

## 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, its 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.