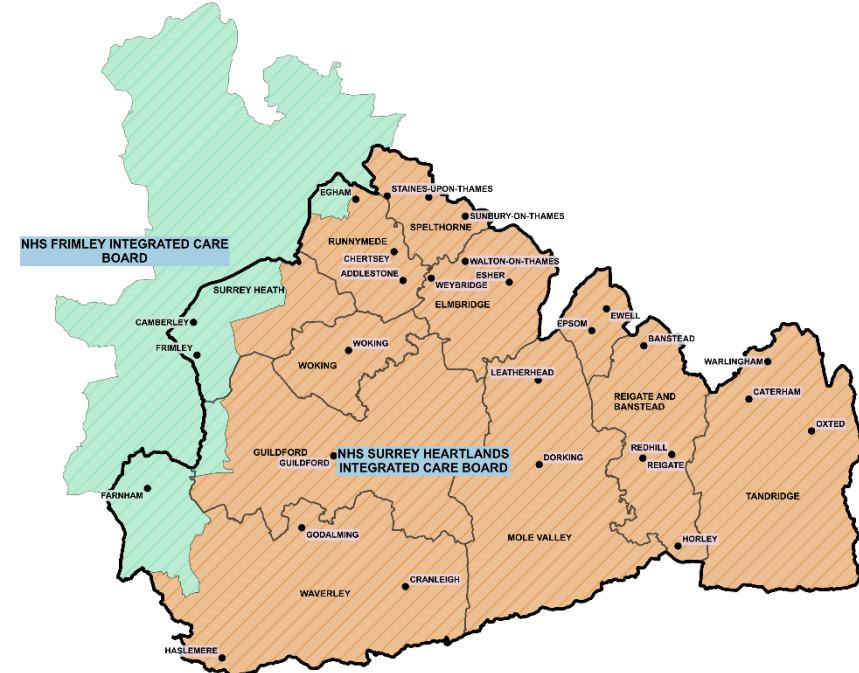
# Alignment with other public sector boundaries

Given Surrey's population size and topography, other public services split Surrey into particular localities, which generally align with the proposed model, causing minimal disruption to service delivery with local government reorganisation. The examples of the police and NHS Integrated Care Systems are provided below.

### Surrey Police divisions



### Integrated Care Systems



A wide-angle landscape photograph showing rolling green hills and dense forests. The foreground features a mix of green fields and trees, with a road and some construction equipment visible. The middle ground is dominated by lush green fields and clusters of trees. The background shows more distant hills under a bright, slightly hazy sky. The overall scene is peaceful and rural.

**Efficiency saving opportunities**



# Our methodology

To evaluate the financial viability of both options, we have considered the savings from transitioning to unitary authorities.

These savings come from fewer elections, councillors and senior managers, and eliminating duplication to find efficiencies in service delivery. We've offset these savings against the costs of disaggregating upper-tier services, and the costs of implementing the change, such as redundancies, new digital infrastructure, running a shadow authority, and project management. This gives us a net cost/benefit for implementing the proposals.

Our modelling has been based upon assessing and analysing the 11 examples of LGR that have taken place across England since 2009, together with the analysis made by PwC in their report investigating the options for reorganisation for Surrey in 2020. The business case for each previous case of LGR was built upon a series of assumptions as to costs and savings.

The two-tier system in its current form has existed since 1974. To ensure reorganisation and devolution unlock lasting and sustainable economic growth and prosperity, it is important that what we create now is built to last. With the benefit of hindsight, we have been able to assess whether the assumptions made in the recent cases of LGR were borne out in reality, and to alter our modelling accordingly.

The assumptions we've developed have been discussed with all Section 151 Officers from Surrey's 11 districts and boroughs. This work is ongoing, and we will refine and update the costs and benefits as more data becomes available.

As the coming pages show, both options are financially sound, with assumptions for ongoing transformation indicating potential for even greater savings over time.

Transformation opportunities and costs are considered later in the proposal, as ongoing transformation will be key to improving service delivery and driving local economic growth.

