

**MINUTES OF THE BUDGET MEETING OF THE COUNTY COUNCIL HELD AT WOODHATCH PLACE, 11 COCKSHOT HILL, REIGATE, SURREY, RH2 8EF, ON 4 FEBRUARY 2025 COMMENCING AT 10.00 AM, THE COUNCIL BEING CONSTITUTED AS FOLLOWS:**

Saj Hussain (Chair)  
Tim Hall (Vice-Chair)

Maureen Attewell	Eber Kington
Ayesha Azad	Rachael Lake BEM
Catherine Baart	Victor Lewanski
Steve Bax	David Lewis (Cobham)
John Beckett	* David Lewis (Camberley West)
* Jordan Beech	Scott Lewis
Luke Bennett	Andy Lynch
Amanda Boote	Andy MacLeod
Dennis Booth	Ernest Mallett MBE
Harry Boparai	Michaela Martin
Liz Bowes	Jan Mason
Natalie Bramhall	Steven McCormick
Helyn Clack	Cameron McIntosh
Stephen Cooksey	Julia McShane
Clare Curran	Sinead Mooney
Nick Darby	Carla Morson
Fiona Davidson	Bernie Muir
Paul Deach	Mark Nuti
Kevin Deanus	John O'Reilly
Jonathan Essex	Tim Oliver OBE
Robert Evans OBE	* Rebecca Paul
* Chris Farr	George Potter
Paul Follows	Catherine Powell
* Will Forster	Penny Rivers
* John Furey	John Robini
Matt Furniss	Becky Rush
Angela Goodwin	Joanne Sexton
Jeffrey Gray	Lance Spencer
David Harmer	Lesley Steeds
Nick Harrison	r Mark Sugden
Edward Hawkins	Richard Tear
Marisa Heath	Ashley Tilling
Trefor Hogg	Chris Townsend
Robert Hughes	Liz Townsend
Jonathan Hulley	Denise Turner-Stewart
Rebecca Jennings-Evans	Hazel Watson
Frank Kelly	Jeremy Webster
Riasat Khan	Buddhi Weerasinghe
Robert King	Fiona White
	Keith Witham

\*absent

r = Remote Attendance

#### **4/25 APOLOGIES FOR ABSENCE [Item 1]**

Apologies for absence were received from Jordan Beech, Chris Farr, Will Forster, John Furey, David Lewis (Camberley West), Rebecca Paul, Mark Sugden (remote).

#### **5/25 MINUTES [Item 2]**

The minutes of the meetings of the County Council held on 10 December 2024 and 8 January 2025 (Extraordinary) were submitted, confirmed and signed.

#### **6/25 DECLARATIONS OF INTEREST [Item 3]**

Rachael Lake BEM declared a non-pecuniary interest noting that her son works for Surrey County Council.

Keith Witham declared a non-pecuniary interest noting that his daughter works for Surrey County Council in the Finance department.

Bernie Muir declared a non-pecuniary interest noting that her son works for Surrey Choices.

Steve Bax declared a non-pecuniary interest noting that his wife works for a local authority school in Surrey.

#### **7/25 CHAIR'S ANNOUNCEMENTS [Item 4]**

The Chair:

- Highlighted that Surrey had seen a remarkable number of its residents recognised in the King's New Year Honours List for 2025, he extended his heartfelt congratulations and gratitude to all the honourees.
- Noted the recent Holocaust Memorial Day at the Surrey History Centre to remember all the victims.
- Noted that his full announcements could be found in the agenda.

#### **8/25 2025/26 FINAL BUDGET AND MEDIUM-TERM FINANCIAL STRATEGY TO 2029/30 [Item 5]**

The Leader presented the 2025/26 Final Budget and Medium-Term Financial Strategy to 2029/30 and made a statement in support of the proposed budget.

A copy of the Leader's budget statement is attached as Appendix A.

Each of the Minority Group Leaders (Paul Follows, Catherine Powell, Jonathan Essex and Robert Evans OBE) were invited to speak on the budget proposals.

Key points made by Paul Follows were that:

- Thanked all involved with the crafting of the budget and responding to queries on it, and noted the impossible task of balancing local government finances.
- Noted that the Council was rushing forward into the uncertainty of local government reorganisation which would not be a fix for Surrey, and the local government reorganisation figure in the budget had not been scrutinised.

- Noted that the demand for services was accelerating and costs were increasing, successive governments had not provided a fix and the Council's challenge to central government had been weak.
- Noted the £30 million capital for pothole repairs funded by borrowing and asset sales - asked whether those had been chosen - and the £5 million for one-off verge cutting.
- Noted the additional £4.4 million capital for Farnham Brightwells, the vague asset sales and unaffordable debt concerning infrastructure.
- Noted that the Council had fallen short by 1.17 million of the 1.2 million figure of planting trees.
- Noted the £36.7 million of Extended Producer Responsibility (EPR) money budgeted over five years, should instead be taken as a one-off payment.
- Noted the £140 million in defined cuts and £150 million in undefined cuts concerning Children, Families and Learning (CFL).
- Noted the millions of pounds of cuts in Adult Social Care (ASC), there was over £300 million unfunded after efficiencies, and 287 jobs targeted for cuts.
- Noted the Council's low reserves and reserves gap of £1 billion.
- Noted that the Council could have reassured residents of the viability of the budget through inviting independent evaluation, it was a balanced budget on paper only, it was unsustainable. Residents were not receiving services and were being left behind.
- Stressed that transformation projects that have not delivered savings, should be reviewed or removed.

Key points made by Catherine Powell were that:

- Highlighted the exponential increase in the demand for services particularly in adults' and children's social care, and Home to School Transport.
- Noted the strong evidence that a child's first 1,001 days set the foundations for their development; yet in 2019 there were 58 Sure Start centres in Surrey, now there were only 21 Family Centres, the majority run by the voluntary sector.
- Noted a recent study which showed the clear association in youth provision and positive short-term outcomes, many were sustained over decades; yet youth provision was lower now than it was five years ago and was mostly provided by the voluntary sector whose buildings were at risk.
- Noted the Good Childhood Report from the Children's Society, in which the UK ranked high in family support but ranked in the bottom 20% in Europe for 15-year olds' wellbeing.
- Noted that the Special Educational Needs and Disabilities (SEND) system was broken, the pandemic had created long-term challenges and developmental issues and conditions.
- Called for short breaks and specialist youth clubs and play groups for children with SEND, those provided respite and activities to increase wellbeing.
- Noted the need to do more to support children and young people in poverty and with SEND, yet one efficiency in 2026/27 of £800,000 was to identify and benchmark against available provision by other local authorities.
- Noted that borrowing would increase from £767 million in March 2024 to £1.4 billion by March 2028, reserves would drop by £91.2 million this financial year to a further £70.9 million next year; that was unsustainable.
- Noted that the 2025/26 budget does not consider the impact of debt redistribution from local government reorganisation, it was uncertain whether the Government would write off local government debt in Surrey particularly Woking Borough Council's £2 billion debt, a small proportion of the debt would make the level of borrowing unsustainable.

- Noted last year's concerns on the rising costs of the SEND capital programme, a review had identified issues such as around poor building conditions.
- Added that costs on the SEND capital programme had risen by 40% resulting in the removal of additional places for girls with Autism Spectrum Disorder and children with moderate and specific Learning Disabilities.
- Noted that recent planning application in which a Council building planned to be extended was 51 years old and was approaching the end of its usable life; yet the capital budget for maintenance of schools and other Council buildings had a limited increase over the next two years and would then decrease.
- Noted that more than eighteen months into the Education, Health and Care Plan (EHCP) end-to-end review the filing system remained broken, potholes were not being fixed right the first time, there were issues with gully cleaning.
- Noted that coordination with the borough and district councils on roads was needed, the provision of transport remained split between multiple teams using different criteria.
- Emphasised that rather than transforming, the Council must focus on working out how to address early intervention and prevention.
- Noted that the average Band D Council Tax 2023/24 in Surrey was £1,559 and despite being one of the most expensive areas to live in the country, that was lower than the England average of £2,065 for Band D.

Key points made by Jonathan Essex were that:

- Noted that irrespective of what happens with local government reorganisation, the same services would need to be provided and the challenges would need to be overcome.
- Noted that last year, extra funding was promised for prevention measures and support for children with Additional Needs and Disabilities, the EHCP backlog had been addressed although there were concerns on the quality of outcomes and more families were challenging the Council in tribunals.
- Noted that in dealing with the backlog, SEND school place demand had increased; yet there was not a larger capital budget for such demand, in June 2024 the number of high needs specialist school places had been reduced and replaced by SEND units in mainstream schools.
- Noted the reliance on the non-maintained and independent sector to supply school places often far from where people live was higher than last year so Home to School Transport spend increased.
- Noted that the higher budget was needed to plug the gap created and whilst part of CFL was on track to be rated as Good, more needed to be done to improve support for children and young people with SEND.
- Noted concern in those people being made redundant who deliver Surrey's contract under the supporting families programme providing one to one support, being replaced by lower level of support to families over a shorter period.
- Noted that the budget did not include the saving generated, ringfenced for partners who deliver early intervention and prevention in Children's Services.
- Commended the work in maintaining and extending the Library Service, welcomed the refurbishment of Redhill Library, however the police station and the Harlequin Theatre remained closed.
- Welcomed the continued ambition in the building of new children's homes, responding to the long-term profiteering in the sector.
- Noted that the closing and selling of the Council's residential care homes in Merstham and Horley was short sighted, queried why some could not be retained and for there to be a benchmark to assess providers.

- Noted that the plan to sell off public assets, combined with owning properties across the UK was a gamble with little benefit to residents.
- Noted that there was a need to ensure that when Council sites were sold off for housing, socially rented homes and key worker housing should be provided, retaining social workers in the Council's full time pay.
- Highlighted that climate change had past 1.5 degrees Celsius globally for the whole of last year for the first time, escalating catastrophic consequences.
- Queried where the Council's commitment and investment was to raise its climate delivery ambition, with one staff member in the climate adaptation team.
- Called for the Council to inspire others to act, the Environment Agency's updated surface water flood maps showed the increase in risks.
- Noted that reserves should be used for SEND and climate change, and not the £5 million to beautify highways, particularly as that budget had been right-sized.

