

## **Leader's Statement – County Council (Budget Meeting), 7 February 2023**

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Madam Chair, Members, today we look in detail at our proposed budget for the forthcoming financial year – an incredibly important process, that enables us to deliver the vital services that the people of Surrey rely on to live their lives. Financial competence and sound budgets are an absolutely essential responsibility of local government, and can I start by thanking both Officers and Members for their hard work in producing what I believe is a good and fair budget. In particular, the Select Committees that have been actively involved in the detail, from last September and throughout the budget setting process.

Without balanced budgets, and responsible financial management, we cannot function as an organisation, our services would be at risk – things that people depend on, would fail.

We have seen the pressures in our sector up and down the country.

We have seen Government Commissioners intervening in Local Authorities.

We have seen some areas cut services all together.

We have seen elsewhere reserves depleted and Council Tax hiked to the highest level possible.

There are many factors in this – local, national, and indeed global – and balancing priorities and budgets in local government is no easy task.

Historically, this Council too has gone through that sort of financial turmoil.

Recently we've seen the added pressures of spiralling inflation meeting increasing demand.

However, we have worked incredibly hard over the last five years to ensure our finances are in a solid and stable state.

We must acknowledge how far we've come as an organisation, transforming our culture and how we deliver services, to enable us to manage our finances responsibly, prepared to face the huge, unexpected challenges of the last few years.

Madam Chair, the rise in the cost of living, increased inflation and interest rates have all impacted the Council as an organisation, as well as our residents.

Everything we do has simply become more expensive to deliver. That can be seen in our budget papers, showing increased spending in almost every area.

However, some years ago we set about transforming this organisation,

We focussed on setting balanced budgets, increasing reserves to a safer level, delivering services in a smarter way and – and in many areas - improving the experience of our residents and staff.

Our ambition has been to be an organisation fit for the future, ready to tackle any challenges that come our way.

That work enabled us to lead Surrey's response to the Covid Pandemic, to act as a financial bedrock to our partner organisations and communities.

And now, it has put us in the best possible shape to face the global economic downturn.

Our transformation, coupled with our efforts to be as efficient as possible and our strong voice to government on behalf of local authorities, mean we do not have to increase Council Tax by the full 4.99% allowed.

We are proposing a total Council Tax increase of 2.99% this year – made up of 0.99% Core Council Tax increase, and a 2% Adult Social Care Precept. That 94p per week increase on a band D property.

This is significantly less than the total permitted by government, and that levied by the vast majority of other councils across the UK.

It is also well below any current measure of inflation.

We believe it is essential to only levy the absolute minimum we need to meet increased costs – cost increases largely driven by inflation - in order to protect people's household budgets as much as possible at this time.

Members - we are making the decision to face this financial challenge in the fairest way possible, balancing our needs and ambitions with the immediate cost of living impact on our residents.

We know further, deeper challenges are on the horizon, and we must be prepared for them.

Our challenge to ourselves – to be fit for the future - has never been more important, and we will continue our transformation, focusing on preventing future problems and doing things more effectively, to ensure Surrey's services are protected over the coming years.

Setting out our budget helps us reflect on the range and depth of services that we are responsible for delivering in Surrey.

It is often easy for us to focus on the most 'visible' services, the things we get the most comment on from our residents, or the services that Members may have the most interest or expertise in.

But looking across the organisation, and the incredible array of talented officers we have in place, gives us a sense of perspective.

It demonstrates what an important balancing act we have to play in setting our budgets and prioritising services.

As we know, the vast majority of our money is spent on those services that provide care and support to our residents who need it most.

We are the place people turn to when they really need help – whether that's Adult Social Care looking after many people with really complex needs, helping them live their lives day-to-day and working to improve their quality of life.

Or Children's Services, playing such a crucial role in providing nurturing care, guidance, and love to young people in our county that simply do not have that in their lives, for various reasons.

These young people should have access to the same life chances as everyone else, and it is our job to ensure they are not left behind.

These services demonstrate our profound responsibility.

It is such an important role, with really complex factors at play, and yes, I'm afraid sometimes it goes wrong. But when it does, it is important to interrogate why and put the right things in place to improve.

That is part of our culture as an organisation, and I know Members play a significant role in that through the scrutiny system in place.

I am confident that these services are improving. That is backed up by independent inspections and peer reviews.

But it is imperative that improvement continues – that we do not get diverted, that we do not lose any of our drive and determination to constantly get better, and that we are always open to new ways of delivering a better service to our residents.

That goes for all our services – from highways improvements to Surrey Fire and Rescue Service. From supporting schools to managing our countryside.

We are clear in our responsibility, and we are clear in our ambitions.

Madam Chair, our services can work together to deliver Surrey's priorities.

Look at our Countryside Team - working with Public Health, and Children, Families and Lifelong Learning - improving access and facilities across Surrey's countryside for young people, to increase awareness around biodiversity and protecting our environment, while ensuring that more people can experience the mental and physical health benefits of the great outdoors.

Or our Fire and Rescue Service – as well as our Adult Social Care teams - visiting vulnerable people in their homes, introducing technology and advice that improves their quality of life, their safety and helping them live independently, in their communities for longer.

