

Mr Chairman and Members, you all know me as someone who has consistently put Surrey – and its residents – first.

As long as I am Leader I am determined to fight for a fair deal and stand up for Surrey residents.

We are facing the most difficult financial challenge in our history. The simple fact remains that demand for our services continues to rise but government funding continues to fall. And the Government's funding settlement did little to bridge that gap.

But among the bad news there was some good news.

I am delighted that Surrey has been chosen as one of the areas to be part of the Government's business rates retention pilot. Our success is thanks to the excellent partnership working with the Leaders of our district and borough to promote the bid.

The pilot means there will be an estimated additional £20 million pounds to invest in county council services and a further £8 million pounds to invest in Surrey District and Boroughs promoting economic growth during 2018/19.

I have no doubt that now the Government has allowed us to keep more of the business rates raised in Surrey to invest in local improvements, all of Surrey's councils will pull together and make a success of it.

But this is only a one-year pilot so I am determined to push the Government to extend it for another year. If we are successful it should take us to the introduction of the new 'fair funding' regime promised by ministers.

It's also good news that our bid to allow capital profits to be invested in service improvements has been extended for a further three years. My Cabinet and I plan to use some of these receipts to fund our transformation programme with a view to reducing long term revenue costs to our residents.

The message is clear, Mr Chairman. Where Government has given us the freedom to transform the way we do things we have grasped those opportunities for the long term benefit of Surrey residents. .

We have saved over £540 million pounds from our annual budget since 2010 – I challenge anyone here today to give me an example from the private Sector of such transformation.

We all know local government is the public sector's shining example of success from these years of austerity. But our achievements are at risk if the Government does not recognise the gap between rising demand and reducing funding.

We have been promised 'fair funding' and I trust ministers will honour that promise, but it is taking too long. The Government cannot continue to stand idly by while Rome burns.

Two years ago I welcomed the news that the Government recognised the pressures facing councils such as Surrey and provided a transition grant to see us through to a new system of fair funding.

That Fair Funding new system is still two years away but the Government plan to end our transition funding for the coming financial year. A grant that is worth £12 million pounds to Surrey residents.

Mr Chairman, when you build a bridge you don't stop half way across!

That's why I have added my signature to a letter from the group of County Council Leaders to the Prime Minister, demanding continuation of transition funding. I have also asked Surrey's 11 MPs to add their considerable influence to the cause. Later this week we will know if anyone in Westminster is listening.

And this is not the only grant being cut. For example, we face further reductions in our public health grant despite Surrey having the lowest grant allocation per head of population of any local authority in England. Indeed, the government's own target allocation figures show Surrey should receive nearly £18 million pounds more, annually, than it gets now.

To put that into context, Mr Chairman, Surrey gets just thirty pounds per head compared to the national average of fifty seven pounds per head.

How can that be fair to our residents?

And when it comes to Learning Disability funding for Adults the picture is even worse. Demand in Surrey has continued to rise and the county now has one of the highest levels of demand in the UK - with well over three and a half thousand cases.

Government tells us that we should receive £72 million pounds yet is cutting our funding by £40 million pounds in 2018/19.

How can that be fair to our residents?

Mr Chairman, we know there is more for us to do as a county council – that is why we plan to save a further £66 million pounds from our annual budget next year – part of the £133 million pounds we plan to save over the next three years. But with our funding falling so dramatically below the needs of our residents, is it any surprise that we are facing a budget gap next year of £39 million pounds?

Surrey is being expected to deal with:

- An ageing population but with a reduced budget for care services;
- An increasing school population but with a reduced budget for extra school places;
- An increase in traffic using our roads but with a reduced highways budget.
- And Increased costs for Unaccompanied Asylum seeking children

Since 2010 our government grant has been cut by £200 million pounds. That's £200 million pounds!

The outcome of these pressures has been the same for many years – if we are to maintain these services we are left with no choice but to increase council tax, and once again Surrey residents have to bear the burden.

It gives neither me nor my Cabinet any pleasure to be recommending members increase council tax by 3% and, in addition, the Government told Councils to also increase the adult social care tax by a further 3%.

I deeply regret that this increase equates to £1.53 per week for a Band D Surrey property. I recognise Surrey residents already pay enough taxation.

