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The Rt Hon Robert Jenrick MP
Secretary of State
Ministry of Housing, Communities and Local Government
[by email: robert.jenrick@communities.gov.uk]

Friday 10 July 2020

Dear Secretary of State,

Further to your Minister's announcement in his speech to the LGA Annual Conference on 3 July 2020, I am writing to set out our ambition for Surrey and our wish to engage with you on the reforms needed to ensure its achievement. I want Surrey to be a uniquely special place where everyone has a great start to life, people live healthy and fulfilling lives, are enabled to achieve their full potential and contribute to their community, and no one is left behind.

As a nation, we are facing new and growing challenges. The economic shock the country has experienced arising from Covid-19 and the recession we are facing will have profound and lasting effects. Local government faces a huge challenge to support communities and businesses at the same time as finding ever greater efficiencies.

Surrey County Council is ready to face this challenge. We have amply demonstrated our creativity and flexibility in leading the local response to Covid-19. We established a new community hospital, NHS Seacole Centre at Headley Court, in just 35 days. We are a good practice area for Local Outbreak Control Plans. We worked at pace with local partners to deliver extra refuge space for victims of domestic abuse, helping to meet urgent local need following the Covid-19 lockdown.

We have made excellent progress, delivering £188m efficiencies in the last two years alone, and turning around the performance of our children's services. This has been achieved by demonstrating strong leadership, innovative thinking and transformative action.

We could do so much more, better and at less cost, if we transform the current system of local government in Surrey (12 sovereign local authorities, in a two-tier structure). It is too fragmented and complicated. I believe that a single unitary council, underpinned with a flourishing new model of local accountability would be more effective, efficient and resilient in addressing the current challenges, better serving our residents and taxpayers. A new model would also maximise the potential of the county going forward.

Surrey's economy has been a significant contributor to the Exchequer, contributing £40.4b to the UK economy every year. This cannot be taken for granted in a post-crisis, post Covid-19 environment. I share the Government's priorities around economic recovery and prosperity, climate change, housing and homes, 'levelling up' and healthy and resilient communities and can see many opportunities to transform our approach in Surrey to deliver against these. Dealing with changes in the fundamentals of the economy, in terms of jobs and the labour market, commercial and residential property, retail, travel and transport (including aviation) and infrastructure, requires singular leadership and a more co-ordinated and local approach between planning, investment, housing, skills and education.

We can build more homes more quickly and develop the high streets and town centres of the future, but to do this we need to streamline decision making on planning and infrastructure with a single clear strategic approach. We can tackle inequality and level up within Surrey to ensure inclusive growth. We can reach net zero carbon emissions and deliver a greener future. Our One Surrey Growth Board is well-placed to provide the place-oriented leadership and strategic co-ordination to deliver this.

Surrey's relative overall wealth, however, masks pockets of deprivation in the county, with widening inequalities. As examples, West Surrey contributed £28.1b GVA (70%) to the Exchequer in 2017, while East Surrey contributed just £12.3b (30%) and linked to this, 70% of the jobs and 67% of businesses are in West Surrey. The inequality of life expectancy is even more marked, with women in two adjacent wards within Surrey varying by up to ten years.

We face growing demands as the population changes. The over 65s population will grow by 18% over the next decade, meaning more people will need care and support. Covid-19 will hit our vulnerable residents hardest, including those experiencing domestic abuse and mental health issues. Our Devolution deal and Surrey Heartlands Integrated Care System has enabled us to embark on ever closer working and integration to address these issues, but again, more can be done with the right structures in place that bring together health and social care with services that impact the wider determinants of health and wellbeing, such as housing and leisure.

This perfect storm of rising demand and falling income means a bleak financial outlook for local government in Surrey which will only worsen and severely affect our ability to deliver high quality services. Prior to Covid-19, Surrey's local authorities already needed to save at least £137m over the next four years, and the health economy is running a forecast £62m deficit. Moving to a county unitary authority will provide immediate savings of £36m per year and unlock the ability to transform our services further, enabling a further £100m savings per year, in return for a one-off cost of £52.7m.

I am therefore writing to ask you to invite me to submit a business case, as soon as possible, so I can set out our proposals for a single county unitary council for Surrey, as a continuing authority. I am committed to ensuring any new model of local government in Surrey is predicated on a strong locality-based model, with communities at its heart. The council is already transforming its relationship with communities, and will co-design a new local accountability model, including a new role for all our town and parish councils, as well as all the other groups with whom we work.

With devolved powers, this would enable a streamlined and more efficient model for transformative change and give us the tools for better outcomes for residents and a sustainable long-term recovery. If we are to genuinely 'level up' within Surrey, then a single unitary is the only viable model for local government reform.

I have discussed my ambitions with the Surrey MPs who agree that change is needed and can see the benefits of a unitary structure in Surrey. I will work with District and Borough Council colleagues as well as the business community, voluntary, community and faith sector, alongside our residents, to develop our plans as part of a more integrated set of public services across the county.

I look forward to starting the conversation with you on the future of Surrey.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Tim Oliver', written in a cursive style.

Tim Oliver
Leader of the Council