

## **Direction made under section 24 of the Local Government and Public Involvement in Health Act 2007**

### **Applies to England**

In exercise of the powers under section 24 of the Local Government and Public Involvement in Health Act 2007 ("the Act").

1. The Secretary of State directs each authority listed in Column A of the attached Schedule, being an authority which is to be dissolved by virtue of an order made under section 7 of the Act, that it may not, without the consent of the authorities listed in Column B of the attached Schedule, from the date in Column C:
  - a) dispose of any land if the consideration for the disposal exceeds £100,000;
  - b) enter into any capital contract –
    - i. under which the consideration payable by the relevant authority exceeds £1,000,000; or
    - ii. which includes a term allowing the consideration payable by the relevant authority to be varied;
  - c) enter into any non-capital contract under which the consideration payable by the relevant authority exceeds £100,000, where –
    - i. the period of the contract extends beyond 1 April 2027; or
    - ii. under the terms of the contract, that period may be extended beyond that date.

Signed by the authority of the Secretary of State

A senior civil servant in the Ministry of Housing and Communities and Local Government

Date: 7 July 2026

## Schedule

<b>Column A</b> <b>Authorities to be wound up and dissolved on 1 April 2027</b>	<b>Column B</b> <b>Authorities specified under section 24 of the Act as the person whose written consent is required for the matters specified at article 1 of this direction and the body through which that power is exercised</b>	<b>Column C</b> <b>Date effective from</b>
Elmbridge Borough Council	East Surrey Shadow Authority, power to be exercised by the executive of that council	8 July 2026
Epsom and Ewell Borough Council	East Surrey Shadow Authority, power to be exercised by the executive of that council	8 July 2026
Mole Valley District Council	East Surrey Shadow Authority, power to be exercised by the executive of that council	8 July 2026
Reigate and Banstead Borough Council	East Surrey Shadow Authority, power to be exercised by the executive of that council	8 July 2026
Tandridge District Council	East Surrey Shadow Authority, power to be exercised by the executive of that council	8 July 2026
Surrey County Council (in respect of decisions relating to the area of one or more of Elmbridge Borough Council, Epsom and Ewell Borough Council, Mole Valley District Council, Reigate and Banstead Borough Council, Tandridge District Council or outside of the County area)	East Surrey Shadow Authority, power to be exercised by the executive of that council	8 July 2026
Guildford Borough Council	West Surrey Shadow Authority, power to be exercised by the executive of that council	8 July 2026
Runnymede Borough Council	West Surrey Shadow Authority, power to be exercised by the executive of that council	8 July 2026
Surrey Heath Borough Council	West Surrey Shadow Authority, power to be exercised by the executive of that council	8 July 2026
Waverley Borough Council	West Surrey Shadow Authority, power to be exercised by the executive of that council	8 July 2026

Surrey County Council (in respect of decisions relating to the area of one or more of Guildford Borough Council, Runnymede Borough Council, Spelthorne Borough Council, Surrey Heath Borough Council, Waverley Borough Council, Woking Borough Council or outside of the County area)	West Surrey Shadow Authority, power to be exercised by the executive of that council	8 July 2026
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## **Surrey councils: direction**

### **Direction made under section 24 of the Local Government and Public Involvement in Health Act 2007: Explanatory Note**

#### **Control of Contracts – Explanatory Note**

This explanatory note accompanies a direction made under section 24 of the Local Government and Public Involvement in Health Act 2007 (the Act) and must be read in the context of sections 24 to 30 of that Act.

#### **Context**

1. A proposal for restructuring local government in Surrey is being implemented by the Surrey (Structural Changes) Order 2026, which came into force on 10 March 2026. The order establishes two unitary councils, East Surrey Council and West Surrey Council, from 1 April 2027, and provides for:

- the abolition of the existing county and district councils in Surrey,
- transitional arrangements for implementing the structural changes, and
- elections to the two new unitary councils in shadow form in May 2026

The existing county and district councils in Surrey remain responsible for delivering their respective functions until 1 April 2027 when the two unitary councils take on the role of providing both county and district services across their respective defined areas.