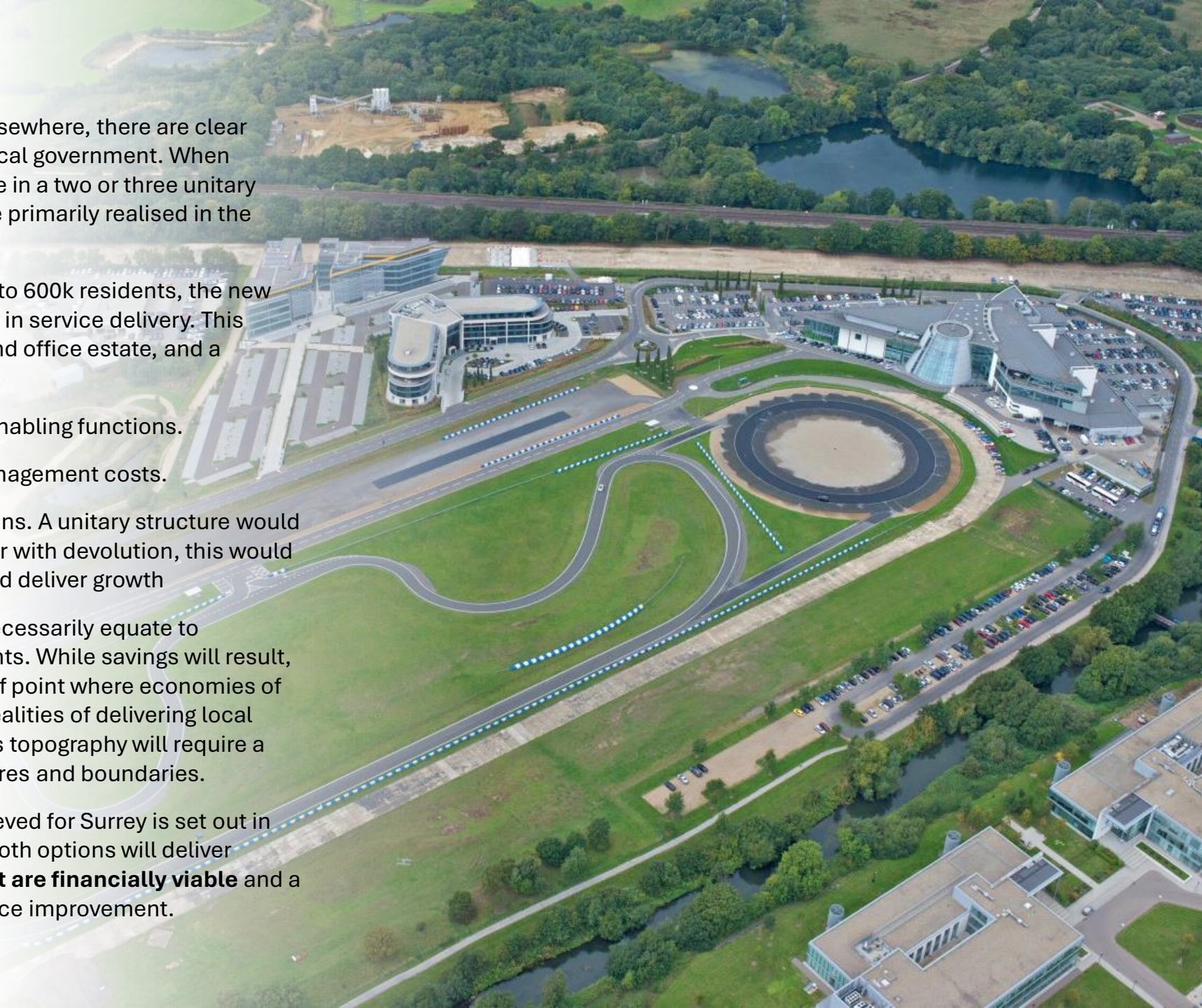
# Efficiencies

As demonstrated in local government reorganisation elsewhere, there are clear financial benefits to moving to a unitary structure for local government. When compared to the status quo, the efficiencies achievable in a two or three unitary configuration would be sizable. These savings would be primarily realised in the following areas:

- Significant economies of scale. With between 400k to 600k residents, the new councils would be able to achieve greater efficiency in service delivery. This would be complemented by a rationalisation of IT and office estate, and a reduction in third party spend.
- Reduced duplication and streamlined back-office enabling functions.
- A reduction in the number of senior leaders and management costs.
- A reduction in the number of councillors and elections. A unitary structure would provide clarity to residents and businesses. Together with devolution, this would empower local leaders to deliver for local people and deliver growth

There are limitations to this, however. Larger doesn't necessarily equate to improved efficiency of services or outcomes for residents. While savings will result, experience elsewhere has shown that there is a drop off point where economies of scale and other financial benefits diminish, given the realities of delivering local government services across large geographies. Surrey's topography will require a level of cost regardless of the local government structures and boundaries.

Our initial analysis of where efficiencies would be achieved for Surrey is set out in more detail in the coming pages. It is noteworthy that both options will deliver financial benefits and **result in unitary authorities that are financially viable** and a greater opportunity for further transformation and service improvement.



# Indicative savings

Our interim analysis shows that there are savings to be made across both two and three unitary models. Further savings may also be found from greater bargaining power on contracts and reducing the number of offices and buildings required. These factors are yet to be fully calculated and will be considered in our final proposal in May.

As set out in the coming pages, the costs of reorganisation are approximately £60m, resulting in a reorganisation cost benefits that current evidence indicates would be paid off by 2029/30 for two unitaries and 2030/31 for three unitaries. The benefit is roughly £15m per annum greater for two unitaries than for three.

Based on our interim calculations, potential benefits for transformation range from £95m to £105m, with substantial transformation savings being unlocked after two years of implementation. This is early analysis and is not yet reflected below.

## 2 Unitaries

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
<b>Savings</b>	£m	£m	£m	£m	£m	£m	£m
Councillors			2.033	2.033	2.033	2.033	2.033
Elections			1.665	1.665	1.665	1.665	1.665
Senior Staff			5.433	10.867	10.867	10.867	10.867
Removing Duplication			13.257	26.514	26.514	26.514	26.514
Extra Council Tax			2.503	2.503	2.503	2.503	2.503
Disaggregation			-8.140	-8.140	-8.140	-8.140	-8.140
<b>Total Savings</b>	<b>0.000</b>	<b>0.000</b>	<b>16.752</b>	<b>35.442</b>	<b>35.442</b>	<b>35.442</b>	<b>35.442</b>
<i>Cumulative</i>	<i>0.000</i>	<i>0.000</i>	<i>16.752</i>	<i>52.193</i>	<i>87.635</i>	<i>123.077</i>	<i>158.519</i>

## 3 Unitaries

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
<b>Savings</b>	£m	£m	£m	£m	£m	£m	£m
Councillors			1.803	1.803	1.803	1.803	1.803
Elections			1.643	1.643	1.643	1.643	1.643
Senior Staff			3.812	7.624	7.624	7.624	7.624
Removing Duplication			9.280	18.560	18.560	18.560	18.560
Extra Council Tax			2.503	2.503	2.503	2.503	2.503
Disaggregation			-12.210	-12.210	-12.210	-12.210	-12.210
<b>Total Savings</b>	<b>0.000</b>	<b>0.000</b>	<b>6.831</b>	<b>19.923</b>	<b>19.923</b>	<b>19.923</b>	<b>19.923</b>
<i>Cumulative</i>	<i>0.000</i>	<i>0.000</i>	<i>6.831</i>	<i>26.753</i>	<i>46.676</i>	<i>66.599</i>	<i>86.521</i>

Ahead of the submission of our full proposal, we will be undertaking a fuller analysis of the costs and benefits that can be achieved through reorganisation.