Our residents pay for 87% of our core service spending through council tax while the national average is just 62%. This is where the Government's fair funding initiative has to start. Such national variations are not acceptable. I will not rest until Surrey residents are provided with a fair deal.

And that's why, My Chairman, I will be joining forces with my counterparts in Surrey's boroughs and districts to end the threat of negative Revenue Support Grant funding next year.

Members will know that this refers to Surrey losing all of its core

funding in 2019/20 but having to pay the Government £27 million pounds so they can distribute it to other parts of the country. This means that Surrey residents will see £27 million pounds of services disappear annually.

And let's remind ourselves what losing this money would mean. The £27 million pounds lost to the whole of Surrey is the equivalent of over sixty miles of roads we cannot resurface or over one thousand school places we can't offer parents.

This is totally unacceptable to Surrey residents.

We must fight to keep their money in their places; with their families; and in their communities. Our residents work hard, powering our national economy, and striving to do the best for themselves and their families. They would expect their local tax to pay for their local services - not be siphoned off and lost to others in this most undemocratic manner. They didn't vote for their council tax to be spent in Aberdeen, Luton, Lancashire, or even London! They want it to be spent here, in Surrey, where they live.

Mr Chairman, this is a cause we must fight. Together.

Surrey is by far the hardest hit by the unfairness of government decisions. During the last 8 months I have made repeated representations to Surrey MPs for this unfair taxation to be dropped by Government. That is why I am pleased the Government have accepted they need to look at it. We will hold their feet to the coals to make sure Surrey residents get a better deal.

We understand the financial pressure the Government is under. I sympathise. I may be Irish, Mr Chairman, but even I know there isn't a pot of gold at the end of the rainbow!

In the past I have faced ridiculous and unfounded allegations of not doing enough for Surrey residents.

And I won't be lectured by others who accuse me of not doing enough. I have secured more money for adult social care, I have secured more money for school places, I secured significant transition funding and I was instrumental in persuading the Government to agree to a Fair Funding review.

I am proud of that record, Mr Chairman.



But I am also really proud of the staff at Surrey County Council for their continued efforts in transforming services for Surrey residents.

But above all else, my administration has continued to make Surrey County Council more efficient. Savings of £540 million pounds from our annual budget thanks in large part to greater partnership working with:

- district and boroughs.
- the health service
- neighbouring authorities
- The voluntary, community and faith sector

Mr Chairman, the simple truth is that every single one of us in this chamber became councillors so that we could be game-changers in our communities.

We all recognise that at the heart of everything we do is the resident. They need to feel and see the benefits of their council tax. And that is why I am particularly pleased that the budget we recommend to you today would see an extra £2 million pounds go to local committees and local member allocations to spend on local projects.

The Government should be commended for recognising that through the business rate pilot Surrey's councils can make a difference to local residents and businesses. They should be commended for recognising that our funding is unfair and accepting that social care and health services need to be better integrated.

Our job in the coming year is to work with Surrey MPs :-

- To lobby ministers to extend the Business Rate pilot in 2019/20 so lasting benefit can be achieved for Surrey residents.
- To fight our corner to make sure the local taxes of Surrey residents are not taken away to be spent elsewhere;
- To make sure genuine 'fair funding' for Surrey's local services is achieved.
- To shape a realistic, long term, sustainable funding model for both health and social care in this country,
- To continue our fight for a fairer share of Public Health funding.

But our day to day job is never finished and we must:

- Continue the process of further transformation of services to ensure that Surrey residents receive better value for money
- We must set a different course of care for children and adults in the years ahead to ensure they have the best quality of life possible
- We must work harder with our residents, in their places, to find new solutions to the shared challenges we face
- We must maintain investment in key infrastructure so Surrey's economy continues to thrive
- We must Invest to Save, Invest to Earn and Invest to Grow for the future
- We must Capitalise and embed digital technology across all services, reducing capacity and reinvesting savings in services residents need.

These are not easy tasks – and the challenge of continuing to provide excellent services for our residents is not going to get any easier.

But I know that by working together as One Team, continuing to press our case to Government for fairer funding and focusing on transforming services for local people, we WILL succeed.

We must never stop fighting our residents' corner.

I commend this budget to the members.

Thank you.