

# The shake up of Epsom and Ewell's local government: was it all a waste of time as Rayner puts pause on LGR elsewhere?

7 September 2026



**Surrey's political leaders insist the replacement of the county's 12 councils by two large unitary authorities remains on schedule. But a government review of local government reorganisation elsewhere in England has reopened questions about whether Surrey was right to proceed so quickly with its own costly transformation.**

A major retreat by the Government over the restructuring of English local government has inevitably reopened the argument over whether Surrey was right to rush ahead with its own reorganisation.

Housing, Communities and Local Government Secretary **Angela Rayner** has announced a national review following what her department described as "updated and privileged legal advice".

Decisions affecting Essex, Hampshire, Norfolk and Suffolk have been withdrawn. Plans for a further 14 areas have been paused, along with reorganisation proposals for Cambridgeshire and Peterborough and West Sussex which had not yet been settled.

Existing councils in those areas will now hold elections in May 2027 on their current boundaries.

The change is highly significant. Only months ago ministers were presenting the abolition of county and district councils across England as an essential part of creating simpler and more economical local government.

Ms Rayner said she wanted to be satisfied that the correct process was in place, that it complied with the law and that the proposals remained consistent with the priorities of a new Prime Minister and administration.

The precise legal advice has not been disclosed because the Government says it is privileged. It follows a succession of threatened or commenced judicial reviews challenging ministers' selection of boundaries for the new councils.

In Essex, the county council began legal proceedings after former Communities Secretary Steve Reed selected a five-unitary arrangement rather than an option for fewer and larger authorities which was reportedly preferred by departmental officials. Challenges were also launched or contemplated in Hampshire, Norfolk, Suffolk, Portsmouth and Kent.

The Government's wider retreat has been described by the Local Government Information Unit as threatening to turn the programme into a "colossal white elephant", consuming thousands of hours of council officers' and councillors' time.

## Surrey says it remains on course

Surrey's councils responded quickly to the national announcement by reaffirming their commitment to creating East Surrey Council and West Surrey Council on 1 April 2027.

In a joint release issued through Surrey County Council, they said the Ministry of Housing, Communities and Local Government had confirmed that Surrey would not be affected by the review.

The councils said significant work had already been undertaken to develop the proposals, consult partners and communities and prepare for the transfer of services. They maintained that the new structure would simplify local government, strengthen accountability and improve services.

Councillor Steve Wotton, Leader of the shadow East Surrey Council, which includes Epsom and Ewell, said: "Government has been clear that Surrey's local government reorganisation programme remains on track.

"Councils across Surrey have worked at pace to develop robust proposals that will deliver long-term benefits for residents, businesses and communities. We remain confident that reorganisation will create stronger, more sustainable local government and help us deliver better outcomes for local people."

Councillor Paul Follows, Leader of West Surrey Council, said significant progress had already been made and that partners were continuing to work constructively together.

"We remain committed to delivering reorganisation successfully and ensuring that residents, colleagues and partners are supported throughout the transition," he said.

Residents have been assured that existing councils will continue delivering services normally until the transfer takes

place.

The Surrey statement addresses the immediate practical question: the national review will not delay Surrey's changeover. It does not, however, resolve the wider question raised by the Government's change of course: whether the original national programme, including the accelerated Surrey process, was soundly conceived.

### **Why Surrey is different**

Surrey has progressed considerably further than the areas placed under review.

The Government decided in October 2025 that Surrey County Council and the county's 11 district and borough councils should be replaced by two authorities.

East Surrey will encompass Epsom and Ewell, Elmbridge, Mole Valley, Reigate and Banstead and Tandridge. West Surrey will cover Guildford, Runnymede, Spelthorne, Surrey Heath, Waverley and Woking.

The Surrey (Structural Changes) Order 2026 was approved by Parliament, made on 9 March and brought into force on 10 March. Elections for both new councils took place in May.

East and West Surrey now exist as shadow authorities. They are preparing budgets, staffing structures, constitutions and service arrangements before assuming full responsibility on 1 April 2027.

On that date Surrey County Council, Epsom and Ewell Borough Council and the other ten borough and district councils will be abolished.

Surrey therefore cannot simply be added to the list of paused areas through an administrative announcement. Reversing course would require ministers and Parliament to undo an order already in force, deal with two elected shadow authorities and decide whether the councils marked for abolition should instead be preserved.

The existence of that legal and democratic machinery probably explains why ministers have chosen to let Surrey continue. It does not necessarily amount to a fresh examination or endorsement of the merits of the two-unitary model.

Nor does it establish that the legal difficulties identified elsewhere could never have affected the earlier Surrey process. Ministers have not published the new advice or explained in detail why it applies to later decisions but not to Surrey.

### **The cost before the savings**

Surrey's own published figures show that reorganisation is not a cost-free exercise.

The May 2026 implementation plan estimates that setting up the two new councils before April 2027 will cost £35.3 million.

Surrey County Council is expected to provide £28.24 million. The remaining 20 per cent is being divided among the borough and district councils according to their council tax bases.

Epsom and Ewell Borough Council's allocated contribution is £454,094.

That £35.3 million covers work before the new councils take over. The implementation plan expressly states that costs incurred after April 2027 will have to be funded by East and West Surrey themselves. The eventual total may therefore be higher.