# Disaggregation costs

It will be necessary for upper tier functions, such as highways, social care and education, to be disaggregated amongst new unitary authorities, providing opportunities for better outcomes through service alignment.

The main costs of disaggregation arise from:

- a. Recreating senior posts (such as Directors of Children's Services) for each unitary.
- b. Separating regional management lines, and loss of economies of scale from staff flexibility, for example.
- c. Loss of economies of scale from IT licensing.

We have specifically modelled new senior management structures (top three tiers). There, disaggregation costs are offset by wider savings, such as reducing the number of Chief Executives in Surrey from eleven to two or three.

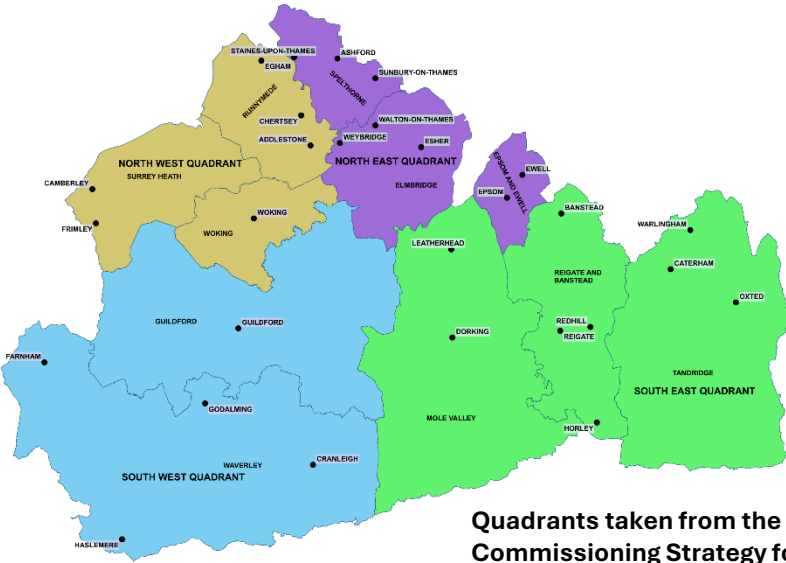
We have taken account of the other two forms of disaggregation costs within our modelling, which result in an additional £8m or £12m per year of costs for two and three unitaries respectively. As can be seen on the maps to the right, Surrey County Council's operational social care functions are already operationally configured to be delivered in a localised way, rather than on a county-wide basis, which supports disaggregation.

We know that these services are a crucial lifeline many of Surrey's most vulnerable residents, and they rightly expect us to be providing high quality services. For this reason our modelling assumes there would be **no net reduction in frontline spend or staffing levels for these functions.**

The question of future demand is a critical one. Initially, we assume that the same level of demand exists, requiring similar numbers of frontline staff. Demand will clearly change over time, though a focus on early intervention and prevention, delivered by new unitaries with a solid understanding of their local areas, can help off-set and agilely respond to these pressures.

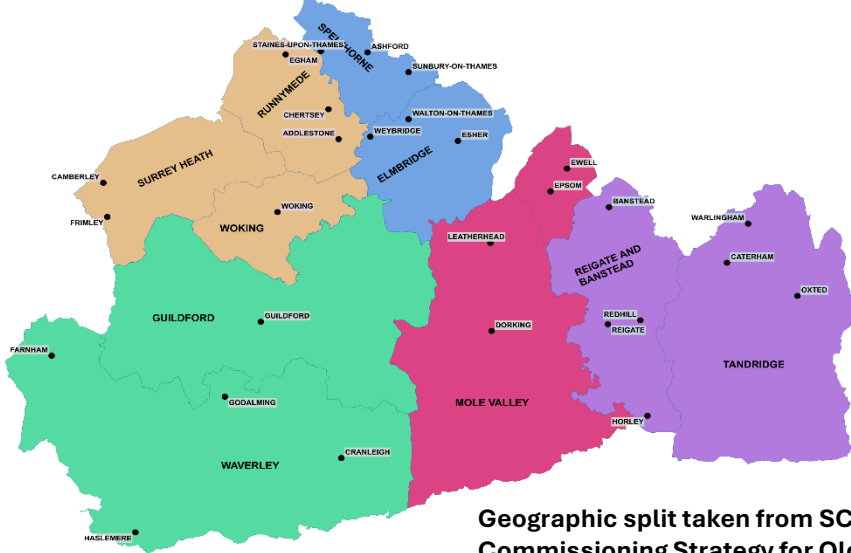
Given the proportion of the county council's budget that is spent on social care, ensuring that these costs are split according to demand is crucial to creating new councils that are financially resilient and robust. Modelling future demand is an area where we will need to do further analysis in the next stage, supported by County data.