2. It is essential that all the affected local authorities (which are subject to this direction) are able to continue delivering high quality services to the public and run their day-to-day business in the period prior to 1 April 2027.
3. It is also of great importance that the authorities that have general transitional duties under the structural changes order of preparing for and facilitating the transfer of functions to the new unitary authorities are able to discharge their duties effectively.
4. Subject to what is explained in paragraph 5 below, the Secretary of State considers that the bodies with general transitional duties should have a say on agreements to be entered into by the councils affected by the Order, including in consideration of whether those agreements will be in the best interests of the new councils or the residents of the areas they serve, and ensuring agreements do not undermine or diminish the benefits or savings anticipated as a result of unitarisation or which may have an effect on the financial position of the new councils. As specified in the schedule to the Direction, the consenting bodies for the councils to be abolished by the Structural Changes Order are the East Surrey and West Surrey shadow councils, subject to paragraph 5.
5. This Direction does not apply to Woking Borough Council or to Spelthorne Borough Council, because in making it the Secretary of State has taken account of the fact that both of those councils are currently in best value intervention under the Local Government Act 1999. Commissioners have been appointed to these councils, with powers to instruct, and/or directions covering financial and commercial decision-making, procurement, regeneration and property, and the Secretary of State does not wish to fetter the Commissioners' functions.
6. The Secretary of State has, therefore, made the direction to ensure that the implementation process can proceed on a clear and sound basis.

## **Specified person/authority whose consent is required**

7. The Direction specifies which authority is required to give consent in relation to the matters that it covers. The schedule to the Direction sets out, for each of the councils to which it applies, the authority from which consent is required for all matters, and how that power is to be exercised. If a decision by the County relates to district areas in both shadow authorities, consent is needed from each Shadow Authority.

## **Cumulative amounts and general consents**

8. Under this Direction, from the date set out in Column C of its Schedule, the consent of those specified in the Schedule will be required for the entry into any contract falling within paragraphs 1.c) of the Direction. This may include routine contracts that authorities enter into on a regular basis. In order to ensure these can continue unhindered, as appropriate, the consenting body may issue general consents for types or categories of contracts which it may specify.
9. Under section 26(2) of the Act, such general consent may be given:
  - a. in respect of a particular contract, or in respect of contracts of any description;
  - b. unconditionally or subject to conditions.
10. In practice, this means that the consenting body could, for example, issue a general consent for all non-capital contracts with a value not exceeding £100,000 which are for similar descriptions of matter (such as all social care contracts, or all leisure or cultural services contracts) or it could give consent in relation to contracts relating to specific programmes or projects.
11. The Direction should be read in conjunction with sections 27(2) and (3) of the Act. The capital and non-capital contract value thresholds of £1,000,000 and £100,000 respectively are cumulative where multiple contracts are entered into with the same organisation, or individual, or of a similar description, and the consent requirement may therefore apply to many 'business as usual' contracts. Moreover, provisions in the Act were amended by The Local Government (Structural and Boundary Changes) (Control of Disposals etc) (Amendment) (England) Order 2026. Therefore, accumulation of amounts, for the purpose of calculating the value of contracts to which a direction may apply, date back to 1 April 2025.
12. Whether or not a contract relates to another of the 'same or similar description of matter' will be a question of fact and degree in each case. So, a contract to sweep the streets might not be in the same category as park maintenance services, although both are broadly environmental services, but a contract for the supply of office chairs may well fall within the same category as another contract for the supply of other office equipment.
13. New contracts of employment come within the scope of this direction and as a category of contracts relating to a similar matter, i.e. employment, the threshold of £100,000 may be reached quite quickly.

## **Interaction with other consent regimes**

14. As stated in section 26(4) of the 2007 Act, the issuing of a consent by the consenting body in relation to this direction does not remove any requirement on any authority to seek separate consent from any relevant person under any other applicable consent regime.

## **In the event of a disagreement**

15. In the event that the person seeking consent and the person whose consent is required under this direction fail to reach agreement as to the value of any consideration which might be covered by the direction, in accordance with section 26(6) of the Act, the matter is to be referred to the Secretary of State so that the value may be determined.