Key points made by Robert Evans OBE were that:

- Thanked all those involved in putting the budget together.
- Noted the fourteen years of previous governments' huge cuts to Surrey's real-term funding and other councils, for example Spelthorne and Woking Borough Councils were in large debts from the Public Works Loan Board (PWLB).
- Queried what would happen to those unsustainable debts in the case of local government reorganisation, asked whether those involved would be held accountable in the future.
- Noted that over a decade ago the Council had a fully funded youth service, Surrey's roads and potholes were better mended, there were not the same concerns about SEND and there were Sure Start centres.
- Noted that over the past five years nationally, tax rates had risen 33% of national income to 36%, raising an extra £93 billion without improving the services delivered.
- Welcomed the additional investment in the Government's October budget of £69 billion for local government.
- Highlighted that Council Tax was a flawed and unfair system and urged for support for the voluntary contribution scheme.
- Noted that according to Rightmove, in Surrey the highest valued property was £24 million and Council Tax was less than 0.2% of the property's value, for the cheapest property of £65,000 the Council Tax was 2.4% of the property's value.
- Queried whether the budget should be approved with £66 million savings being introduced which was noted to be a key risk.
- Stressed that efficiencies as cuts in the services delivered should be called out as such, questioned whether the efficiencies would lead to better outcomes.
- Sought clarification on the reserves figures of either £121 million or £168 million.
- Noted that the poorest residents had cuts to their household support, the Council had spent £300,000 on the Liquidlogic's Integrated Finance Technology System (LIFT) which duplicated information held by the borough and district councils, the Council could not deliver on its IT projects.
- Called on the Council to undertake work to understand care savings and to increase service quality by providing more in-house services.
- Noted that the money spent on modernising the Yvonne Arnaud Theatre through Your Fund Surrey (YFS) had been positive.
- Noted that the budget kept people behind, hoped that local government reorganisation and devolution would improve local government going forward.

## Item 5 (i)

Paul Follows moved an amendment, presenting the following recommended alternative budget proposals (included in the third supplementary agenda item 5 (i) and (ii), published on 3 February 2025), which was formally seconded by Lance Spencer. This was:

### Recommendations

**Council is asked to approve the following budget proposals:**

- (a) that Surrey County Council will explore the creation of a voluntary contribution scheme for Council Tax Band H residents of our County.**  
**(b) that a cross-party working group will be established to determine this scheme's scope, legal structure, governance, and communication and to bring back to Council for consideration with the aim of establishing the scheme for the next financial year.**

There are no direct financial impacts of the above proposals, as set out in the table below:

**Table 1. Summary of budget proposals**

<b>Proposal</b>	<b>2025-26 &amp; annual ongoing revenue impact</b>	<b>One-Off costs</b>	<b>Notes</b>
<b>1. Voluntary Contribution Fund</b> <b>(a) that Surrey County Council will explore the creation of a voluntary contribution scheme for Council Tax Band H residents of our County.</b> <b>(b) that a cross-party working group will be established to determine this scheme's scope, legal structure, governance, and communication and to bring back to Council for consideration with the aim of establishing the scheme for the next financial year.</b>		Initial set up and promotional costs	Minimal promotional & administrative costs are anticipated to set up a voluntary fund. It is proposed that these are built into future years' budgets once initial work to establish viability, cost and governance arrangements are established.
	-	-	

In support of his budget amendment, Paul Follows made the following points:

- Stressed that the Council Tax system was broken, hoped that the new Government would revisit its reform.
- Reiterated the need for such a scheme particularly for early intervention activity which would help residents and reduce core budgetary pressures.
- Had worked with colleagues at Waverley Borough Council to enact such a scheme which comes into effect for the coming tax year, the fund was based on Westminster City Council's model which had minimal set up costs.

- Noted that last year the critique of the budget amendment was a misunderstanding of the word voluntary, it was a choice to opt into; the second query was to better to encourage residents to support charities, there was no evidence that the Council structurally encouraged that.
- Noted that countywide the charitable sector was at breaking point, a charity in Godalming ceased to operate as it could not find trustees.
- Clarified that initially, only those in Band H could choose to donate, in the future other tax bands could donate; that mirrored practices elsewhere.
- Suggested holding a cross-party working group to discuss and develop the proposals, last year the opportunity was missed to do that.
- Hoped that Members saw it as a practical and apolitical proposal, which did not cost lot of time and money to try and may help many if enacted.

The budget amendment was formally seconded by Lance Spencer, who reserved the right to speak.

The Leader did not accept the budget amendment and therefore the budget amendment was open for debate.

Eight Members spoke on the budget amendment and made the following comments:

- Noted that it was a corrupt amendment, throughout the world many people were starving and suffering disease, there were thousands of charities working to alleviate that.
- Emphasised that the amendment was not a levy or imposition or obligation, it sought additional voluntary contributions to help those in need; it was not acceptable to say that asking for even £1 from residents in the county living in a multimillionaire property was an attack on charitable contribution.
- Noted that it was an affront to residents to set up such a fund, residents already gave generously with their money and time.
- Noted that the Council has a special relationship with the Community Foundation for Surrey (CFS), it does what the amendment was proposing through investors across Surrey who wish to invest and give to charities, targeting money into neighbourhoods, and into early intervention, and children and young people.
- Stressed that the charitable and voluntary sector did a wonderful job and Members could signpost those who wish to donate to those organisations.
- Noted that during the Covid-19 pandemic and Ukraine conflict, Runnymede Borough Council received many voluntary contributions, a Surrey resident was able to help support families that the local authority knew about.
- Noted that the amendment would divert funds away from charities which were highly successful in communities and it could compromise those organisations.
- Noted the moral pressure of contributing would filter down to other tax bands, people were able to make their own direct donations without being pressured to.
- Noted that the amendment was a practical solution to financial challenges faced, and promoted fairness, inclusivity and transparency in how resources were generated.
- Noted that the situation had changed significantly since 1991 when the Council Tax bands were established, the Council was responsible for a wide range of essential services which required significant funding and it must explore innovative ways of securing resources.
- Noted that the scheme would not put pressure on people, it would be voluntary and confidential, carefully designed through a cross-party working group.
- Stressed that a successful scheme would show how the Council balances its fiscal responsibility with its residents' needs in a compassionate way.

- Noted that a few years ago the administration committed 1% of Council Tax to CFS to be spent on young people and mental health, in recent years more money had been given to CFS to ensure that contributions were properly distributed, creating competition would damage their work, and a team would need to be employed to administer such a scheme.
- Called for a higher Council Tax band for people in houses worth millions of pounds.

The Leader of the Council spoke on the budget amendment, making the following points:

- Noted that he does not understand the conflation between people living in large houses with their failure to not contribute to society.
- Agreed that the Council has a responsibility to deliver the best quality services to residents and to keep Council Tax down.
- Highlighted the 16,000 voluntary organisations in Surrey to support services alongside the Council, the CFS had provided £2 million in match funding for the Mental Health Improvement Fund, it had given millions of pounds to support work the Council was doing to stop children being excluded from schools.
- Noted that the Government must reform the Council Tax system alongside business rates reform, the Government must fund services properly.
- Requested that effort be focused on helping him in his lobbying for the 2026 Fair Funding Review.

As seconder to the budget amendment, Lance Spencer made the following points:

- Noted that in 1992 a property in Band H was around £320,000, in May 2023 a property in Band H sold in Surrey for £34 million; the amendment sought to support communities and share the burden.
- Stressed that the scheme was voluntary, acknowledged that not everyone in Band H would be able to contribute.
- Noted that the £66 million in efficiencies in 2025/26 and £166 million over the medium-term, would mean a further degradation in services provided.
- Noted that an adult in his division with autism had not left the house for five years and could not get the support needed as their needs were supposedly being met, a father of child with SEND had to give up work as their child's transport to school had been removed.
- Noted the lack of youth clubs and no Sure Start centres.
- Highlighted that in the first year of its operation, the scheme at Westminster City Council generated £1 million, followed by a further £0.5 million, affluent householders wanted to raise money for youth provision, to tackle homelessness and address loneliness.
- Noted that such schemes could strengthen the sense of unity and civic pride.

The Chair asked Paul Follows, as proposer of the budget amendment to conclude the debate:

- Noted the regressive and outdated Council Tax system that needed reform by the Government, there should be more bands, the proposed scheme was within the Leader's power.
- Had no issue regarding wealthy people with money being able to choose to donate more money to other causes.



- Noted that there were times when local authorities were in a better place to act than charities from a legal and data protection perspective, councils have intelligence about vulnerable people.
- Noted that the Westminster City Council model funds hundreds of thousands of pounds of targeted youth and early years engagement and tackles homelessness, it would reduce pressure on the Council's General Fund.
- Stressed the moral duty to help others, the amendment sought to help vulnerable residents.
- Noted that the demographics in Westminster City Council's area was similar to Surrey and the scheme there raised lots of money, it did not deprive the charitable sector and it worked with them to fill in gaps.

The budget amendment was put to the vote with 25 Members voting For, 43 voting Against and 6 Abstentions.

The following Members voted for it:

Catherine Baart, Harry Boparai, Stephen Cooksey, Nick Darby, Fiona Davidson, Jonathan Essex, Robert Evans OBE, Paul Follows, Angela Goodwin, Jeffrey Gray, Nick Harrison, Robert King, Andy MacLeod, Julia McShane, Carla Morson, George Potter, Catherine Powell, Penny Rivers, John Robini, Joanne Sexton, Lance Spencer, Ashley Tilling, Liz Townsend, Hazel Watson, Fiona White.

The following Members voted against it:

Maureen Attewell, Ayesha Azad, Steve Bax, Luke Bennett, Liz Bowes, Natalie Bramhall, Helyn Clack, Clare Curran, Paul Deach, Kevin Deanus, Matt Furniss, Tim Hall, David Harmer, Edward Hawkins, Marisa Heath, Trefor Hogg, Robert Hughes, Jonathan Hulley, Saj Hussain, Rebecca Jennings-Evans, Frank Kelly, Riasat Khan, Rachael Lake BEM, Victor Lewanski, David Lewis (Cobham), Scott Lewis, Andy Lynch, Ernest Mallett MBE, Jan Mason, Steven McCormick, Cameron McIntosh, Sinead Mooney, Bernie Muir, Mark Nuti, John O'Reilly, Tim Oliver OBE, Becky Rush, Lesley Steeds, Richard Tear, Denise Turner-Stewart, Jeremy Webster, Buddhi Weerasinghe, Keith Witham.