## Children's social care quadrants



Quadrants taken from the Joint Commissioning Strategy for Children, Young People and their Families in Surrey 2022

## Adults social care – five areas



Geographic split taken from SCC's Commissioning Strategy for Older People 2021-2030

# Indicative transition costs

We have explored the costs involved in moving to two and three unitary authorities. The costs are split between three key stages of transition:

- Planning and pre-planning: the period until April 2026 where authorities will collaborate and consult on proposals
- Shadow: where we prepare for change, align systems and processes and establish the new shadow authorities
- Implementation: where we will fully implement the proposals and move to unitary authorities.

The figures in the table on the right are indicative costs, based on assumptions in the Surrey CC PwC report and examples of LGR from elsewhere, with some inflationary adjustments and adjustments to reflect Surrey-specific circumstances.

Our calculations also assume:

- Redundancy costs assume 5%/3.5% reduction for 2/3 unitaries respectively
- Shadow costs includes all member basic allowances, additional cabinet allowances and Head of Paid Service costs
- Comms and engagement costs rely heavily on use of internal resource rather than external
- Reorganisation ICT costs excludes staffing

These are indicative costs, subject to change and verification. Implementation costs and timings will continue to be reviewed and refined up to the publication of the final business case.

Category	2 Unitaries	3 Unitaries
	Central assumption	Central assumption
Unitary elections	£6.2m	£6.4m
Redundancy	£10.6m	£8m
Programme management	£9.5m	£12.9m
IT / systems	£23.2m	£24.8m
Shadow authority costs	£3m	£3.2m
Creation of new councils	£2.8m	£3.4m
Closedown of old councils	£1.9m	£1.9m
Communications and engagement; branding	£1.28m	£1.88m
<b>Total</b>	<b>£58.48m</b>	<b>£62.48m</b>

**The calculations indicate a slight increase in cost in moving to three unitary authorities, due to increased investment in digital solutions and programme management to deliver the change.**

As we continue to develop the proposal, we will further refine these cost assumptions based on real plans to implement the changes.

# Net costs and benefits of reorganisation

Comparing the savings with the implementation costs we have calculated so far shows that both models are financially viable and will create savings.

Two unitaries will save roughly £15m more per year than three unitaries. Costs will be repaid and savings achieved from 2029-30 for 2 unitaries and by 2030-31 for 3 unitaries.

## 2 Unitaries

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
<b>Savings</b>	£m	£m	£m	£m	£m	£m	£m
Councillors			2.033	2.033	2.033	2.033	2.033
Elections			1.665	1.665	1.665	1.665	1.665
Senior Staff			5.433	10.867	10.867	10.867	10.867
Removing Duplication			13.257	26.514	26.514	26.514	26.514
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Disaggregation			-8.140	-8.140	-8.140	-8.140	-8.140
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<i>Cumulative</i>	<i>0.000</i>	<i>0.000</i>	<i>16.752</i>	<i>52.193</i>	<i>87.635</i>	<i>123.077</i>	<i>158.519</i>
<b>Transition Costs</b>	8.180	33.400	16.900				
<i>Cumulative</i>	<i>8.180</i>	<i>41.580</i>	<i>58.480</i>	<i>58.480</i>	<i>58.480</i>	<i>58.480</i>	<i>58.480</i>
<b>Net cost /(saving)</b>	<b>8.180</b>	<b>41.580</b>	<b>41.728</b>	<b>6.287</b>	<b>(29.155)</b>	<b>(64.597)</b>	<b>(100.039)</b>

## 3 Unitaries

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
<b>Savings</b>	£m	£m	£m	£m	£m	£m	£m
Councillors			1.803	1.803	1.803	1.803	1.803
Elections			1.643	1.643	1.643	1.643	1.643
Senior Staff			3.812	7.624	7.624	7.624	7.624
Removing Duplication			9.280	18.560	18.560	18.560	18.560
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<i>Cumulative</i>	<i>0.000</i>	<i>0.000</i>	<i>6.831</i>	<i>26.753</i>	<i>46.676</i>	<i>66.599</i>	<i>86.521</i>
<b>Transition Costs</b>	9.080	37.000	16.400				
<i>Cumulative</i>	<i>9.080</i>	<i>46.080</i>	<i>62.480</i>	<i>62.480</i>	<i>62.480</i>	<i>62.480</i>	<i>62.480</i>
<b>Net cost /(saving)</b>	<b>9.080</b>	<b>46.080</b>	<b>55.649</b>	<b>35.727</b>	<b>15.804</b>	<b>(4.119)</b>	<b>(24.041)</b>

Ahead of the submission of our full proposal, we will be undertaking a fuller analysis of the costs and benefits that can be achieved through reorganisation.



# The local tax base

## Council Tax

When compared to similar sized unitary councils, **Surrey's local taxation base is one of the strongest in England** with collectable Council Tax per capita spread equitably across the county.

Levels of council tax rates amongst the existing districts are of a similar level (the exception being Woking, which has been in receipt of exceptional financial support). This will significantly simplify the harmonisation process.

Per capita, more Council Tax is collectable than any other council area of a similar size - around £100 per person more than any other existing large unitary (except for Dorset).

Reorganisation means that an additional 2% could be raised on the district and borough's precepts - this equates to an extra £2.5m per year.

## NNDR

Per capita, the county also sees the collection of high levels of NNDR. Compared to local authorities of a similar size, only a handful of London boroughs surpass the potential unitaries for Surrey.

However, presently only a portion of this is retained locally and there are more pronounced local variations across the county, ranging from £744 per capita (Runnymede) to £207 per capita (Tandridge).

It is proposed that an independent analysis is commissioned to review and inform NNDR retention before the final proposal is submitted.

