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LGR Consultation
Ministry of Housing, Communities and Local Government
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1 August 2025

Dear Sir / Madam

Government Consultation: Devolution and Local Government Reorganisation (LGR) Proposals for a Two-Unitary or Three-Unitary Model for Surrey

Horley Town Council welcomes the opportunity to comment on this important stakeholder consultation as a first-tier local government authority, situated in the southern part of the Reigate and Banstead borough in Surrey and serving the people of Horley.

We have carefully considered the outline proposals submitted by the principal authorities, in both cases, for a new unitary authority structure in Surrey and we have the following comments to make from our detailed review and observations:

1. TWO-UNITARY MODEL FOR SURREY:

We oppose the proposal for a Two-Unitary Model due to the county's vast size, the potential for increased economic disparities and the negative impact on local democracy. We believe that such a model would offer limited real benefits, as it would create areas that are fundamentally too large and remote from residents. This could hinder meaningful community engagement and compromise the effectiveness of local service delivery.

We are also concerned about the risk of uneven distribution of resources and economic opportunities across the two proposed areas, potentially leading to marginalisation of certain parts, exacerbating existing inequalities and creating further challenges for inclusive and balanced regional development, as summarised below:

➤ Economic Disparities and Impact on Local Democracy

We believe that establishing two large unitary authorities in Surrey would inevitably lead to a significant disconnect between local government and the communities they serve. This typical structure risks undermining local accountability and responsiveness, making it harder for residents to be heard. It raises deep concerns about the uneven distribution of resources and economic opportunities across the county, potentially exacerbating existing inequalities and disadvantaging certain areas.

The model further raises serious issues about the uneven distribution of resources and economic opportunities across Surrey. A two-unitary structure could entrench existing inequalities with some areas benefitting more than others, depending on where boundaries are drawn and how services are managed. This could lead to long-term disparities in investment, infrastructure, and access to essential services.

➤ **Impact on Local Identity and Services:**

While we recognise the intention to streamline governance and all the positives, we believe that dividing such a large and diverse county into two expansive unitary authorities would ultimately be detrimental to residents, communities and local democracy. The sheer scale of these proposed authorities would likely result in significant disconnection from the communities. Furthermore, large centralised units are less able to reflect and respond to the unique needs of local areas, creating a democratic deficit and reducing accountability. Therefore, residents may feel increasingly removed from decision-makers, through weakening public trust and engagement.

The creation of large unitary authorities also risks eroding local identity. Surrey is made up of many distinct towns, villages, and neighbourhoods, each with its own character and typical needs. A more centralised approach would make it harder to tailor services effectively, potentially overlooking the priorities of smaller or more rural communities in favour of broader, less responsive policies. A model that distances governance from the people it serves is unlikely to deliver these outcomes and is therefore counter-productive, by creating additional barriers to effective service delivery and further weakening the connection between residents and decision-makers.

➤ **Impact on Financial Stability**

While reportedly, supporters of the two-unitary model claim it would enhance financial stability, we remain unconvinced. The current financial challenges facing some of Surrey's principal authorities have not been adequately addressed or explained within the context of this proposed restructuring. We therefore must question the fairness and logic behind merging financially stable, debt-free councils with others that are carrying significant financial burdens?

It also remains unclear to us why residents in well-managed areas should be expected to shoulder the consequences of financial mismanagement elsewhere. This raises fundamental concerns about accountability, transparency and the equitable treatment of local taxpayers. Furthermore, there has been no clear commitment from central government to provide sufficient transitional funding or to support the levelling of financial disparities between certain areas.

➤ **A Misalignment of Functional Geography: Why Elmbridge Does Not Belong in an East Surrey Council**

The inclusion of Elmbridge in a reorganisation model aligned with East Surrey would ignore the clear transport, economic and social realities that distinguish it from the eastern districts. For the model to reflect functional geographies and strategic coherence, Elmbridge should be grouped with authorities in western Surrey or Greater London-adjacent areas, rather than with councils whose outlook is fundamentally oriented toward eastern Surrey, Sussex, and south London.

2. THREE-UNITARY MODEL:

We fully support the proposal for a Three-Unitary Model as part of the Local Government Reorganisation in Surrey. We are firmly of the view that this model offers a more effective, balanced and future-proof approach to local governance, accountability and is one that is capable of addressing the county's operational and economic challenges while preserving strong democratic values.

By establishing three smaller, more locally connected unitary authorities, this proposal ensures that decision-making remains closer to local communities. It further enhances democratic accountability, strengthens civic engagement and enables more responsive service delivery, tailored to the specific needs of each locality. Crucially, the three-unitary model acknowledges the geographical, economic and cultural diversity that exists across Surrey. Rather than adopting a 'one-size-fits-all' approach, it creates space for more representative, community-focused governance. This structure fosters a stronger connection between residents and their elected representatives, helping to maintain local identity and ensure that every voice matters and can be heard in the policy-making process.

In contrast to the two-unitary model, which risks creating overly large and remote authorities, the three-unitary option places local identity and community voice at the heart of decision-making. It provides a more equitable platform for balanced development and more effective resource distribution across the county.

We believe that by adopting this model will result in a more inclusive, sustainable, and efficient system of local government and one that better serves the interests of Surrey's diverse communities both now and into the future, as we will expand on further below:

➤ **Stronger Local Identity and Representation**

Surrey is home to a rich tapestry of distinct towns, parishes, and communities, each with its own identity, priorities and challenges. A three-unitary model would help preserve and enhance the ability of local authorities to reflect and respond to these differences. By reducing the scale of governance, this model allows for more community-led decision-making and the development of services and policies that are genuinely tailored to local needs.