The following Members Abstained:

John Beckett, Amanda Boote, Dennis Booth, Eber Kington, Michaela Martin, Chris Townsend.

Therefore it was **RESOLVED** that:

The budget amendment was lost.

Returning to the original budget proposal and recommendations as published in the agenda, a second budget amendment was moved.

#### **Item 5 (ii)**

Catherine Powell moved an amendment, presenting the following recommended alternative budget proposals (included in the third supplementary agenda item 5 (i) and (ii), published on 3 February 2025), which was formally seconded by Jonathan Essex. This was:

## Recommendations

**Council is asked to approve the following budget proposals**, which are aimed at ensuring scarce resources are targeted at the most vulnerable, exit strategies are in place for areas of spend where funding is not ongoing and propose the establishment of an ongoing funding source to ensure future funding for preventative activities:

1. **The establishment of a fund, created through voluntary contributions from residents, to provide an ongoing revenue funding source for specific early intervention, preventative and support services for children and young people, through the Voluntary, Community and Social Enterprise Sector (VCSE), to increase the security of these services given the rising costs of statutory services.**
2. **In light of the scale of the capital programme, pressures on capital expenditure, on-going capital cost overruns and the risks associated with Local Government Reorganisation and potential debt redistribution, close the Your Fund Surrey programme to further applications and apply more rigid assessment criteria.**
3. **Place the Phase 3 Digital Demand Responsive Transport (DDRT) on hold, in line with the select committee's recommendations to Cabinet, and instead invest in reviewing / testing alternatives which are likely to be more financially sustainable going forward.**
4. **Commit to setting up a cross-party Task & Finish Group to review and refresh the Alternative Provision (AP) + Special Educational Needs & Disabilities (SEND) Capital Programme alongside work being undertaken by the Children's, Families & Lifelong Learning Directorate, including allocating £150k to ensure resources are available to support this review.**
5. **Remove the £0.5m proposed efficiency in relation to the Greener Futures Team and provide funding for a further financial year by reducing the one-off investment by 10% in verge maintenance, weed control and other visual improvements, including signs.**

The financial impacts of the above proposals are set out in the table below.

**Table 1. Summary of budget proposals**

<b>Proposal</b>	<b>2025-26 &amp; annual ongoing revenue impact</b>	<b>One-Off costs</b>	<b>Notes</b>
<b>Voluntary Contribution Fund</b> The establishment of a fund, created through voluntary contributions from residents, to provide an ongoing funding source for specific early intervention, preventative and support services for children and young people through the VCSE, to increase the security of these services given the rising cost of statutory services.		Set up costs during 2025/26	Minimal promotional & administrative costs anticipated to set up, covered from earmarked reserves for LGR.
<b>Your Fund Surrey</b> In light of the scale of the capital programme, pressures on capital expenditure and the risks associated with Local Government Reorganisation			No direct revenue costs and no reduction in the capital programme suggested. Supports

and potential debt redistribution, close the Your Fund Surrey programme to further applications.			ensuring future spend is contained within the residual capital allocation.
<b>Phase 3 DDRT</b> Place phase 3 on hold and instead invest in alternatives to address the Council's four priority objectives and overriding purpose of "no-one left behind".	(£0.9m) 2025/26 (£1.5m) 2026/27	£0.75m	Overall efficiency, with one-off costs incurred in 2025/26
<b>Review the Alternative Provision &amp; SEND Capital Programme</b> Commitment to set up Task & Finish Group to support review of the programme being undertaken by the Directorate		£0.15m	Funded from the efficiency achieved via proposal 3 re DDRT or capital feasibility funding.
<b>Greener Futures:</b> Reinstate £0.5m budget (by removing the associated proposed efficiency).		£0.5m (£0.5m)	Cost neutral, as one-off funding for 2025/26 financed by a reduction in the £5m proposed budget for verge maintenance and other visual improvements.
	<b>(£0.9m) 2025/26</b> <b>(£1.5m) 2026/27</b>	<b>£0.9m</b>	

In support of her budget amendment, Catherine Powell made the following points:

- Believed that her proposals were necessary due to the uncertainty and more change and risk to come not covered by the budget, younger residents wanted a long-term focus and the budget did not align with that.
- Noted the absence of a decision on local government reorganisation, no strategy for dealing with unserviceable debt and no commitment from the Government to properly fund statutory services or prevention.
- Recommendation 1: more early intervention, prevention and support services for children and young people should be funded by the Council and be provided by the voluntary sector where appropriate, yet the sector was underfunded. The Council Tax system was flawed and there was an exponential increase in demand for statutory services, the recommendation sought to fund the gap.
- Recommendation 2: noted the £39 million pipeline of large YFS projects compared to the £10 million budget, there was no closure strategy for YFS despite the budget task group calling for one in December 2023. The recommendation sought for the scheme to close and projects in the pipeline to be scrutinised with more rigorous criteria.
- Recommendation 3: called for phase 3 of the Digital Demand Responsive Transport (DDRT) to be put on hold, the recommendation was an alternative way to meet the Cabinet's commitment, it was more financially sustainable and consistent with achieving the purpose of no one left behind, increasing bus usage, reducing congestion and carbon emissions.
- Recommendation 4: noted the concerns when the 2024/25 budget was set on the rising costs of the SEND capital programme, the review identified that the costs increased by 40%, the places taken out were high needs and places put in were lower needs, the recommendation sought to set up the awaited task group.
- Recommendation 5: noted the agreed amended recommendation:

**As a result of the Local Government Financial settlement announcement yesterday, reinstate the £0.5m into the Greener Future Team base budget and therefore do not implement the £0.5million proposed efficiency.**

- Stressed that climate change was impacting Surrey today, there were areas on the Environment Agency's flood risk maps which flooded multiple times in a year rather than once every thirty years, the agreed additional funding would increase the ability to adapt and embed climate policies.
- Believed that her researched recommendations would put the Council on a sounder footing going forward, taking a longer-term approach.

The budget amendment was formally seconded by Jonathan Essex, who reserved the right to speak.

The Leader accepted the amended recommendation 5 of the budget amendment, he did not accept recommendations 1-4 of the budget amendment and therefore the budget amendment was open for debate.

Eleven Members spoke on the budget amendment and made the following comments:

- Provided reassurance of the work already underway by the Council in the areas highlighted, the Council was working closely with the CFS which match funds the Council's investments, CFS provided grants of up to £75,000 for five years which gives charities stability and helps them raise other grants.
- Noted that there were new rounds to support children and young people with multiple disadvantage and transitioning between services, with further rounds for supporting families with young people.
- Noted the tax relief on investments into CFS, welfare teams were working closely with the CFS to ensure investment was distributed across the county and Key Neighbourhoods were targeted.
- Supported recommendation 1 as that was the same principle as the first budget amendment and noted that recommendations 2-5 were reasonable in terms of how to spend the money better.
- On recommendation 3, noted that the Leader said that he had no choice on discretionary spend on Home to School Transport, yet the Council has a choice in continuing the DDRT scheme of which the average cost per journey was £30.
- On recommendation 2, noted that YFS had delivered 400 local projects across Surrey - it was scrutinised cross-party - the Small Community Projects Fund enabled Members to respond swiftly to community need, a new lease of life was given to dilapidated buildings and officers rigorously assessed applications.
- Thanked the volunteers empowered by YFS and noted that it helped many residents avoid loneliness and it improved wellbeing.
- On recommendation 2, noted that YFS had accrued a lot of debt, on recommendation 3, DDRT had benefited rural areas and the Council subsidising that transport was beneficial to residents.
- On recommendation 4, asked Members not to commit to allocating an additional £150,000 to review the SEND and Alternative Provision capital programme, welcomed the select committee's intention to have a task group.
- Reminded Members that last year's update of the SEND capital programme was to ensure that the Council could deliver its agreed budget of £189 million funded from borrowing, of the original 81 projects there were only 7 without immediate delivery plans and 5 of those were for secondary provision.

- Noted that the work was underway through plans to review and refresh, the teams were constantly looking towards the future; noted the uncertain times with the Government's direction of travel for reform to inclusive mainstream provision.
- On recommendation 3, agreed that unitarisation would bring together many services into one making those more efficient; however noted the misunderstanding on how service delivery was done.
- Noted the 30 million passenger journeys a year by buses in Surrey, with half price travel for those aged 21 and under, new hydrogen and electric buses, and that there were 22 bus operators.
- Noted that Surrey Connect transported over 84,000 passengers, it was expensive at the start at £30 per person, but after a few years that decreased to £14 and then to £8.
- Noted that Surrey Connect was more cost-effective in areas where it was not commercially viable to run a bus service - fixed routes cost £1.2 million. Phase 3 would cost £4.3 million and cover two thirds of the county.
- On amended recommendation 5, welcomed the agreement for reversing the cuts to the Greener Future team which leads on the net zero targets and Climate Change Adaptation and Resilience Strategy.
- Noted that restoring that £0.5 million would allow that team to respond to new finance opportunities on nature-based solutions and biodiversity net gain, continuing its work in supporting green skills and addressing the links between climate change and health benefits.
- Noted that in reversing the cuts to that team, the Council was showing leadership, it was investing in its young people's future.
- Noted that the money for improving the appearance of highways, should be budgeted for to address routine ongoing maintenance.
- On recommendation 2, noted that the current YFS approval process was robust, residents have benefited from improved safety and infrastructure.
- On amended recommendation 5, welcomed the amended wording and noted that on climate change the Council was spending a large amount on the River Thames Scheme to alleviate flooding.
- On amended recommendation 5, noted that Greener Future funding was vital, borough and district councils had successfully secured money on a range of environmental issues, regarding the biodiversity net gain hoped that plants and trees would be planted more effectively in flood risk areas.
- On recommendation 3, noted that it was wrong for the Council to not have explored in more depth what other authorities have done for example in Manchester and Birmingham with a removal of duplicated routes and a clearer pricing structure, a franchising model would simplify the system.
- On amended recommendation 5, noted that the Government must recognise the role of local government in climate change through long-term funding. Had asked for urgent funding for climate adaption to address increased flooding and drive behaviour change to meet the 2050 net zero target and help vulnerable residents with reducing their bills and shift to green energy.
- Noted that the Greener Future team had set up a One-Stop Shop scheme.
- Noted the work underway to look at the financial opportunities, green prescribing and countryside access.
- Noted that the £0.5 million should be used to focus on how Greener Future could be used to benefit residents quickly on: flooding prevention, improvements on rights of way, supporting sustainable transport, protecting the countryside; all vital to deliver the Local Nature Recovery Strategy.
- Noted that YFS money had been used on greener initiatives, a project was being developed on a sustainable transport hub.
- Clarified that through working in partnership, 600,000 trees had been planted.

