

Briefing Note:

Government Response to Local Government Reorganisation (LGR) in Surrey

Overview and Government Decision

The Secretary of State has confirmed the Government's decision to proceed with two new unitary councils in Surrey: East Surrey Council and West Surrey Council. This reorganisation aims to abolish the existing county, district, and borough councils and replace them with single-tier authorities responsible for all local services. The decision is subject to Parliamentary approval through a Structural Changes Order.

The Government's rationale focuses on simplifying local government, strengthening local decision-making, improving financial sustainability, accelerating housing delivery, and improving coordination of public services.

Implementation Timetable

Draft Structural Changes Order (SCO) circulated to Chief Executives for factual checks by 7 November 2025. Formal laying of the Order before Parliament expected early January 2026. Shadow authorities to be created following May 2026 elections. New councils to assume full powers on 1 April 2027.

Transitional Arrangements

The SCO will abolish all existing councils in Surrey on 1 April 2027 and establish shadow authorities for East and West Surrey following all-out elections in May 2026. It will require the formation of Joint Committees and an Implementation Team led by the Chief Executive of Surrey County Council, with deputies from district or borough councils in each unitary area. Returning Officers will be the Head of Paid Service of Reigate & Banstead for East Surrey, and of Runnymede for West Surrey.

Financial and Governance Considerations

The Government will issue a Section 24 Direction requiring councils to seek consent from the new unitary councils before major contracts or asset disposals. Effective date likely to be 30 June 2026.

Spelthorne and Woking Borough Councils will be excluded due to existing Commissioner oversight. Representations on the draft Direction are due by 21 November 2025.

The Government confirmed £500m in-principle debt repayment support for Woking Borough Council during 2026–27.

Future Legislation and Devolution

The SCO will be followed by a Supplementary Provision and Amendment Order expected before April 2027 to deal with pensions, housing revenue accounts, ceremonial matters, and memberships of external bodies.

Article 17 of the SCO enables shadow councils to prepare or consent to a devolution proposal for a Strategic Authority for Surrey.

Implications for Town and Parish Councils

Town and parish councils remain intact under this reorganisation. They should prepare for alignment of election cycles, strengthen their role in community representation, and engage with Joint Committees and Implementation Teams. Following representations, the 2027 election cycle continues.

The Section 24 Direction means asset transfers will require consent after June 2026. Parishes should act early if seeking asset transfers and prepare proposals for devolved service delivery under the new unitary structure.

Next Steps

Chief Executives: Submit factual comments on draft SCO by 7 November 2025.

All councils: Submit representations on Section 24 Direction by 21 November 2025.

Implementation Teams and Joint Committees: Begin formation late 2025.

Town and Parish Councils: Engage in local implementation and consider devolution proposals during 2026–27.

Key Messages for Communication

The Government has confirmed LGR will proceed – two new unitaries for Surrey by April 2027.

Current councils remain until then but must prepare collaboratively. Parish and town councils will remain and become increasingly important in local representation and service delivery. Early engagement is essential to shape future arrangements.