Madam Chair – we are one organisation, with a great many services all pulling together, with a clear vision and a clear set of priorities.

This is the Surrey Way – understanding our purpose, and the organisation and people we need to deliver it.

We want to help grow a sustainable economy – by providing the right conditions for business to thrive, delivering skills, jobs, and opportunity for all.

We want to tackle health inequality – by improving life expectancy and quality of life for all and addressing the root causes of ill-health.

We want to deliver a greener future – by tackling the Climate Emergency, together, to protect our future.

We want to empower our communities – by being an active partner with local communities to deliver projects, opportunities and support that is right for local places.

All of these things will help us in our mission to ensure no one in Surrey is left behind.

Our organisation strategy sets this out in more depth, outlining our guiding principles, the Council we are striving to be, the culture we want to foster, and the priorities we must deliver for Surrey.

Indeed, this is a budget that will see more investment in all of our key services.

- Adult Social Care will see an increase of nearly £40m from 22/23. That's £440m each year looking after people with disabilities or extra needs as they get older
- £255m giving young people the best start in life with additional support for those that need it
- £153m improving our roads and public transport, managing our countryside, and tackling the climate emergency
- £40m to help people live healthier lives and keep them safe and well

- Nearly £40m to fund our Fire and Rescue Service – an increased budget of more than 10% from 22/23

And we continue to deliver our ambitious capital programme – over £300m this next year delivering projects that will see more money invested in:

- our highway maintenance programme and road safety schemes
- low emission buses
- flood alleviation schemes
- building new independent living facilities and providing more accommodation for our Looked After Children closer to home
- investing in our library estate
- creating more places for children with additional needs in both mainstream and specialist schools with £50m of investment

These are all really important schemes that will support our four strategic priorities. No one can, or indeed does, pretend that delivery of a balanced budget every year is not a challenge – a challenge to ensure that we prioritise those most in need of our help and support but equally recognising that residents don't always see or access many of our services. But that is what a caring and democratic society expects – that those that need that extra lift in life can turn to their local council for help. Indeed, the feedback from our resident surveys is clear that we should prioritise those individuals, even if that means an increase in Council Tax.

And we will repay that trust by ensuring that every single penny of the 94p per week increase next will be spent on exactly that – working hard to prevent anyone from being left behind.

Madam Chair, I am in no doubt that we are heading in the right direction – our budget position is the latest example of that.

But we know there is much, much more to do. In fact, we will always be looking to improve as an organisation, and we will never shirk from our responsibilities.

I know there are recent instances and issues that demonstrate that there is more to do.

And when things go wrong, we must be relentless in our task to put them right, to learn lessons, to find out what went wrong and why. We will not put our heads in the sand.

As I said earlier, we have a huge responsibility in providing such vital services – so when we fall short, it can have a big – and sometimes devastating - impact on people's lives.

We will always listen, respond, and engage with our residents. Just last week I spoke directly to parents of children with additional needs about their frustrations, understandable frustrations, and if anything, a stark reminder of our need to communicate with all our residents fully and regularly.

While sometimes our answers, and the practicalities of what we can do, may not please everyone – in public service that is almost impossible – it is important that we understand what different groups and individuals are experiencing, so we can shape our services appropriately.

We have set high standards here in Surrey. We want to be leading the way in public service delivery, and we care deeply about what we do.

When we fall below those standards, I am determined that we face up to it, admit our failures and do everything we can to get things right first time, every time.

This culture, our collective endeavour and clarity of purpose, helps us stay fit for the future.

As the last few years have shown, we live in an uncertain world with new challenges - varying in scope and scale - appearing all the time.

We must be fit and ready to take those challenges on, whether it's welcoming thousands of new arrivals into the County from Ukraine, or other parts of the world, or mobilising support across Surrey to help people through tough financial times.

We have shown we can do that and demonstrated our role as a County-wide convenor and active partner.

As we approach a year since Ukraine was so brutally invaded - a despicable act that required a global response – it is important to note Surrey's particular role in helping the people of that great country.

Surrey has opened its doors to Ukrainian families, with over 3,000 people arriving having fled the war – the second highest number out of 152 council areas in England.

There is an extensive network already established in Surrey that helps these families to gain their independence, and begin to feel at home, during their stay in the UK.

We are rightly proud of our communities here in Surrey, and we will continue to do all we can to foster that enthusiasm and spirit for making the world - and our corner of it - a better place.

Madam Chair, I look forward to the discussion of our budget in the hope that there is sensible recognition of both the challenges we face – not just in Surrey, but as a country – and the progress we have made as an organisation.

Progress that enables us to keep the Council Tax rise to a level lower than that of many other places in the country, much lower than the level of inflation, and certainly lower than if we had not embarked on such radical transformation in recent years. We can deliver this budget and its continued investment in our services without using our limited reserves, reserves that will almost certainly be needed to be called on in the coming years.

We are a progressive, forward thinking, responsible council – always striving to be the best.

There is more to do, but we will not falter to ensure the Surrey Way is the standard bearer – that we keep raising the bar and stand ready to face any future challenge.

That is our ambition.

That is our vision.

That is our intention.

Madam Chair, I commend this budget to the Council.