- Noted that the money for verge maintenance and weed control would help create a space for nature recovery.

As seconder to the budget amendment, Jonathan Essex made the following points:

- Welcomed the Council's reaffirmation of its commitment to the climate emergency, through investing in climate adaptation.
- On recommendation 1, noted that committing additional resource to take a preventative approach to care and Children's Services funded by those willing to pay, would provide certainty and sustainability when services were commissioned, early intervention would improve communities in the long-term.
- On recommendation 2, welcomed the spending on improving community wellbeing and sustainability initiatives, however YFS was funded from borrowing so an end date was crucial.
- On recommendation 3, called for a pause and review of DDRT to look for a more joined-up approach, to use the cross-party scrutiny recommendation to have a clear strategy, to have a more sustainable subsidy amount, called for a better balance of bus provision in rural areas and provision in deprived communities in urban areas served by more fixed routes.
- On recommendation 4, called for a best value review on EHCPs with Members to ensure the right number of places in the right locations.

The Chair asked Catherine Powell, as proposer of the budget amendment to conclude the debate:

- Recommendation 1: noted that the Council was not doing all it could and should be doing on early intervention and prevention and support, stressed the need to acknowledge that the Children's Society report showed that children's wellbeing was decreasing annually.
- Recommendation 2: recognised the benefits of YFS, but that money could be spent better elsewhere rather than on the capital debt, an exit strategy was needed. Charities and communities must be told that the scheme would run out of money at the end of the next financial year.
- Recommendation 3: had gone through different variations of data with the team, the lowest cost for the oldest DDRT scheme was £12 per passenger journey and the highest cost was a lot more, the average between September to December was £30.
- Recommendation 4: noted that the National Audit Office reported that in 2018/19 there were 130,000 children with EHCPs in England and that number increased to 238,000 in 2023/24, mainstream schools were doing more with less, how the money would be spent in that capital programme would lead to better outcomes.

Recommendation 1 of the budget amendment was put to the vote with 29 Members voting For, 41 voting Against and 4 Abstentions.

The following Members voted for it:

Catherine Baart, Amanda Boote, Harry Boparai, Stephen Cooksey, Nick Darby, Fiona Davidson, Jonathan Essex, Robert Evans OBE, Paul Follows, Angela Goodwin, Jeffrey Gray, Nick Harrison, Robert King, Andy MacLeod, Michaela Martin, Jan Mason, Julia McShane, Carla Morson, George Potter, Catherine Powell, Penny Rivers, John Robini, Joanne Sexton, Lance Spencer, Ashley Tilling, Chris Townsend, Liz Townsend, Hazel Watson, Fiona White.

The following Members voted against it:

Maureen Attewell, Ayesha Azad, Steve Bax, Luke Bennett, Liz Bowes, Natalie Bramhall, Helyn Clack, Clare Curran, Paul Deach, Kevin Deanus, Matt Furniss, Tim Hall, David Harmer, Edward Hawkins, Marisa Heath, Trefor Hogg, Robert Hughes, Jonathan Hulley, Saj Hussain, Rebecca Jennings-Evans, Frank Kelly, Riasat Khan, Rachael Lake BEM, Victor Lewanski, David Lewis (Cobham), Scott Lewis, Andy Lynch, Ernest Mallett MBE, Cameron McIntosh, Sinead Mooney, Bernie Muir, Mark Nuti, John O'Reilly, Tim Oliver OBE, Becky Rush, Lesley Steeds, Richard Tear, Denise Turner-Stewart, Jeremy Webster, Buddhi Weerasinghe, Keith Witham.

The following Members Abstained:

John Beckett, Dennis Booth, Eber Kington, Steven McCormick.

Therefore it was **RESOLVED** that:

Recommendation 1 of the budget amendment was lost.

Recommendation 2 of the budget amendment was put to the vote with 15 Members voting For, 42 voting Against and 17 Abstentions.

The following Members voted for it:

Catherine Baart, Amanda Boote, Nick Darby, Fiona Davidson, Jonathan Essex, Robert Evans OBE, Nick Harrison, Robert King, Eber Kington, Andy MacLeod, Jan Mason, Steven McCormick, Catherine Powell, Joanne Sexton, Chris Townsend.

The following Members voted against it:

Maureen Attewell, Ayesha Azad, Steve Bax, Luke Bennett, Liz Bowes, Natalie Bramhall, Helyn Clack, Clare Curran, Paul Deach, Kevin Deanus, Matt Furniss, Tim Hall, David Harmer, Edward Hawkins, Marisa Heath, Trefor Hogg, Robert Hughes, Jonathan Hulley, Saj Hussain, Rebecca Jennings-Evans, Frank Kelly, Riasat Khan, Rachael Lake BEM, Victor Lewanski, David Lewis (Cobham), Scott Lewis, Andy Lynch, Ernest Mallett MBE, Cameron McIntosh, Sinead Mooney, Bernie Muir, Mark Nuti, John O'Reilly, Tim Oliver OBE, Becky Rush, Lesley Steeds, Richard Tear, Denise Turner-Stewart, Hazel Watson, Jeremy Webster, Buddhi Weerasinghe, Keith Witham.

The following Members Abstained:

John Beckett, Dennis Booth, Harry Boparai, Stephen Cooksey, Paul Follows, Angela Goodwin, Jeffrey Gray, Michaela Martin, Julia McShane, Carla Morson, George Potter, Penny Rivers, John Robini, Lance Spencer, Ashley Tilling, Liz Townsend, Fiona White.

Therefore it was **RESOLVED** that:

Recommendation 2 of the budget amendment was lost.

Recommendation 3 of the budget amendment was put to the vote with 18 Members voting For, 41 voting Against and 15 Abstentions.

The following Members voted for it:

Catherine Baart, John Beckett, Amanda Boote, Dennis Booth, Nick Darby, Fiona Davidson, Jonathan Essex, Robert Evans OBE, Nick Harrison, Robert King, Eber Kington, Andy MacLeod, Michaela Martin, Jan Mason, Steven McCormick, Catherine Powell, Joanne Sexton, Chris Townsend.

The following Members voted against it:

Maureen Attewell, Ayesha Azad, Steve Bax, Luke Bennett, Liz Bowes, Natalie Bramhall, Helyn Clack, Clare Curran, Paul Deach, Kevin Deanus, Matt Furniss, Tim Hall, David Harmer, Edward Hawkins, Marisa Heath, Trefor Hogg, Robert Hughes, Jonathan Hulley, Saj Hussain, Rebecca Jennings-Evans, Frank Kelly, Riasat Khan, Rachael Lake BEM, Victor Lewanski, David Lewis (Cobham), Scott Lewis, Andy Lynch, Cameron McIntosh, Sinead Mooney, Bernie Muir, Mark Nuti, John O'Reilly, Tim Oliver OBE, Becky Rush, Lesley Steeds, Richard Tear, Denise Turner-Stewart, Hazel Watson, Jeremy Webster, Buddhi Weerasinghe, Keith Witham.

The following Members Abstained:

Harry Boparai, Stephen Cooksey, Paul Follows, Angela Goodwin, Jeffrey Gray, Ernest Mallett MBE, Julia McShane, Carla Morson, George Potter, Penny Rivers, John Robini, Lance Spencer, Ashley Tilling, Liz Townsend, Fiona White.

Therefore it was **RESOLVED** that:

Recommendation 3 of the budget amendment was lost.

Recommendation 4 of the budget amendment was put to the vote with 34 Members voting For, 40 voting Against and 0 Abstentions.

The following Members voted for it:

Catherine Baart, John Beckett, Amanda Boote, Dennis Booth, Harry Boparai, Stephen Cooksey, Nick Darby, Fiona Davidson, Jonathan Essex, Robert Evans OBE, Paul Follows, Angela Goodwin, Jeffrey Gray, Nick Harrison, Robert King, Eber Kington, Andy MacLeod, Ernest Mallett MBE, Michaela Martin, Jan Mason, Steven McCormick, Julia McShane, Carla Morson, George Potter, Catherine Powell, Penny Rivers, John Robini, Joanne Sexton, Lance Spencer, Ashley Tilling, Chris Townsend, Liz Townsend, Hazel Watson, Fiona White.

The following Members voted against it:

Maureen Attewell, Ayesha Azad, Steve Bax, Luke Bennett, Liz Bowes, Natalie Bramhall, Helyn Clack, Clare Curran, Paul Deach, Kevin Deanus, Matt Furniss, Tim Hall, David Harmer, Edward Hawkins, Marisa Heath, Trefor Hogg, Robert Hughes, Jonathan Hulley, Saj Hussain, Rebecca Jennings-Evans, Frank Kelly, Riasat Khan, Rachael Lake BEM, Victor Lewanski, David Lewis (Cobham), Scott Lewis, Andy Lynch, Cameron McIntosh, Sinead Mooney, Bernie Muir, Mark Nuti, John O'Reilly, Tim Oliver OBE, Becky Rush, Lesley Steeds, Richard Tear, Denise Turner-Stewart, Jeremy Webster, Buddhi Weerasinghe, Keith Witham.

Therefore it was **RESOLVED** that:

Recommendation 4 of the budget amendment was lost.



Amended recommendation 5 of the budget amendment was put to the vote with 74 Members voting For, 0 voting Against and 0 Abstentions.

The following Members voted for it:

Maureen Attewell, Ayesha Azad, Catherine Baart, Steve Bax, John Beckett, Luke Bennett, Amanda Boote, Dennis Booth, Harry Boparai, Liz Bowes, Natalie Bramhall, Helyn Clack, Stephen Cooksey, Clare Curran, Nick Darby, Fiona Davidson, Paul Deach, Kevin Deanus, Jonathan Essex, Robert Evans OBE, Paul Follows, Matt Furniss, Angela Goodwin, Jeffrey Gray, Tim Hall, David Harmer, Nick Harrison, Edward Hawkins, Marisa Heath, Trefor Hogg, Robert Hughes, Jonathan Hulley, Saj Hussain, Rebecca Jennings-Evans, Frank Kelly, Riasat Khan, Robert King, Eber Kington, Rachael Lake BEM, Victor Lewanski, David Lewis (Cobham), Scott Lewis, Andy Lynch, Andy MacLeod, Ernest Mallett MBE, Michaela Martin, Jan Mason, Steven McCormick, Cameron McIntosh, Julia McShane, Sinead Mooney, Carla Morson, Bernie Muir, Mark Nuti, John O'Reilly, Tim Oliver OBE, George Potter, Catherine Powell, Penny Rivers, John Robini, Becky Rush, Joanne Sexton, Lance Spencer, Lesley Steeds, Richard Tear, Ashley Tilling, Chris Townsend, Liz Townsend, Denise Turner-Stewart, Hazel Watson, Jeremy Webster, Buddhi Weerasinghe, Fiona White, Keith Witham.

