

## **ITEM OF URGENT BUSINESS**

Executive Report

Ward(s) affected: N/A

Report of Managing Director

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# **Devolution and Recovery Bill: Contribution towards a joint Local Government Reorganisation Case for Change Submission to the Secretary of State**

## **Executive Summary**

The Executive will be aware that the Government intend to publish a Recovery and Devolution White Paper in the autumn setting out the Government's thinking and proposals on local governance structures and the opportunity to legislate to devolve powers, duties, responsibilities and resources to local communities.

Furthermore, in a speech to the Local Government Association Conference in early July, the Minister for Regional Growth and Local Government, confirmed that this would mean creating "many more elected mayors and more unitary authorities".

The Leader of Surrey County Council (SCC) wrote to the Secretary of State for Housing, Communities and Local Government, on 10 July 2020 to ask him to invite SCC to submit a business case to set out proposals for a single unitary authority for Surrey. It is understood that SCC has already engaged a team of consultants to prepare a draft business case to be brought to its Cabinet and full Council meetings during September before being submitted to Ministry of Housing, Communities and Local Government (MHCLG) by the end of September.

In response, the Surrey Leaders' Group, on behalf of the 11 borough and district councils in Surrey, wrote to the Secretary of State on 23 July 2020, seeking assurance that if he is minded to invite a submission from SCC, he should also invite a business case submission for alternative multi-unitary models for Surrey from the combined borough and district councils in the county.

## **Recommendation to the Executive**

- (1) That the Council commits to contributing up to £30,000 towards the total cost of a submission of a Local Government Reorganisation Case for Change to the MHCLG, to be undertaken by KPMG and commissioned jointly by the 11 Surrey borough and district councils, including the cost of any further specialist advice.
- (2) That the contribution referred to in paragraph (1) above be met from the Corporate Inflation budget.

### Reason for Recommendation:

To enable a robust business case for structural change, supported by Surrey borough and district councils, to be made to the Secretary of State as expeditiously as possible in response to the Government's anticipated Recovery and Devolution White Paper.

**Is the report (or part of it) exempt from publication? No**

## **1. Purpose of Report**

- 1.1 To ask the Executive to approve a financial commitment of up to £30,000, as this Council's contribution towards the joint commissioning by the 11 borough and district councils in Surrey of a business case for structural change to local government in the county, including the cost of any further specialist advice (e.g. communications).

## **2. Strategic Priorities**

- 2.1 The joint commissioning of a robust business case for structural change to local government in Surrey demonstrates the Council's commitment to delivering improvements and enabling change across the borough.

## **3. Background**

- 3.1 The Executive will be aware that the Government intends to publish a Recovery and Devolution White Paper in the autumn setting out the Government's thinking and proposals on local governance structures and the opportunity to legislate to devolve powers, duties, responsibilities and resources to local communities.
- 3.2 Furthermore, in a speech to the Local Government Association Conference in early July, the Minister for Regional Growth and Local Government, confirmed that this would mean creating "many more elected mayors and more unitary authorities".
- 3.3 The Leader of Surrey County Council (SCC) wrote to the Secretary of State for Housing, Communities and Local Government, on 10 July 2020 to ask him to invite SCC to submit a business case to set out proposals for a single unitary authority for Surrey. It is understood that SCC has already engaged a team of consultants to prepare a draft business case to be brought to its Cabinet and full Council meetings during September before being submitted to Ministry of

Housing, Communities and Local Government (MHCLG) by the end of September.

- 3.4 In response, the Surrey Leaders' Group, on behalf of the 11 borough and district councils in Surrey, wrote to the Secretary of State on 23 July 2020, seeking assurance that if he is minded to invite a submission from SCC, he should also invite a business case submission for alternative multi-unitary models for Surrey from the combined borough and district councils in the county.
- 3.5 In anticipation of the need to prepare a Case for Change submission in a very short time frame bearing in mind in particular that any submission would need to have the support of all 11 boroughs and districts, Surrey Leaders Group has agreed to appoint KPMG to put together the business case for Local Government Reorganisation in Surrey, on their behalf.
- 3.6 KPMG has a good track record of preparing such business cases on behalf of groups of borough and district councils and is able to mobilise its team at short notice to work on a submission for the 11 Surrey boroughs and districts.
- 3.7 KPMG has already drafted an indicative timeline to prepare the Case for Change for consideration by the 11 borough and district councils, provisionally by the end of September 2020.

#### **4. Financial Implications**

- 4.1 Each of the 11 borough and district councils in Surrey has been asked to contribute towards the joint commissioning of KPMG to prepare a Case for Change business case for submission to MHCLG, including the cost of any further specialist advice. At this stage, a commitment of up to £30,000 is sought.
- 4.2 Guildford's contribution can be met from the Corporate Inflation budget.

#### **5. Legal Implications**

- 5.1 The general power of competence under S.1 Localism Act 2011 provides that a local authority has power to do anything that individuals generally may do.
- 5.2 The commissioning of consultants to carry out this type of work would normally require a procurement exercise. However, Procurement Procedure Rules provide for permitted exceptions to such requirements in a number of circumstances including where the work to be executed is required urgently and would not, therefore, permit the invitation of tenders.

#### **6. Human Resource Implications**

- 6.1 There are no HR implications arising from the recommendation in this report.
- 6.2 Runnymede Borough Council will be the lead authority on procurement and Elmbridge will lead on communications.

**7. Equality and Diversity Implications**

- 7.1 This duty has been considered in the context of this report and it has been concluded that there are no equality and diversity implications arising directly from the recommendation therein.

**8. Climate Change/Sustainability Implications**

- 8.1 There are no climate change/sustainability implications arising from the recommendation in this report.

**9. Background Papers**

[Letter dated 23 July 2020 from the Surrey Leaders' Group to the Secretary of State](#) (click on link and open Order Paper, the letter is attached)

**10. Appendices**

None

**Note:** By reason of the special circumstances described below, the chairman considers that this item should be dealt with at this meeting as a matter of urgency pursuant to Section 100B 4 (b) of the Local Government Act 1972.

**Special Circumstances:** This matter requires a decision by the Executive at this meeting to enable the Council to commit to the commissioning of a joint Case for Change submission, on behalf of the Surrey borough and district councils, as expeditiously as possible.