This decentralised approach is essential for maintaining public trust, strengthening civic engagement and ensuring that governance remains rooted in the communities it serves. Local residents are more likely to participate in and support decisions made by councils that understand their context, concerns and aspirations for the future. In this way, the three-unitary model supports not only operational effectiveness but also the long-term resilience of local democracy.

➤ **Enhanced Democratic Accountability**

By keeping governance closer to the people, the three-unitary model promotes greater transparency and accountability. Smaller, more locally focused unitary authorities are inherently more accessible to residents, allowing for stronger, more responsive relationships between elected Members and the communities they represent. This, in turn, fosters trust and encourages active civic participation, ensuring that local voices are genuinely listened to and reflected in policy decisions.

In contrast to a centralised, county-wide system, where representation risks becoming diluted and decision-making distant, the three-unitary structure enables a more meaningful form of local democracy. It empowers communities to shape their own futures through direct, representative governance that understands and respects their unique needs and identities.

➤ **Financial Sustainability and Resilience**

We are confident that the three-unitary approach represents a more financially sound and sustainable option for Surrey. This model offers a structure capable of delivering operational efficiencies and greater financial resilience, without exposing residents to the significant levels of debt experienced by some existing councils within the county.

By creating three independent, collaborative authorities, this approach allows for prudent financial management at a more local level. It enables each unitary to tailor its spending, investment and service delivery strategies according to its own fiscal position and community priorities. In doing so, the model helps to safeguard vital public services and supports the long-term financial stability of each authority.

Additionally, a multi-authority structure reduces systemic risk. Rather than consolidating financial vulnerabilities under a dual entity, this model can better mitigate risk and ensure that issues in one area do not jeopardise the financial health of the entire county. In this way, the three-unitary model promotes a more balanced, resilient and fiscally responsible system of local governance.

➤ **Service Delivery and Innovation**

We believe that smaller, more focused unitary authorities are also better positioned to innovate and adapt to the specific needs of their communities. Whether in relation to housing, planning, environmental services, or community health, authorities that are closer to the people they serve, can respond more swiftly and appropriately to emerging challenges and opportunities.

A close-proximity arrangement enables local councils to pilot targeted solutions, engage more effectively with community stakeholders and other partners as well as co-produce services that are both efficient and effective. It is proven that local knowledge, combined with flexibility in service design and delivery, fosters innovation and supports the development of approaches that truly reflect community needs and aspirations. The three-unitary model creates the space for this kind of responsive, place-based governance that a larger, more centralised structure simply cannot replicate.

3. LOCAL GOVERNMENT REFORM AND DEVOLUTION:

Through the lens of local government reform, we embrace the principles of devolution for lower-tier authorities, such as town and parish councils, as a framework for guiding the fair, effective, and locally responsive transfer of powers, responsibilities, assets and services from principal authorities.

At Horley Town Council, we have first-hand experience of this process and a strong, proven track record in successfully taking on additional responsibilities through devolved services agreements. Our approach is underpinned by effective collaboration with our principal authority across a wide range of local issues, including the transfer and management of key assets and services. This partnership model demonstrates how devolution, when applied constructively and cooperatively, can deliver tangible benefits for communities and enhance the effectiveness of local governance.

We believe devolution is of fundamental importance to effective, responsive and community-led governance. By devolving assets and services, principal authorities empower local councils to make decisions that reflect the unique needs and priorities of their communities. This localised control not only strengthens civic engagement but also fosters innovation and improves service delivery by placing responsibility closer to the people it directly affects.

When principal authorities and lower-tier councils work in partnership, they can ensure more efficient use of resources, reduce duplication and develop locally tailored solutions that are often more cost-effective. Devolved governance also enhances accountability, as residents are more likely to engage with and trust decision-makers who are rooted in their communities. It is a practical and essential step toward more democratic, inclusive and resilient public service delivery and well as enabling long-term planning for sustainable community development.

4. CONCLUSION:

In summary, Horley Town Council is confident that the three-unitary model represents a more democratic, locally responsive and financially responsible vision for Surrey's future. It aligns with the principles of good governance and provides a platform for long-term success across the county.

From our own observations, we note that, overall, the proposed two-unitary model is facing strong opposition due to concerns about its potential negative impact on local democracy, community economic equity and financial sustainability.

In our view, any restructuring of local government in Surrey must prioritise community cohesion, equitable service delivery and strong democratic representation and we are confident this may be suitably achieved through the three-unitary model. It further offers Surrey a governance structure that is more responsive, accountable and financially sustainable. By preserving local identities and bringing decision-making closer to residents, it strengthens democracy and community engagement. This approach better reflects the diverse needs of Surrey's towns and villages while providing a resilient framework to address economic and operational challenges. We firmly believe that adopting the three-unitary model will deliver more effective, equitable, and sustainable local government for Surrey now and into the future. The unique potential of devolution should be harnessed to unlock further opportunities during this significant period of change in local government administration and public service delivery.

We trust that our detailed comments will be taken on board and given due consideration. We welcome continued stakeholder engagement on this important matter, through the MHCLG and our principal authorities and would be pleased to participate further as the reorganisation of Surrey progresses and up until final implementation.

Yours faithfully



Joan Walsh
Chief Executive Officer
Horley Town Council

cc:

Chris Coghlan MP

Cllr Richard Biggs – Leader, Reigate & Banstead Borough Council

Mari Roberts Wood – Chief Executive, Reigate & Banstead Borough Council

County, Town and Borough Cllrs for Horley