Therefore it was **RESOLVED** that:

Amended recommendation 5 of the budget amendment was carried:

As a result of the Local Government Financial settlement announcement yesterday, reinstate the £0.5m into the Greener Future Team base budget and therefore do not implement the £0.5million proposed efficiency.

Returning to the original budget proposal and recommendations as published in the agenda, eleven Members spoke on it:

- Noted the predictability of budget Council meetings and that people were being left behind; the electorate would judge Members' actions.
- Noted that the Chancellor's decision to increase National Insurance contributions had cost the Council £8.4 million and it had cost businesses; farmers had also been impacted by changes.
- Highlighted that the budget principles say that reserves should not fall below a 12% minimum as a buffer, yet the Council's General Fund reserve was £50 million or only 4% of non-earmarked reserves which was insufficient; £71 million earmarked reserves were used to claim the reserves are 10%.
- Noted that the Council would run out of money in the next financial year if it failed to make the required £66 million in savings which exceeded the reserves; over the past four years the Council failed to achieve the planned savings.
- Noted the medium-term budget gap of £172 million and that relied on an assumption that EPR payments from the Government received as a one-off would be at the same level for the next five years instead of tapering off.
- Noted that the Council had significantly cut services and oversaw failures in: SEND provision, transformation programmes, centralising verge maintenance and on-street parking, and customer services.
- Noted disappointment regarding the criticism on the increase in the grass-cutting funding, the £5 million would triple the teams and enable the delivery of six urban cuts and two rural cuts.
- Noted that the funding would ensure a more efficient and responsive service helped by new contractors, improved working practices and increased resources.

The verge programme would start in February and the first weed sprays would start in March.

- Noted that £1.7 million was allocated for re-lining, so far 940,000 metres of Surrey's road network had been re-lined.
- Noted that whilst CFL's funding had increased by 6.4%, the demand for services, the complexity of needs and costs were increasing significantly more.
- Welcomed that Surrey had the highest percentage spend for prevention services for children and young people compared to other areas, yet discretionary services would receive significantly less funding than was needed to improve the lives of those most disadvantaged in Surrey.
- Stressed that the sustainability of funding to voluntary and charitable organisations was crucial to the Council, those organisations would be affected by the extra costs from the National Living Wage and National Insurance contributions; there was no compensation for the third sector.
- Noted that of the approximately £30 million pressures, over £10 million concerned Home to School Transport and just under £5 million concerned social care placements, that situation was unlikely to improve in the near future.
- Welcomed the Children's Wellbeing and Schools Bill which would tackle profiteering in social care, yet was unsure whether the £11.1 million of efficiencies would be achieved; welcomed the protection of frontline roles.
- Noted that many Equality Impact Assessments were out of date or unavailable.
- Called for a shift in the baseline allocation of resources to assign a higher proportion of the budget to Children's Services.
- Thanked the Finance team for the information provided on the budget.
- Failed to see how a further costly task and finish group would resolve the problems with SEND funding.
- Noted the significant benefits to Surrey's community from YFS, closing that would let down those organisations bidding to make further local improvements.
- Noted the professional and prudent Treasury Management Strategy which had been scrutinised in detail, the Council's property portfolio was sensible and profitable without excessive borrowing, the level of reserves was sensible.
- Noted that the budget brought more cuts to vulnerable residents and did not benefit children with Additional Needs, parents of children with SEND were exhausted and anxious about whether their child would receive support.
- Stressed that the Council must act decisively, the SEND process review had been underway for nineteen months with little visible benefits.
- Queried why the Council was spending £5 million for visual improvements to highways whilst families were in despair and some children had been out of school for years. The efficiencies in CFL were vague aspirations and those cuts were harmful.
- Noted that for residents, the issues that confront them and Members concerned visible facing services such as highways and libraries; more had been done in the last five years than the last fifty years by the Council. The Council had improved such services substantially through investment.
- Emphasised that the allocation for CFL exceeded £300 million, that was an increase of 6% and was the single largest area of growth in the budget.
- Thanked the Chairman of the Children, Families, Lifelong Learning and Culture Select Committee for the committee's scrutiny work which was thoughtful and productive, and supportive of the service's aspirations.
- Stressed that the CFL budget did not contain undefined cuts, there were careful and thought-out plans, the budget would enable more spending on the continued improvement of statutory social work and children's social care, and better Early Help services, and more funding for children with Additional Needs.

- Highlighted that spending on children with Additional Needs was funded through the High Needs Block from the Dedicated Schools Grant - £9 million from the Government - and not the General Fund.
- Noted that efficiencies in Home to School Transport were needed as the Council was spending more to meet children's needs, practice improvement led to the reduction in the number of Looked After Children and children on statutory plans, the capital budget created savings and met children's needs.
- Noted that the Chancellor's October budget increase to National Insurance contributions would impact staff costs and costs to suppliers and providers of care and support; the Council had to find an additional £2 million.
- Noted that the capital programme included an additional £115.4 million for highways and transport, and £38.2 million on infrastructure, planning and major projects.
- Noted that in rural divisions road safety was highly important particularly in areas without streetlights or footways, keeping the roads and signs clean, cutting hedges, and maintaining verges was vital for road safety.
- Urged Members to engage in the work underway to ensure safe roads.
- Noted that despite the challenging financial background against which the budget was set, the Council's position remained strong, its debt was fully provided for in terms of repayment.
- Clarified that the PWLB existed within His Majesty's Treasury.
- Noted that it was positive that within the final Local Government Finance Settlement the Council has received £1.5 million more than anticipated, the implications of that would be reviewed.
- Noted that the 4.99% compared favourably to higher Council Tax increases elsewhere.
- Noted that the 2025/26 net revenue budget of £1.26 billion was a 4% increase. Funding had increased by 6.48% for CFL, 3.95% for ASC and 3.62% for Place; enabling the Council to support the delivery of its frontline services.
- Noted that the budget was not without risk, social care costs were increasing and the care needs were becoming more complex, containing the costs of Home to School Transport was a challenge, efficiencies were needed and would be delivered through the one council transformation programme.
- Noted the ambitious capital programme which was affordable and deliverable, the budget for next year was £344 million and that increases with the capital pipeline to £1.4 billion over the Medium-Term Financial Strategy period.
- Noted that when the Council consulted on its budget proposals, residents wanted a focus on the current and future needs, there was a healthy 10% level of reserves; it was a fair and responsible budget.
- Thanked officers for their work on the budget.

The Leader of the Council made the following comments in response:

- Noted that in 2025/26 the forecast closing balance at 31 March 2026 of reserves would be £149.4 million or 12%.
- Stressed the need to balance the money spent on SEND and ASC, with customer-facing services such as highways.
- Noted that neither of the budget amendments would have had a significant impact on the core budget, there were some tweaks not requiring funding that could be looked at.
- In response to misinformation circulated in the public domain about how well the Council was doing in delivering its services, reminded Members to re-read the Care Quality Commission's (CQC) latest report on ASC, the Ofsted review on

Children's Services, and the SEND area review; the Council was moving forward at a faster pace than other councils.

- Noted that local government competes with central government, supported rapid devolution, to provide more local control over money and the delivery of services, looking at bus franchising and an integrated transport system.
- Stressed the need for investment in prevention, noted that two of the 'shifts' needed by the NHS from illness to prevention, and from hospital to community, were consistent with what the Council needed to be doing.
- Noted the funding issue of having to double run preventative investment costs whilst delivering day-to-day services, a shift to prevention from only delivering statutory services was fundamental.
- Noted that year on year the Council had delivered a balanced budget, there were sufficient reserves available; residents would continue to see the delivery of improved services.
- Emphasised the significant period of change driven by the Government, reforming SEND was a huge issue locally and nationally; the Isos Partnership report set out practical ways that SEND could be reformed and improved.

After the debate the Chair called the recommendations, which included the Council Tax precept proposals, and a recorded vote was taken with 43 voting For, 25 voting Against and 6 Abstentions.

The following Members voted for it:

Maureen Attewell, Ayesha Azad, Steve Bax, Luke Bennett, Liz Bowes, Natalie Bramhall, Helyn Clack, Clare Curran, Paul Deach, Kevin Deanus, Matt Furniss, Tim Hall, David Harmer, Edward Hawkins, Marisa Heath, Trefor Hogg, Robert Hughes, Jonathan Hulley, Saj Hussain, Rebecca Jennings-Evans, Frank Kelly, Riasat Khan, Rachael Lake BEM, Victor Lewanski, David Lewis (Cobham), Scott Lewis, Andy Lynch, Ernest Mallett MBE, Jan Mason, Steven McCormick, Cameron McIntosh, Sinead Mooney, Bernie Muir, Mark Nuti, John O'Reilly, Tim Oliver OBE, Becky Rush, Lesley Steeds, Richard Tear, Denise Turner-Stewart, Jeremy Webster, Buddhi Weerasinghe, Keith Witham.

The following Members voted against it:

Catherine Baart, John Beckett, Dennis Booth, Harry Boparai, Stephen Cooksey, Nick Darby, Jonathan Essex, Robert Evans OBE, Paul Follows, Angela Goodwin, Jeffrey Gray, Robert King, Julia McShane, Carla Morson, George Potter, Catherine Powell, Penny Rivers, John Robini, Joanne Sexton, Lance Spencer, Ashley Tilling, Chris Townsend, Liz Townsend, Hazel Watson, Fiona White.

The following Members Abstained:

Amanda Boote, Fiona Davidson, Nick Harrison, Eber Kington, Andy MacLeod, Michaela Martin.

