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Surrey’s BIG debt question in local government reorganisation

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Plans for what Surrey could look like in local government reorganisation have been agreed but questions remain over looming debt. Councillors demanded to know how debt would be managed before the county is divided up.

The government outlined plans for a major reorganisation of local government in December. Two tier councils will be dissolved into unitary authorities which will carry out all local government functions like planning, bin collections as well as education and social care.

Members of the County Council have agreed on March 18 two proposals for how Surrey could be carved up in the most dramatic reorganisation of local services in 50 years. Serving 1.2m people, Surrey’s current matrix – consisting of 12 borough and district councils and one county council – could be split into two or three new local authorities.

Leader of Surrey County Council, Tim Oliver, said he believes reorganisation is the “opportunity to turbo charge localism”. He said: “Single councils are clearer for residents, have greater accountability, are more efficient and effective for delivery and strip out unnecessary bureaucracy and duplication.”

Option 1, and the Conservative-run cabinet’s preference, is to cut Surrey in half to create an east and west, or north and south. Exactly which councils will be included in the new authority are still yet to be determined, for instance whether Spelthorne borough is either on the east or west side.

Option 2, put forward by the majority of district and borough councils, consists of three new local authorities in the form of north-west, south-west and south-east Surrey. Again, full details of which councils would be included is still in the draft stages.

The two outline plans will be submitted to the central government on Friday March 21, who will ultimately have the deciding power on the new face of Surrey. Meanwhile, the local authorities will keep working to produce a final proposal by May 9.

With over £5.5bn worth of crushing debt across the county, members publicly urged the government to solve Surrey’s financial issues before reorganisation. Cllr Catherine Powell said there needs to be “a clear path on the £5.5bn of debt” as it could create “significant imbalances” leading one council “more likely to fail”. The Residents’ Association and Independent Group Leader said she does not feel Surrey can propose new authorities without a solution.

Leader of the Liberal Democrat Group, Cllr Paul Follows, said the councils’ debt is “so toxic it will pollute the rest of this county”. He lamented that reorganisation will not be about what is best for residents but about how money will be spent.

Speaking to the council, the leader said the government has “made it clear it does not intend to write off all of Woking’s debt”. Cllr Oliver said he will be having detailed conversations and Surrey will “have to come up with plan B”.

Creating two councils in Surrey could save £27m after five years but three authorities could potentially make a loss of £8m, according to the county council’s report. But the district and borough councils argue three unitary authorities would only save slightly less money than two and not be in a deficit.

However, Cllr Oliver said they have not taken into account the cost of reorganising services, such as adult social care, which could add substantial added costs. The leader claimed splitting into two is the best value for money for residents.

“There is no desire for Ashford to sink in with Godstone should the boundaries be cut [one] way,” said Cllr Robert Evans OBE. He explained slicing Surrey into two would only reveal some towns would have little in common with villages they may have not even heard of.

Creating two unitary councils with a population of around 600,000 each, opponents slammed the proposal as bad for local democracy and eroding distinctive community identities. Members also flagged there would be significantly less councillors looking after greater areas.

But those batting for a dual council-led Surrey said few residents even identify with the council and local identity would be strengthened by working with community groups and local healthcare networks.

Questions about services like adult social care as well as children and education services were raised as major issues. Cllr Sinead Mooney said splitting the adult social care beyond two units would complicate the service and people could “fall through the gaps”. Cllr Clare Curran highlighted the potential difficulties in retaining and splitting staff to more than two councils, meaning experienced teams could leave.

Cllr Fiona Davidson called for a need to assess how many children homes, specialist school places and demand for foster

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children to ensure Surrey is covered with the right services. Members agreed it was not just about making services cheaper and simpler- they had to be run better than currently.

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