There are also costs which are harder to place on a balance sheet: senior officers and specialist staff diverted from ordinary council work, consultants and legal advisers, harmonising computer systems and employment terms, splitting Surrey County Council's budget and assets, rewriting contracts and policies and deciding what happens to hundreds of council-owned properties.

Council tax levels and services which currently differ between boroughs must also eventually be reconciled.

Supporters argue that these are one-off investments which will produce larger recurring savings. The Surrey business case forecast that savings could begin in the first year and increase substantially from year three. Later financial papers quoted a projected saving of about £23 million a year by year five, after allowing for continuing implementation costs.

If those savings are achieved and sustained, a £35.3 million initial expenditure would not by itself prove waste. It could be recovered within a comparatively short period once the full annual savings materialise.

The more difficult question is whether the promised savings will survive the practical complexities of combining 12 councils.

### **Two councils, but very different financial inheritances**

The two new authorities will begin with markedly different financial problems.

Every existing Surrey council is forecasting a medium-term budget gap. West Surrey must also absorb the consequences of Woking Borough Council's financial collapse and Spelthorne Borough Council's debt and investment difficulties.

The Government has announced exceptional assistance for Woking, but reorganising boundaries does not make underlying borrowing disappear. Debt, assets, liabilities and interest costs still have to be allocated or supported.

East Surrey avoids Woking's particular difficulties but will inherit its share of Surrey County Council's pressures in adult social care, children's services, special educational needs and school transport. These are among the most expensive and rapidly growing areas of council expenditure.

Unitary status may make it easier to coordinate housing, social care, roads, waste, planning and public health. It does not

remove the demographic and financial pressures driving those services.

The Government's original case for the Surrey changes promised fewer senior managers and councillors, reduced duplication, clearer accountability and more joined-up services.

It suggested, for example, that families needing help with education, social care and housing would no longer have to navigate separate county and borough organisations.

Those are plausible benefits, but they remain promises rather than demonstrated results.

## What Epsom and Ewell loses

For Epsom and Ewell, the question is not only financial.

The borough, with its own civic identity and relatively small geographical area, will become one part of an authority stretching from Elmbridge in the west to Tandridge in the east. Decisions presently taken at Epsom Town Hall will ultimately be made by a much larger council serving around half of Surrey.

The number of councils may be reduced, but the distance between residents and the principal decision-making body will increase. Planning, licensing, parks, refuse collection, homelessness and other distinctly local services will be transferred to East Surrey.

That sits uneasily with the claim in the councils' latest statement that reorganisation will strengthen local accountability.

Area committees, community boards or similar arrangements may be established to maintain a connection with individual towns and communities. Epsom and Ewell's proposed Charter Trustees could preserve the mayoralty and some civic traditions, but would not replace the borough council's service-delivery or decision-making powers.

If funded through an additional local precept, the Charter Trustees would also create a modest new layer of cost beneath the new unitary authority.

The tension is clear: reorganisation seeks savings through scale while simultaneously having to devise new structures to restore some of the local connection which that scale removes.

## Was it all a waste?

The Government's pause does not, by itself, prove that Surrey's reorganisation has been a waste of time and money.

Surrey's two councils have been established in law, their councillors have been elected and implementation is well under way. Stopping now could waste more of the work and expenditure already committed while creating legal and administrative confusion.

Surrey leaders are also entitled to point to the amount of preparation already undertaken and the need to give certainty to residents, council employees, contractors and voluntary organisations.

Nevertheless, the national reversal seriously weakens the confidence with which the programme was sold.

The policy was announced in the December 2024 English Devolution White Paper and was not contained in Labour's 2024 general election manifesto, as recorded in the House of Commons Library's July 2026 briefing.

Surrey was placed on an accelerated timetable, submitting proposals in May 2025 while most other areas were given until the autumn.

Residents were asked to accept postponed elections, hurried consultation and a fundamental alteration of local democracy on the basis that the national direction was settled and the financial case compelling.

Less than two years later, ministers are checking whether much of that programme was lawful, procedurally robust or even consistent with the new administration's priorities.

Surrey appears to have crossed the bridge just before the Government closed it for a structural inspection.

Whether that makes Surrey fortunate or merely the first county irrevocably committed to a questionable experiment will not be answered by ministerial assurances or council press releases.

It will depend on measurable results after April 2027: the final transition bill, actual rather than forecast savings, council tax levels, the quality of services and whether residents still feel that local decisions are being made locally.

For now, the fairest conclusion is that Surrey's reorganisation is too advanced to be treated as abandoned expenditure, but nowhere near advanced enough to be declared money well spent.

Lionel Blackman

.

Image: Angela Rayner Official Cabinet Portrait, July 2024

## Related reports

- How two became one became three – how “unitary” means “trinity” – 25 August 2026
- Tiers not shed for local government in Surrey after all...? – 25 August 2026
- Epsom and Ewell Council votes for continuing a local Mayoralty after its abolition, for a small fee – 22 July 2026
- Big spending must be approved by new Councils from now – 9 July 2026

- East Surrey Unitary lack of devolution detail – 16 April 2026
- Tiers to be shed if Epsom and Ewell loses its Borough Council – 23 December 2024