Therefore it was **RESOLVED** that:

**Council noted the following features of the revenue and capital budget, and in line with Section 25 of the Local Government Act 2003:**

1. The Deputy Chief Executive & Executive Director of Resources' (Section 151 Officer) conclusion that estimates included in the Final Budget Report and

Medium-Term Financial Strategy are sufficiently robust in setting the budget for 2025/26; and

2. That it is the view of the Deputy Chief Executive & Executive Director of Resources (Section 151 Officer), that the level of reserves is adequate to meet the Council's needs for 2025/26. These reserves include the following amounts, (totalling £121.4m) set aside specifically to provide financial resilience:
  - the General Fund (£50.5m).
  - Earmarked Reserves available to support unforeseen events and protect financial resilience (£70.9m).

**Proposed budget:** Council approved the following Revenue and Capital budget decisions:

3. The net revenue budget requirement be set at **£1,264.1 million** (net cost of services after service specific government grants) for 2025/26 (Annex B), subject to confirmation of the Final Local Government Financial Settlement.
4. The total Council Tax Funding Requirement be set at **£972.3 million** for 2025/26. This is based on a council tax increase of 4.99%, made up of an increase in the level of core council tax of 2.99% and an increase of 2% in the precept proposed by Central Government to cover the growing cost of Adult Social Care (Annex E).
5. For the purpose of section 52ZB of the Local Government Finance Act 1992, the Council formally determines that the increase in core council tax is not such as to trigger a referendum (i.e. not greater than 3%).
6. Sets the Surrey County Council precept for Band D Council Tax at £1,846.36, which represents a 4.99% uplift. This is a rise of £1.69 a week from the 2024/25 precept of £1,758.60. This includes £286.61 for the Adult Social Care precept, which has increased by £35.17. A full list of bands is as follows:

Valuation band	Core precept	ASC precept	Overall precept
A	£1,039.83	£191.07	£1,230.90
B	£1,213.13	£222.92	£1,436.05
C	£1,386.44	£254.76	£1,641.20
D	£1,559.74	£286.61	£1,846.35
E	£1,906.35	£350.30	£2,256.65
F	£2,252.96	£413.99	£2,666.95
G	£2,599.57	£477.68	£3,077.25
H	£3,119.48	£573.22	£3,692.70

7. Delegated powers to the Leader and Deputy Chief Executive & Executive Director of Resources (Section 151 Officer) to finalise budget proposals, updated to take into account new information in the Final Local Government Finance Settlement.
8. The Total Schools Budget of £738.7 million to meet the Council's statutory requirement on schools funding (as set out in Section 9 of the 2025/26 Final Budget and Medium-Term Financial Strategy to 2029/30).

9. The overall indicative Budget Envelopes for Directorates and individual services for the 2025/26 budget (Annex B) and that the Corporate Leadership Team be required to meet the revenue budget for the delivery of Council services.
10. That the Corporate Leadership Team be required to deliver the revenue saving plans as set out in Annex A.
11. The re-set of the Earmarked Reserves, as set out in Annex D.
12. The total £1,398.8 million proposed five-year Capital Programme (comprising £1,016.8 million of budget and £382.0 million pipeline) and approved the £406.3 million Capital Budget in 2025/26 (Annex C).
13. The investment in Transformation required to deliver improved outcomes and financial benefits is built into the proposed Medium-Term Financial Strategy (as set out in section 3 of 2025/26 Final Budget Report and Medium-Term Financial Strategy to 2029/30).

**Capital and Investment Strategies:** Council approved the following:

14. The Capital, Investment and Treasury Management Strategy which provides an overview of how risks associated with capital expenditure, financing and treasury will be managed as well as how they contribute towards the delivery of services (Annex F).
15. The policy for making a prudent level of revenue provision for the repayment of debt - the Minimum Revenue Provision (MRP) Policy (Annex G).
16. That amended recommendation 5 of the budget amendment item 5 (ii) had already been carried.

*The meeting was adjourned for lunch at 13.29 pm.*

*Andy MacLeod, John Robini, Becky Rush and Joanne Sexton left the meeting at 13.29 pm.*

*The meeting was resumed at 14.00 pm.*

#### **9/25 APPROVAL OF COUNTY COUNCILLOR ABSENCE [Item 6]**

The Chair introduced the report.

#### **RESOLVED:**

That Councillor David Lewis (Camberley West) continues to be absent from meetings until March 2025 by reason of ill health. The Council looks forward to welcoming him back in due course.

#### **10/25 APPOINTMENT OF COMMITTEES [Item 7]**

The Chair highlighted the recommendation.

#### **RESOLVED:**

That Council noted the Leader's appointment of David Lewis (Cobham) as the Chairman of the Strategic Investment Board.

#### **11/25 MEMBERS' ALLOWANCES ANNUAL ADJUSTMENT [Item 8]**

The Chair introduced the report.

##### **RESOLVED:**

That Council approved the updated Members' Allowances Schedule (Annex A).

#### **12/25 UPDATED HEALTH GOVERNANCE ARRANGEMENTS [Item 9]**

The Chair introduced the report.

##### **RESOLVED:**

1. That Council noted the Memorandum of Understanding between Surrey County Council and Surrey Heartlands Integrated Health Partnership set out in Annex 1.
2. That Council approved the revised Health and Wellbeing Board Terms of Reference set out in Annex 1 - Appendix 2.

#### **13/25 MEMBERS' QUESTION TIME [Item 10]**

##### **Questions:**

Notice of twenty questions had been received.

The questions and replies were published in the second supplementary agenda (items 10 and 11A) on 3 February 2025.

A number of supplementary questions were asked and a summary of the main points is set out below:

**(Q2) Fiona Davidson** asked the Cabinet Member that in the unlikely event that a community group may wish to bid for a community asset, would the Council handle that in the same way it does for commercial property such as looking at best value.

**Eber Kington** asked whether the Cabinet Member would agree that the Community Asset Transfer (CAT) at less than market value was legal and that if residents have a proposal for a CAT of a Council property or land, then it should be considered.

The Cabinet Member for Property, Waste and Infrastructure noted that she would ask officers to look into the Member's question, she clarified that the Council did not have a CAT policy, most of the Council's buildings were operational. The Council was duty bound under Section 123 of the Local Government Act to obtain best value for its sites, most assets were purchased and made into residential sites. She noted that she would liaise with the Member regarding the old Grafton Stables at Worcester Park.

**(Q3) Chris Townsend** asked the Cabinet Member why the information requested last year could not be provided now, rather than having to wait a few months for a meeting to take place.

**Jonathan Essex** reiterated the ask of the question regarding the current use.

**Mark Sugden** noted that the matter was heard at a Children, Families, Lifelong Learning and Culture Select Committee in July 2024, until a well-organised youth group could get guarantee of a lease extension it was difficult to motivate new volunteers to join and to raise money. He asked when answers would be provided.

**Nick Harrison** asked what the purpose was of the review and whether criteria had been set on how it might be used in the future to bolster youth work.

**Robert King** noted that if the Council was to look at terminating the use of buildings, he asked whether any revenue could be ringfenced for youth work.

**George Potter** asked whether the Cabinet Member could confirm that the information requested on which organisations have a lease for each building and what the status was, was information that could be obtained under a Freedom of Information request and for that to be provided.

The Deputy Cabinet Member for Children, Families and Lifelong Learning explained that it had been difficult to schedule the meeting with the many providers as some felt they had been given too short notice.

The Cabinet Member for Property, Waste and Infrastructure explained that the information requested could not be provided because of the General Data Protection Regulation. She clarified that Land and Property operated on behalf of the service and would offer a property to other services, it took a long time to declare a property surplus and offering it to the open market.

**(Q4) Catherine Powell** highlighted that the work done by the HGV Community Watch in Farnham justified the need for enforcement cameras, she asked the Cabinet Member what more the community could do as there were still large numbers of HGVs travelling through. She asked how the consideration would be taken forward regarding contributions to set up enforcement cameras.

The Cabinet Member for Highways, Transport and Economic Growth called for patience whilst the other measures were put in place, it would take time for the satellite navigation companies to pick that up. He was meeting the portfolio holder in Hampshire County Council and would ask them to prioritise requests from highways officers around the diversion route. He noted that offers were looking at the legalities around contributions, cameras were heavily regulated under law, the administration of the contributions would usually be done by another authority such as a town council.

**(Q5) Eber Kington** asked whether the Leader would agree that denying members of the People, Performance and Development Committee (PPDC) the opportunity to understand the director's thinking on staffing, whilst at the same time sharing the Council's Human Resources information and plans with borough and district councils as part of the local government reorganisation working group, undermined the Council's scrutiny function.

The Leader clarified that he was not aware of such information having been shared with the borough and district councils. He noted that workforce was a key issue regarding the reorganisation of the twelve councils, it was too early to provide guidance to staff on what reorganisation looks like. Work was underway through the Surrey Leaders' Group and he had set up a forum for the Council's select committee chairmen. He would ask the Director of People and Change to provide a verbal update at the PPDC meeting on 18 February 2025, by that time there should have been a



decision by the Government on whether Surrey would be part of the Devolution Priority Programme. Work was being done on identifying the issues.

**(Q6) Joanne Sexton**, on her behalf Eber Kington asked the Cabinet Member to provide a response that answers the specific questions asked.

The Cabinet Member for Highways, Transport and Economic Growth clarified that he had answered the question numerous times before. He explained that JCB Pothole Pro did not work for the Council operationally, the Council operated across three depots and the JCB Pothole Pro was designed to work in areas with more depots. The Council was investing in a resurfacing programme and had resurfaced over 500 miles in the past few years, potholes had reduced by 40% and repair speeds had increased by 10%.

**(Q7) Robert Evans OBE** referred to the response where the Council had long lobbied the Government for the requirement to register all home-educated children, he asked whether the Cabinet Member could share that correspondence and responses.

The Cabinet Member for Children, Families and Lifelong Learning responded that she would share the requested information.

**(Q8) Catherine Baart** asked the Cabinet Member to confirm that the oil extraction at Horse Hill had ceased.

**Edward Hawkins** asked whether the Cabinet Member was aware that the legislation had placed the onus on the Planning and Regulatory Committee members and it was examining ways to increase training to deal with planning applications of that nature.

The Cabinet Member for Highways, Transport and Economic Growth confirmed that commercial production ceased on 25 October 2024, that was confirmed by a visit from the Council's planning officers on 31 October 2024. A minimum maintenance flow was kept in place by the operator until 15 November 2024, as of 28 November 2024 the pump was inspected and was non-operational. He noted that the Council would do all it could regarding the High Court's ruling.