Council	Population	Total	Per capita
East Surrey (2 unitary)	648,765	£664m	£1,024
East Surrey (3 unitary)	407,055	£414m	£1,018
North-west Surrey (3 unitary)	420,255	£426m	£1,013
South-west Surrey (3 unitary)	375,817	£376m	£1,000
West Surrey (2 unitary)	554,362	£552m	£995
Dorset	379,600	£374m	£984
Buckinghamshire	553,100	£499m	£901
Northumberland	320,567	£288m	£900
Cheshire East	398,800	£337m	£846
Cornwall	570,300	£479m	£840
Croydon (LB)	390,800	£324m	£829
Cheshire West and Chester	357,150	£295m	£825
Wiltshire	510,400	£417m	£817
Bournemouth, Christchurch and Poole	400,300	£320m	£800
Bristol, City of	472,400	£372m	£789
East Riding of Yorkshire	342,215	£266m	£776
Liverpool	486,100	£374m	£770
Shropshire	323,606	£244m	£753
Wirral	320,199	£240m	£750



# **Future service transformation opportunities**

Our interim analysis of future service transformation opportunities that can follow reorganisation.

# Future transformation – costs and benefits

In addition to the efficiencies found from aligning our services, we expect that there will be many opportunities for greater efficiencies and improved outcomes from transforming services. Transformation will give us the opportunity to learn lessons from differing approaches, maximise opportunities for aligning county and district services, and to take advantage of new digital approaches.

In order to minimise risks to service delivery throughout the transition period, we envision that services will continue to be delivered under their current operating models. The real opportunity to transform the way we operate and deliver a set of cohesive services with modern systems and working practices will come after vesting day.

We propose to establish a two-year transformation programme. We will prepare for change by undertaking a comprehensive review of the operating models of each service, then transitioning to a single set of policies, processes, systems, organisation structures and external contracts once the new authorities are established. We will also focus on organisation development and shaping the culture and identity for each authority, with delivery of modern and world class services at the heart of what they do.

**We expect investment in this programme to be around £95m** over four years, to cover the costs of redundancies, digital systems, business analysis and project management.

**Though we haven't yet firmed up our assumptions, we expect the potential for ongoing savings to be significant**, ranging from 6%-25% of current costs for frontline services, customer contact and back-office support, and there is potential for building to around £100m/year. We also expect that outcomes and customer experience will be much improved as a result of simpler, aligned processes.

Capacity funding from MHCLG and support from the LGA and its networks will enable this transformation.





# **Councillor numbers and governance considerations**

Our early views on the governance structures and councillor numbers to provide effective governance and leadership for Surrey, in line with Local Government Boundary Commission for England guidance

# Councillor numbers and governance

Maintaining and improving local democratic representation is crucial in maximising the benefits of reorganisation and devolution. Government’s aspirations for devolution are rooted in letting communities take back control from Westminster, and empowering elected Members to shape decisions affecting their local community.

A move to unitary local government would create clearer lines of accountability, allowing residents, businesses and stakeholders to clearly understand who is accountable for service delivery in each new council area.

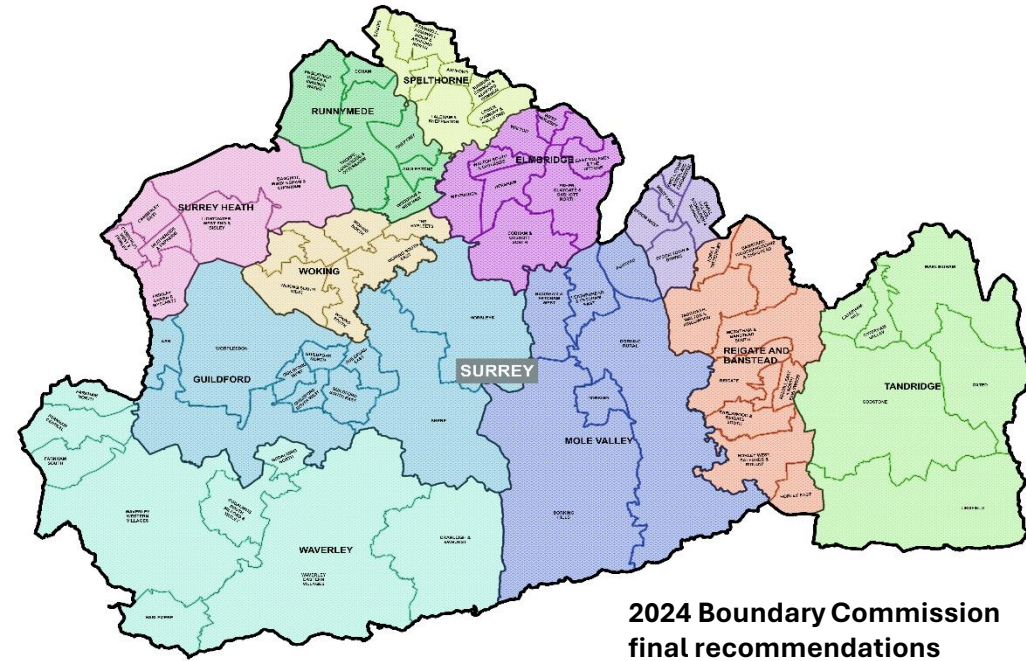
There are currently 534 elected councillors in Surrey, with 81 at the county and 453 across the districts and boroughs. Many of these are “double hatters” meaning they are both district and county councillors, though often not of coterminous areas. We have identified that reorganisation could reduce councillor numbers to 243 under both a two or three unitary model.

Surrey County Council underwent a boundary review in 2024. Given the recency of this review, and the need to move at pace to enable LGR, we are not proposing that the county’s divisions or electoral boundaries be reviewed. These boundaries are also contiguous with districts as the building blocks of the new authorities.

