

**County Council – 10 October 2017****Leader of the Council's statement**

Mr Chairman and Members, for many years local government has borne the brunt of massive funding reductions. The Local Government Association estimate that by 2020 councils will have seen government funding reduced by 16 billion pounds. And Surrey is one of the hardest hit councils.

Because, despite our very best efforts – year after year – to:

- reduce costs
- make efficiencies
- find new ways of delivering services and
- develop new ways of working with our partners...

The fact is that demand for services – particularly social care - continues to rise while the funding available significantly reduces.

The County Council faces a projected budget overspend this year of 21 million pounds. We also have our largest annual savings target of 104 million pounds. This is on top of the 450 million pounds of savings already made since 2010.

Mr Chairman, my Cabinet colleagues and I are working closely with officers to put in place a budget Recovery Plan, and to ensure a balanced budget that continues to deliver the crucial services that residents need. And I hope all Members will play a part in this through supporting the work of the Overview and Budget Scrutiny Committee – and in all Select and Local Committee work.

It is crucial that every Member - and every resident of Surrey - understands the funding challenges we face. 70 per cent of the County Council's budget is spent on Adults and Children's Social Care. And these are services that are facing huge rising demand. That leaves just thirty per cent of our budget to deliver every other service we provide for Surrey's 1.1 million residents, and the County's businesses. Services like highways, waste and libraries, which we know are all really important for our residents.

Failure to keep up with this demand for services will have a devastating domino effect right across the health and care system. Surrey cares for the largest number of people with learning disabilities in the UK. These residents have complex care needs and the number of people needing our support is rising – up 36 per cent over the last five years. Emerging analysis from the County Councils Network shows that pressures on learning disability care are increasing across the country, but that the pressures are most acute in Surrey. Some four times higher than any other local authority.

Yet Government funding for Surrey's residents with learning disabilities is facing a 32 million pound shortfall this year, and rising to 46 million pounds shortfall in two years' time. If that was a family member or a friend, all of us would want the very best in care for them, wouldn't we?

When it comes to older people, one in five people in Surrey will be over the age of 65 by 2020. And that's an extra 20,000 older people driving further demand for care and support

services. The cost of providing this additional care will cost Surrey taxpayers 20 million pounds annually.

At the other end of the spectrum, demand for high need Children's Services also continues to rise, adding 6.8 million pounds to our budget. The number of looked after children continues to increase. And the complexity of their needs – and in particular a significant rise in teenagers with challenging behaviour - requires additional social work support and residential placements.

We also face a 16 million pound shortfall this year – rising to 28 million pounds next year - in Special Education Need services as a result of increasing demand and changes in legislation.

Mr Chairman and Members, the County Council is providing desperately needed care and support for the most vulnerable children and adults in our society. So, I make no apologies for calling for Fair Funding for Surrey.

I am proud that when I was Conservative Group Leader at the LGA I advanced the case for a fair funding formula review with the then Secretary of State, Greg Clark. The County Council continues to support and participate in the Government's long term Fair Funding review. But we cannot wait to deal with the unfairness in the system. Residents need this care and support today! It is time that Government properly funded Surrey County Council to provide the services that our residents need.

And let's remember the 11.2 billion pound net contribution that Surrey's taxpayers already makes to the Exchequer, every year. I have never asked for a special deal. Only a fair deal for Surrey taxpayers. The County Council has made the case for fair funding to our Surrey MPs. We have provided the facts, which speak for themselves. The case for fair funding is indisputable.

I am circulating today to all Members the two financial tables that we gave to our MPs, along with this statement. Every one of us must make clear our support for fair funding, so that the residents of Surrey – and the most vulnerable, in particular – have the services that they need. The County Council will continue to work closely with our partners to serve our residents.

We have a track record of working together and taking new and innovative approaches to tackling the challenges we face together - through better collective use of our assets, closer working with our District and Borough partners and shared arrangements, like Orbis. By collaborating with the Local Enterprise Partnerships and neighbouring authorities through Transport for the South East, we are making a stronger case for the infrastructure investment that our county needs to support new jobs and economic growth. So, I am pleased to inform Members that the Leaders of all twelve Surrey councils have agreed to work up a business case – for submission at the end of the month - for a joint bid to become a Business Rates Pilot in 2018/19.

A successful bid could bring significant financial benefits for the whole of Surrey and see further joint working, cooperation and decision-making between the County and the Districts and Boroughs. This would not solve all our funding pressures – especially as the pilot scheme is only for one year - but it would be an important step towards fair funding for Surrey.

Another area of partnership is in health and social care, where the County Council is working together with our partners in the NHS. Surrey Heartlands offers an exciting pathway to a new integrated local model of service delivery and decision-making. But true transformation of health and social care means Government must back up this local joint working with the funding it needs.

I call upon the Government to allow those councils and NHS partners who are ready, to be given the freedom and the funding that they seek, to allow them to deliver a new plan for change. A new plan for transformation and cooperation. A new plan to deliver better health and care for Surrey residents. And most of all, a new plan that will become the benchmark for change in our society.

To conclude Mr Chairman, we are probably facing the most difficult financial and demand challenges this Council has ever seen. Times are tough and difficult decisions lie ahead. But there are also opportunities. Opportunities to continue to improve the care and services that we provide to our residents.

I believe **we all** came into politics to make people's lives better. Collectively, we have a duty to look after our residents and to make a difference for them. Together – as Members, and with our Districts and Boroughs, the NHS and our other partners – we can work as One Team.

One Team for Surrey and One Team for Surrey residents.

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