**(Q9) Jonathan Essex** had no supplementary question.

**Robert King** noted that as the Council would have to report on any subsidised service in its scope 2 emissions, he asked how that would be done if the Council did not hold a comparative greenhouse gas analysis for the use of hydrogen.

The Cabinet Member for Highways, Transport and Economic Growth explained that the Council would request any data that was required from the operators, the Council did not specify to the operators which buses and fuel they could use.

**(Q10) Ashley Tilling** noted that since November 2023 the recommendations put forward on road safety had yet to be funded and installed, he asked whether the Cabinet Member was convinced that sufficient priority was given to spending and installation on the Road Safety Outside Schools schemes to protect children.

**Jonathan Essex** asked whether the £3 million and the further £2 million was sufficient to deal with the backlog and to right-size the budget going forward.

The Cabinet Member for Highways, Transport and Economic Growth noted that the programme concerned capacity and delivery on the Council's roads, the Council had

continued with a significant amount of capital funding for Road Safety Outside Schools. There were 50 projects with some rolling over to the next financial year, it would be a continuous workstream funded through the budget.

**(Q11) Lance Spencer** asked whether the Cabinet Member was confident that the various meetings and activities described would address the issues.

The Cabinet Member for Highways, Transport and Economic Growth called for collaboration on the schemes. He noted the difficulties around junction 10 where the scheme had changed throughout the process of construction. Having open communication would help minimise disruption to residents. The Council had 90 daily interventions a day on the highways by utility companies and over 100,000 a year.

**(Q12) George Potter** reiterated his question around what the overall level of Council spending on supporting Active Travel was.

The Cabinet Member for Highways, Transport and Economic Growth noted that he would provide a written response.

**(Q13) Liz Townsend** noted that after January's Cabinet meeting, several families contacted her on the feedback from the task group and felt that it had been misrepresented, the focus of the evidence was solely based on parents' experience of the EHCP process and it should not be incorrectly phrased as feedback on the panel process. Parents wanted a greater involvement in the panel meetings and to explore their role further. She asked the Cabinet Member to confirm that parents' concerns about panel meetings would be thoroughly addressed through new task groups, to ensure that their feedback would be genuinely heard to inform meaningful changes.

The Cabinet Member for Children, Families and Lifelong Learning explained that much of the work was done in partnership with Family Voice Surrey, the Council's official parent carer forum. Regarding the end-to-end review, the service continued to work with families. She noted that not all parents shared the same view.

**(Q14) Robert Evans OBE** noted that the Council had received £32.5 million in additional funding for roads, £3 million more than was expected and he asked whether the Cabinet Member would join him in thanking the Government for that.

The Cabinet Member for Highways, Transport and Economic Growth noted that the amount of Government funding could be better, that figure had been static for the past ten years, he urged the Government to provide a multi-year settlement. He noted that the Council had to borrow to deliver the bulk of capital funding for roads which led to significant improvements, he would welcome match funding from the Government.

*Following the adjournment for lunch, Tim Oliver OBE re-joined the meeting at 14.29 pm where he responded to Q5 at the end of the item.*

**(Q15) Catherine Baart** asked whether the Cabinet Member would agree that it seemed like a matter to be sorted out as part of local government reorganisation.

The Cabinet Member for Highways, Transport and Economic Growth agreed.

**(Q16) Ashley Tilling** noted that it was a shame that the YFS Small Community Projects Fund was ending soon. He asked the Deputy Leader and Cabinet Member to confirm that applications could be made until the end of March.

The Deputy Leader and Cabinet Member for Customer and Communities noted that there was an advisory deadline for the end of December 2024 for applications as a courtesy to the officers so they would not be overwhelmed with applications when the fund ends in March. She asked Members to get their applications in as soon as possible and she was aware that some applications were more complex than others.

**(Q17) Lance Spencer** had no supplementary question.

**Jonathan Essex** asked the Cabinet Member whether it would be possible to arrange a Member briefing for Mindworks Surrey to explain what was going on and for an update to be provided to the select committee.

The Cabinet Member for Children, Families and Lifelong Learning explained that there had been two meetings with the Surrey and Borders Partnership (SABP) leadership on Mindworks Surrey's transformation plan, with the Adults and Health Select Committee, and the Children, Families, Lifelong Learning and Culture Select Committee. She noted that there was another joint select committee meeting in March where Members could ask questions of SABP.

**(Q19) Lance Spencer** noted that just under 50% of the Council's borrowing was on long-term fixed interest rates, and over 50% was on short-term rates; the Council needed to borrow £928 million up to March 2027. He asked the Cabinet Member whether the PWLB was the only source of funding on that scale and if it was, what would happen if it was unwilling to provide such funding.

**Robert King** asked whether the Cabinet Member had reviewed all the Council's financing arrangements particularly with PWLB, to see whether there was any revenue gains on the early repayment of loans from any capital receipts.

The Cabinet Member for Finance and Resources explained that the PWLB was not the only source of external borrowing, the Council would be looking at the balance between short-term and long-term borrowing. There was a high level of short-term borrowing at present, as interest rates decrease that would be reviewed. He explained that the Council was advised by Arlingclose on the best way of financing loans, the Council would review different options and decide accordingly.

**(Q20) Lance Spencer** noted that when the scheme closes, the Council would have paid out £43 million for YFS projects, he asked whether it was correct that the repayments on that would be spread over next 50 years totalling £80 million out of revenue.

The Cabinet Member for Finance and Resources explained that the money borrowed for the repayment of YFS was part of the total borrowing requirement in the Treasury Management Strategy, repayment would take around 50 years.

*Michaela Martin left the meeting at 14.40 pm.*

#### **14/25 STATEMENTS BY MEMBERS [Item 11]**

There were none.

#### **15/25 ORIGINAL MOTION UNDER STANDING ORDER 11.6 [Item 11A]**

The Chair noted that at his discretion he had chosen to accept the original motion under Standing Order 11.6.

## **Item 11A**

Under Standing Order 12.3 the Cabinet Member for Finance and Resources, David Lewis (Cobham), moved a proposal.

The proposal was as follows:

That the motion below by Paul Follows be referred to the Audit and Governance Committee for the purpose of consideration.

### **This Council recognises that:**

Continual improvement and external assurance are key components of best practice and good scrutiny for the Council as a whole and for individual councillors undertaking their duties.

Recognising the budget constraints of this Council, such reviews do not have to be undertaken by expensive consultants and can be procured through the Local Government Association (LGA) and associated bodies.

SOLACE (The Society of Local Authority Chief Executives and Senior Managers) and Local Partnerships have indicated to Surrey County Council that these reviews would be carried out free of charge.

### **To validate the information for the 2025/26 budget and to support the creation of the 2026/27 budget, this Council resolves to:**

- I. Commission 'SOLACE' to conduct a governance review of finance and governance processes of the Council.
- II. Commission 'Local Partnerships' to review the risk appetite, treasury management, capital strategy and transformation project forecasts of this Council.
- III. Aim to consider reports from the reviews under part 1 and 2 of this motion at the relevant select committee and to full Council by the end of September 2025, subject to the timetable for procurement of these reviews.

Paul Follows made the following points:

- Hoped to have tabled the item as part of his budget amendment rather than a motion, would have been more willing to support the budget had he had assurance of external scrutiny.
- Noted that both consultancy options outlined in the motion were free and the Council's Finance team had confirmed that and both provided tangible benefits such as improvement initiatives which had saved public money.
- Noted that Local Partnerships was a joint venture of the Local Government Association and His Majesty's Treasury, and SOLACE had competently assessed governance and finance processes in other local authorities in Surrey.
- Highlighted the cross-party desire to explore efficiencies and improvements.

In speaking to his proposal, the Cabinet Member for Finance and Resources made no comments as the proposer was in support of the referral.

Paul Follows confirmed that he was in support of the referral of the motion to the Audit and Governance Committee.

The proposal to refer the motion was put to the vote and was carried.

Therefore, it was **RESOLVED** that:

The motion be referred to the Audit and Governance Committee for the purpose of consideration.

## **16/25 REPORT OF THE CABINET [Item 12]**

The Leader presented the report of the Cabinet meetings held on 17 December 2024, 8 January 2025 (Extraordinary) and 28 January 2025.

### **Recommendations on Policy Framework Documents:**

#### **28 January 2025:**

- A. 2025/26 Final Budget and Medium-Term Financial Strategy to 2029/30

#### **RESOLVED:**

That the recommendations regarding this item had already been approved under item 5.

- B. Admission Arrangements for Surrey's Community and Voluntary Controlled Schools for September 2026 and Surrey's Relevant Area

#### **RESOLVED:**

That County Council approved:

1. That the Published Admission Number (PAN) for Year 3 at Reigate Priory is reduced from 150 to 120 for 2026 admission, as set out in Appendix 1 of Annex 1.
2. That a Published Admission Number (PAN) is not introduced for admission to Year 3 at Audley Primary School for 2026 admission.
3. That the Published Admissions Number (PAN) for Reception at Earlswood Infant School is reduced from 120 to 90 for 2026 admission, as set out in Appendix 1 of Annex 1.
4. That the Published Admission Numbers (PANs) for September 2026 for all other community and voluntary controlled schools (excluding Year 3 at Reigate Priory and Reception at Earlswood Infant School, which are covered by Recommendations 1 and 3) are determined as they are set out in Appendix 1 of Annex 1.
5. That all other aspects of Surrey's admission arrangements for community and voluntary controlled schools for September 2026, for which no change has been consulted on, are agreed as set out in Annex 1 and its appendices.
6. That Surrey's Relevant Area is agreed as set out in Annex 4.

### **Reports for Information/Discussion:**

#### **17 December 2024:**

- C. Surrey Schools And Early Years Funding 2025-26
- D. Climate Change Progress Assessment 2023/4
- E. Annual Procurement Forward Plan FY 2025/26

**8 January 2025 (Extraordinary meeting):**

- F. Response to the English Devolution White Paper

**28 January 2025:**

- G. Referral of County Council Motion
- H. Community Risk Management Plan (CRMP) 2025-2030
- I. Everyday Living Opportunities
- J. Technology Enabled Care and Homes (TECH)
  
- K. Quarterly Report on Decisions Taken Under Special Urgency Arrangements: 3 December 2024 - 31 January 2025

**RESOLVED:**

1. Noted that there had been one urgent decision since the last Cabinet report to Council: Response to the English Devolution White Paper: Extraordinary Cabinet, 8 January 2025.
2. Adopted the report of the meetings of the Cabinet held on 17 December 2024, 8 January 2025 (Extraordinary) and 28 January 2025.