To reflect the increased responsibility of the new councils, and the demands upon its members, it is expected there would be up to three members per division. This would also ensure that the ratio of members to electors is in line with Boundary Commission guidance and the ratios of existing authorities of a similar size.

Two members per division could also be considered. The ratio of electors per councillor would be around 5,500. This would be higher than most other councils of a similar size and, in rural areas especially, councillors would need to cover large geographical areas, increasing their workload and diluting their ability to act effectively as the democratically elected leaders within their community.

Effective local representation, governance and decision making will also be supported by the presence of town and parish councils across much of Surrey. There is also the opportunity to carry out community governance reviews to enhance local democracy and representation in areas that do not already have these arrangements in place.



Council	Number of divisions	Number of registered electors	Members per division	Number of Members	Electors per member (rounded)	Allowance cost
<b>2 unitaries</b>						<b>£2.4m</b>
<b>E Surrey</b>	43	472K	3	129	<b>3,700</b>	£1.3m
<b>W Surrey</b>	38	404k	3	114	<b>3,500</b>	£1.1m
<b>3 unitaries</b>						<b>£2.4m</b>
<b>E Surrey</b>	27	299k	3	81	<b>3,700</b>	£810k
<b>SW Surrey</b>	26	301k	3	78	<b>3,900</b>	£780k
<b>NW Surrey</b>	28	276k	3	84	<b>3,300</b>	£840k

# Elections

There is also an opportunity to streamline the electoral process in Surrey as part of local government reorganisation. This would result in efficiency savings and, alongside changes to councillor numbers, support local democratic accountability through simplifying electoral structures.

The current electoral cycle in Surrey sees a mix of authorities electing in thirds as well as those that hold all-out elections.

Our figures assume that the new unitary authorities would elect on an all-out basis. This would reduce overall cost of elections by two thirds, saving almost £7m over the course of a four-year cycle.

While it would be most efficient for elections for the directly elected Mayor to take place at the same time as those for the new unitary authorities, this is not currently anticipated in the timescales shared by government.

## The current and future electoral cycle in Surrey

		Year 1	Year 2	Year 3	Year 4
Prior to LGR	Districts that elect in thirds	County	District (1/3)	District (1/3)	PCC and district (1/3)
	Districts that elect all-out	County	None	District (all-out)	PCC
Post-LGR	Unitary councils	None	Unitary councils (all-out)	Strategic authority (Mayor)	None

## Estimated costs of elections

Option	Electorate*	Approx. cost per elector**	Approx. cost per election***	Scheduled local elections per cycle	Approx. cost per 4-year cycle
Current arrangements	879k	£3.50	£3.08m	<i>Varies by district – see above</i>	£9.8m
2 Unitary			£3.14m	<i>1 – based on assumed cycle above with Strategic Authority taking over functions of PCC and covering cost of their elections.</i>	£3.14m
3 Unitary			£3.23m		£3.23m

\* Local Government Boundary Commission for England data on electors for Surrey.

\*\* MHCLG data on cost of 2019 General Election, updated to 2025 prices by CPI.

\*\*\* To reflect the additional costs of more councils, an assumed 2% additional cost for 2 unitaries and a 5% additional cost for 3 unitaries has been applied.

# Comparators and savings

We have reviewed data on the number of members for similar sized authorities, which supports our assumption that three members per division is correct for the area and in line with a national approach.

While our priority has been strengthening local democracy through these changes, reducing the number of members and the frequency of election will result in savings.

Using actual costs from across the county, the new unitary models will result in:

- a reduction in the cost of basic allowances as we reduce the number of members
- a similar reduction in the cost of Special Responsibility Allowances (SRAs) as the new councils will mean there is less duplication of positions that carry significant additional responsibilities
- savings from fewer elections and moving to all-out elections across the county

The difference in savings between two and three unitary authorities is minimal.

Authority	Electors	Number of councillors	Electors per councillor
Birmingham	751k	101	7,438
Leeds	563k	99	5,691
Northumberland	506k	134	3,773
North Yorkshire	484k	90	5,374
Somerset	444k	110	4,037
Cornwall	434k	87	4,994
Buckinghamshire	415k	147	2,824
County Durham	388k	126	3,080
Sheffield	388k	84	4,620
Wiltshire	382k	98	3,901
Manchester	381k	96	3,968
Bradford	371k	90	4,119
Liverpool	330k	85	3,880
Bristol	324k	70	4,623
Kirklees	315k	69	4,561
Cheshire East	313k	82	3,814
West Northamptonshire	299k	93	3,214
Bournemouth, Christchurch and Poole	297k	76	3,912
Dorset	295k	82	3,599
Croydon	280k	70	3,994
East Riding of Yorkshire	270k	67	4,026
North Northamptonshire	269k	78	3,444
Barnet	265k	63	4,208
Cheshire West and Chester	264k	70	3,767
Wakefield	263k	63	4,179

## Savings

	Basic Allowances	SRAs	Elections (assuming 4-year spend is evenly distributed)	Total	Annual Saving
Current arrangements	£3.8m	£1.1m	£2.45m	£7.35m	
2 unitaries	£2.4m	£0.46m	£1.67m	£4.53m	£2.82m
3 unitaries	£2.4m	£0.69m	£1.64m	£4.73m	£2.62m



# **How unitary local government will support devolution ambitions**

How our proposals will pave the way for devolution in Surrey



# Supporting devolution

The English Devolution White Paper made clear the government's aspiration to shift power away from Whitehall and Westminster and to empower local leaders who understand their areas best. We strongly support this objective.

A reorganisation of local government is key to achieving the opportunities of devolution, where new unitary authorities, with a clear focus on delivery, will make local government fit for purpose and reflective of Surrey's local identities, enabling us to seize the opportunities of more powers, freedoms and flexibilities.

Devolution will bring significant benefits for residents and businesses of Surrey by enhancing arrangements for strategic planning, supporting and growing the already substantial economic contribution that Surrey makes to the exchequer. It will also enable joined up infrastructure and transport planning, facilitating housing delivery and enhancing national and regional transport corridors that are essential to future economic growth.

Specifically, we see reorganisation as enabling and supporting devolution in the following areas:

- Unitaries that better reflect their local areas can support the Mayor in ensuring that investment decisions would **recognise the differing characteristics of Surrey's local areas**, as articulated by the new unitary authorities.
- Decisions would be made across a **larger, strategic geography**, removing obstacles to major project and infrastructure delivery, including unlocking housing delivery.
- A three unitary model would **align local authority boundaries with Surrey's distinct economic clusters, thereby supporting devolution and local growth ambitions**.
- The **creation of a more attractive investment climate for business**.



A wide-angle photograph of a rural landscape. The foreground shows a mix of green grass and trees. The middle ground is dominated by rolling green hills, some with patches of brown earth, and dense green forests. In the background, more hills are visible under a bright, slightly hazy sky. The overall scene is peaceful and natural.

# Local engagement

How we have worked collaboratively to develop our interim proposals

# Local engagement

Surrey's local authorities have been collaborating closely in developing this interim plan.

Collectively we have ensured that elected members across the county are well-informed of progress. We have also engaged informally with local partners, stakeholders, Business Improvement Districts.

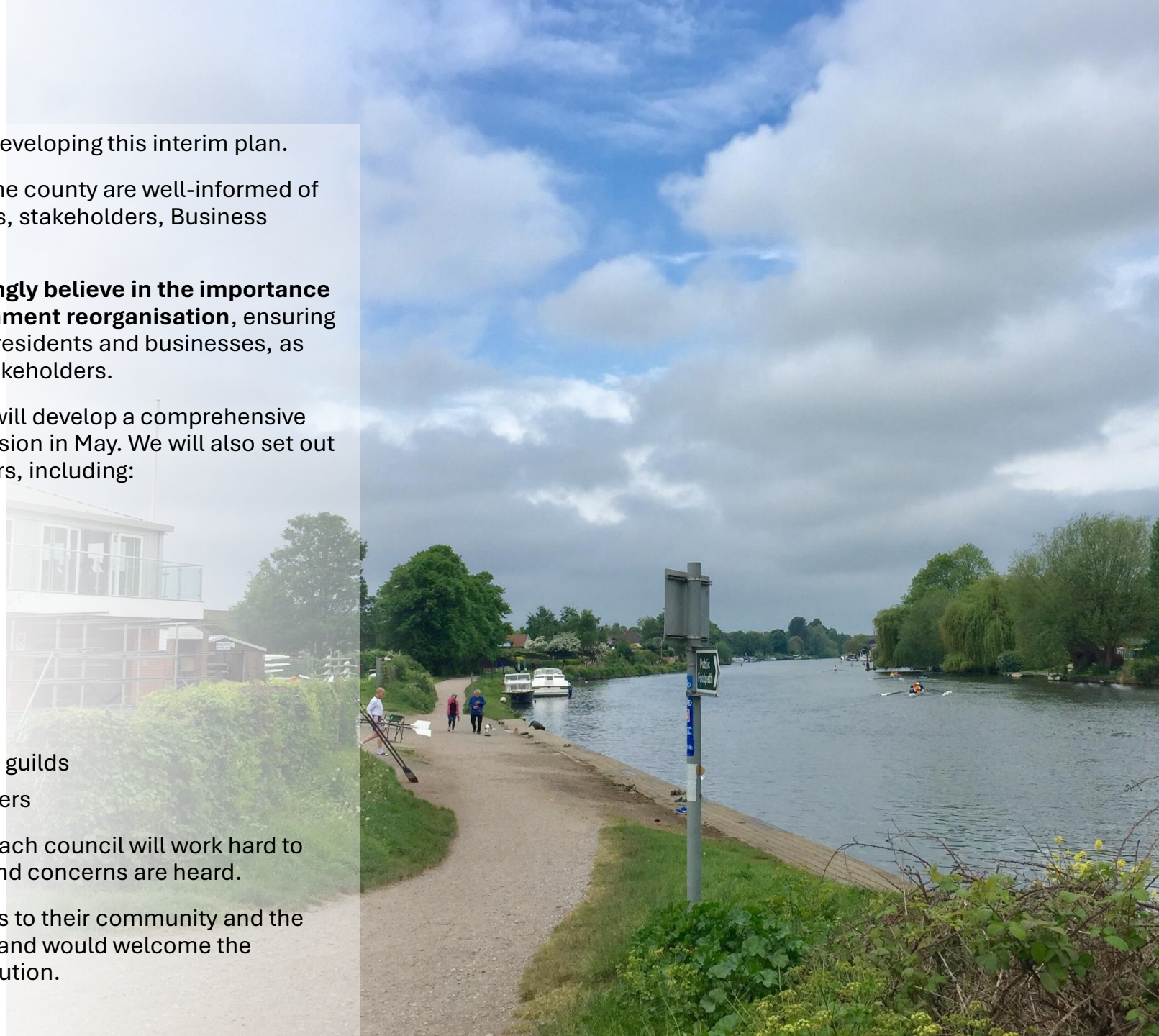
While we know our places and their challenges well, **we strongly believe in the importance of hearing the resident voice in the process of local government reorganisation**, ensuring that we get this once in a generation opportunity right for our residents and businesses, as well as the voluntary and community sector and other key stakeholders.