**17/25 MINUTES OF CABINET MEETINGS [Item 13]**

No notification had been received by the deadline from Members wishing to raise a question or make a statement on any matters in the minutes.

[Meeting ended at: 14.45 pm]

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Chair

## **Leader's Statement – County Council (Budget Meeting), 4 February 2025**

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Good morning Mr Chairman, Members.

As is customary at our February meeting, today we'll be discussing the council budget for the forthcoming financial year – one of, if not, the most important item that comes before us as Members.

Our budget is what enables everything we do.

It pays for our people - our social workers, our highways engineers, our care givers.

It pays for our tools – our equipment, our technology, our vehicles.

It pays for our infrastructure – our buildings, our fire stations, libraries, schools.

The importance of our budget can not be overstated, and it is something that we – as the leadership of this council – take extremely seriously.

This is public money we are responsible for, which makes it even more vital that we take care of every single penny.

It is our duty as Elected Members – and that of our Officers – to ensure it is invested wisely, to support those who need us most, and ultimately make Surrey a safer and better place.

Before I go into more detail in presenting next year's budget, it's important to recognise the context in which we are delivering it.

Mr Chairman, I cannot recall a speech I've delivered to this meeting where I have been able to reference a calm, stable, serene environment in which we operate. There hasn't been and indeed there isn't now.

So, we're used to setting our budget in challenging circumstances.

But the current climate feels more challenging than ever.

We have the impact of high inflation and rising costs over the last 2 years.

Increased costs of the National Living Wage and National Insurance contributions for this council and our supply chain.

We have a new government, with a new agenda, the full extent of which is not yet known.

We have a global geopolitical landscape full of uncertainty, unpredictability and instability.

Public finances are squeezed to near breaking point, and local government is bearing the brunt.

A funding review from 2026 will see a redistribution of existing funds across local government.

The recent settlement from government and in particular the distribution of a recovery grant to areas other than rural counties, suggests Surrey will get even less money in future.

And demand is increasing year after year, especially on care services and SEND provision.

The impact of climate change is being felt across our landscape.

Much of the country's infrastructure – from water systems to roads and railway networks – is ageing and expensive to maintain, let alone replace.



All of this comes on top of over a decade of reductions in spending power for local authorities, and greater expectations on the services we must deliver.

So, while that may be a gloomy backdrop, it is important to understand, as this council manages yet again to set a balanced budget in the most challenging of times.

That ability should not be overlooked or taken for granted.

We have seen many councils over recent months and years issue section 114 notices, seek Exceptional Financial Support from the government, use capital receipts from the sale of assets to support their revenue budget or even look to raise council tax by 25% in some areas.

Indeed, we have councils on our doorstep here in Surrey that have completely unsustainable debt levels that are impacting residents.

But not here. Not at this council.

Although the choices we have are tough ones, at least we are in a position to have choices at all.

It is testament to years of strong and pragmatic financial management – identifying future challenges, spotting issues that need fixing, looking for new opportunities to deliver services more efficiently – and stepping up to the plate.

At Surrey County Council, we do not shirk a challenge.

And this moment is no different.

Work started on setting this 2025-26 budget even before the 2024-25 financial year began. It has been led by our expert Finance Team but included input from every single service of this organisation, as well as engagement with our strategic partners.

No stone has been left unturned in that push to deliver our services more efficiently and to focus our resources on what really matters.

The proposed budget we'll discuss today includes over £66m of savings in order to help us offset the pressures from higher costs and demand.

Those savings are largely down to transforming the way we work as an organisation – our One Council approach aims to reduce duplication, benefit from economies of scale at every opportunity, maximise cross-cutting opportunities and streamline our workforce where appropriate.

Our data and digital transformation programme look to take advantage of innovative technology, automating some aspects of work to help staff prioritise workload and allowing frontline staff to focus on frontline delivery.

This will result not just in revenue savings but also more effective service delivery.

We also have to prioritise – what should we be spending public money on?

What will deliver maximum benefit?

And what services are vital to those that need us most?

This means we have examined – and will continue to examine – all our discretionary services and the level to which all our services are delivered.

There is no doubt that this council has gone above and beyond our statutory duties in many areas – always for good reason and with the best of intention.

But we have a responsibility to scrutinise every penny, and to be straight with people who might see services they like to use, change.

For example, the vast majority of residents would rightly expect us to review the £65m we spent last year on Home to School Transport, which in many cases has been a discretionary spend, rather than a statutory requirement.

We know that it is an important service for many people, whether that is based on distance or support needs.

However, it is not a universal obligation, and our residents would expect us to provide it only to those who really need it, so we can protect the service for those people, and other vital services that more people rely on.

Mr Chairman, we are also having to propose we raise Council Tax by the maximum of 4.99% in total – including 2.99% Council Tax and the 2% Adult Social Care precept.

That's £1.69 per week for a Band D household.

A Council Tax rise at any level is not ideal and certainly not at this level.

As Conservatives, we always strive to keep taxes low and get the best value for residents. Members of my own Group have been working hard making the case for a smaller rise, which of course would be my choice too.

But unfortunately, as I have already said Surrey is facing financial pressures driven in large part by demand, like never before.

The government's recent funding settlement for Local Government demonstrated their clear direction that Council Tax will be the only way to meaningfully raise the funds we need to deliver services. If we don't seek the maximum amount, the Labour

Government will almost certainly turn round and argue that we don't need the funding for services and will cut the limited grants we currently receive, even further.

It is clear that this government is focusing its attention elsewhere – and with it, it's limited resources.

While targeting money to areas of high deprivation is understandable, and noble in its aims, solely focusing on one metric unfortunately ignores many other factors that will ultimately leave people up and down the country worse off.

And councils like us with no option but to use our Council Tax base to meet our obligations.

I want to take this opportunity to thank my colleagues for their support, their suggestions and ultimately their understanding and I hope also the understanding of residents, of the situation we find ourselves in, one not of our own making.

I recognise that any increase in Council Tax is hard to stomach for many of our residents who are feeling the pinch, but I give them this guarantee – every penny of your Council Tax is spent on improving the county of Surrey, through supporting those people who really need it and enhancing the quality of life of everyone who lives here.

And to support our mission and ambition – to leave nobody behind and to make Surrey a better place.

This budget builds on the strong foundations we have put in place through continued investment over the past few years and really will deliver for the people of Surrey.

So, what are we doing with our residents' money? We are –

- Maintaining school buildings and facilities.
- Supporting Teachers, Teaching Assistants, Social Workers, Care Workers, Foster Families.
- Caring for young and old with complex needs that rely on us in their day-to-day lives.
- Helping older people stay in their own homes, with care, advice and support.
- Ensuring Surrey Fire & Rescue Service is there when and where we're needed.
- Investing in more educational psychologists and SEND support.
- Maintaining and improving our 3000 miles of roads and pavements – yes, fixing thousands and thousands of potholes.
- Keeping our rural and urban environments safe and accessible.
- Managing our beautiful countryside.
- Enhancing our libraries and supporting our library staff – across all 52 sites.
- Targeted support with public health interventions to help people live healthier lives.
- Processing Surrey's household waste and recycling.
- Supporting businesses, helping to develop a skilled workforce for Surrey, and investing in our entrepreneurs.
- Helping deliver a better public transport system.
- Registering births, deaths, marriages.

We are here, every single day, from cradle to grave, for everyone in Surrey.

And we are not just maintaining the status quo – we are investing in the future too.

While we have reviewed our capital investment programme carefully, we remain committed to investing in the things we know will improve this county, make our services sustainable and make Surrey a place that is fit for the future.

We're building new children's homes, so young people in care can stay close to their communities, providing a more stable, comforting and better quality environment to help them thrive and ultimately improve their life chances.

We're investing in more SEND provision, including specialist places, investment in mainstream schools to support them to be more inclusive, recruiting more specialists to improve assessments and support – doing everything we possibly can within a national system that is not fit for purpose.

We're transforming town centres like Farnham, and road networks like the A320, to make our places better and more accessible, boosting our local economy and making journeys within Surrey easier and safer.

We're reshaping our residential and supported living care for adults with diverse needs – making sure accommodation is fit for purpose, suitable for specific requirements, and enabling people to use their strengths to live as independently as possible.

We're modernising Surrey Fire & Rescue Service training facilities and fire stations to make sure our firefighters are the very best they can be, keeping residents and businesses safe from emergencies.

We're resurfacing roads, building new cycle routes, improving pavements, bridges and other structures on our highways – tackling the scourge of potholes and an ageing network.

We're investing in our wonderful libraries to make them even more useful for residents, whether that's for rhyme times, internet access, a warm place to socialise, to find support, access other services, meet as a community group, start a business or a whole multitude of other reasons – real hubs in the heart of our communities.

We're continuing to see community-led projects delivered through Your Fund Surrey – sporting facilities, playgrounds, community shops, wildlife centres, cultural facilities – investment in legacy projects across Surrey that everyone can access and improve the quality of life in every corner of our county.

Mr Chairman, those are the things that we are spending residents' money on.

There is no doubt, this council is delivering, and this budget – in the most challenging of times – will allow us to continue that good work.

Mr Chairman, it would probably be notable by its absence if I did not mention the current spectre of Local Government Reorganisation and Devolution that hangs over local councils like ours, following the government's White Paper before Christmas.

Unfortunately, at this moment in time, there is no update to give.

We await the Minister's response to our letter, which outlined our ambition to go ahead with reorganisation at pace, in order to deliver the benefits for our residents, certainty for our workforce, and unlock the benefits of devolution for Surrey.

I continue to meet constructively with Surrey leaders across our District and Boroughs, and other public service partners, to try and ensure that we work collaboratively on our proposal to government.

That work will continue in earnest, whatever the response from the Minister, and I will be sure to keep all members updated.

So, Mr Chairman can I thank Members and Officers for their diligence and dedication to ensuring this council is on a sound financial footing.

While the year ahead will be full of challenge and change, this council is in sound shape to guide this county through whatever is thrown at us, and to embrace and take advantage of the opportunities in front of us.

I recommend the budget to Council.

Thank you.