That's why, following the submission of this interim plan, we will develop a comprehensive consultation and engagement plan to inform our final submission in May. We will also set out our plans for strategic engagement with other key stakeholders, including:

- Residents and residents' groups
- Surrey Police
- Surrey Fire and Rescue Service
- Integrated Care Boards
- Universities and further education colleges
- MPs
- Town and Parish Councils
- Business Improvement Districts and local business guilds
- Professional bodies such as ADCS, ADASS, and others

Our staff are crucial to the delivery of our vital services, and each council will work hard to ensure staff are engaged with this work and that their views and concerns are heard.

Place based advocacy is the heart of connecting our residents to their community and the councils that serve them. We want to retain our civic mayors and would welcome the Minister's support and advocacy for this important civic institution.





# **Costs and implementation**

How our proposals can be delivered at pace, in such a way that maintains service delivery and ensures value for money for council taxpayers

# Indicative costs of implementing this proposal and coordination arrangements

We have explored the costs involved in moving to two and three unitary authorities earlier in this pack. The costs are split between three key stages of transition:

- **Planning and pre-planning:** the period until April 2026 where authorities will collaborate and consult on proposals.
- **Shadow:** where we prepare for change, align systems and processes and establish a shadow authority.
- **Implementation:** where we will fully implement the proposals and move to unitary authorities.

A high-level implementation plan is summarised on the next page, though it is important to note that close, collaborative working will be required through establishing a shared project team and associated resources across Surrey's existing authorities. Capacity funding from government will help us in moving forward to May's submission and beyond.



# High-level implementation plan

We have begun working across all local authorities in Surrey to prepare for implementation, with regular Leaders, Chief Executives, Section 151 Officers and Monitoring Officer meetings.

As we progress, we will establish a shared programme of work with appropriate governance to effectively oversee the transition and maintain existing service delivery.

To the right and below, we set out the timeline for change and indicative activities at each stage.

Pre-planning	Planning	Shadow	Implementation
<b>May – Sept 2025</b>	<b>Sept 2025 – May 2026</b>	<b>May 2026-April 2027</b>	<b>2027/2028 and beyond</b>
Develop working relationships; pursue informal alignment opportunities	Appoint programme teams; agree programme implementation plan; establish programme governance	Election of shadow members and establishment of shadow Executive Committees/Cabinets	Develop new corporate plan / objectives
Initial work on programme management arrangements – define workstreams, identify existing capacity	Establish joint committees as needed	Appointment of senior leadership teams	Continue alignment, consolidation and rationalisation activities
	Agree high level thematic transition plans	Organisation and operating model design; Branding	Transformation programme
Draft transition engagement plan –comms and engagement will then run throughout subsequent phases	Collate and review baseline information (contracts, systems, HR, assets, finance)	Detailed planning and service transition (governance, staffing, organisational culture, IT systems, financial harmonisation and consolidation, budget setting, performance metrics)	Service evaluation and public feedback
Ongoing comms, staff and unions engagement			

	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	Jan-27	Feb-27	Mar-27	Apr-27	May-27	Jun-27	Jul-27	Aug-27	Sep-27	Oct-27	Nov-27	Dec-27	Jan-28	Feb-28	Mar-28	Apr-28	May-28
<b>MHCLG timelines</b>																																								
Prepare interim submission																																								
Prepare final submission																																								
Government consultation																																								
Government decision on Surrey LGR proposals																																								
Surrey LGR legislation laid																																								
Surrey LGR legislation approved																																								
Elections for Surrey Shadow Unitaries																																								
Transitional legislation																																								
Go live for Surrey Unitaries																																								
<b>Transition programme</b>	<b>Pre planning</b>									<b>Planning</b>									<b>Shadow</b>									<b>Implementation</b>												
<b>Working arrangements</b>	<i>Collaboration between constituent authorities</i>																		<i>Unitary level activity</i>									<i>Unitary level activity</i>												

# Conclusion

This document has outlined our interim proposal for local government reorganisation in Surrey. It is the product of significant analysis and consultation between all local authorities.

With one unitary authority not meeting the criteria for devolution, our work and analysis shows that there are two viable options for local government reorganisation in Surrey – a move to two or three unitary authorities.

Our preliminary financial modelling suggests that both options are financially viable – subject to resolving the debt issues - offering significant benefits by reducing duplication, realising economies of scale and improving service delivery. Both options present opportunities for service transformation, maximising the opportunities that reorganisation affords.

While the financial case is important, maintaining strong local connection and accountability is similarly crucial to ensuring effective, relevant and accountable local government that is designed to meet the needs and challenges of the communities we serve. This is essential for realising the benefits of devolution, including improved strategic planning, local infrastructure and housing delivery, all of which contributes to the government's central growth mission.

This is a once in a generation opportunity to create a structure of local government that stands the test of time. Given the scale of this opportunity, it is vital that any new structure of local government is established on a sound footing. This means also considering the very reason for local government's existence – to serve the interests of our communities.

Our work to date strongly suggests that, for all of us who have expressed a view, a three unitary authority option strikes the best balance between efficiency and maintaining a strong local connection, as well as maximising local economic growth by ensuring that unitary authorities reflect the economic geography of Surrey, both now and in the future.

We look forward to continuing to work together to improve local government in Surrey, ensuring its resilience and efficiency, responsiveness and strong local connection in realising the opportunities of devolution and unlocking economic growth.



