



**SURREY**  
COUNTY COUNCIL

# Balancing Surrey County Council's Budget 2024/25

## Consultation Pack



# 1. Balancing the Budget for 2024/25

## Our Mission

Surrey County Council is focused on ensuring Surrey is a uniquely special place where everyone has a great start to life, people live healthy and fulfilling lives, are enabled to achieve their full potential and contribute to their community, and where no one is left behind. This is our guiding mission.

[Our Organisation Strategy 2023 to 2028](#) sets out how we intend to deliver on our mission through our four priority objectives. These are central to how we allocate our budget as we deliver high-quality and sustainable services for all.



**Our four Priority Objectives as an organisation. Growing a Sustainable Economy so Everyone can Benefit; Tackling Health Inequality; Enabling a Greener Future; and Empowered and Thriving Communities**

Every year Surrey County Council must set a balanced budget, outlining how we use the money we have to deliver essential services across the county and support our priority objectives, such as managing the climate emergency and delivering our ambition of the Council to be carbon neutral by 2030 and the county by 2050.

We work to make Surrey a better place, through the wide range of services we're responsible for.

## We're here for you

The majority of our budget is spent on looking after those people who need us most, through Adult Social Care and Childrens Services.

But we know that our more visible services, like road maintenance, libraries, countryside management and community recycling centres, are the ones experienced by the most people.

Lots of what we do – particularly across Surrey Fire & Rescue Service, Trading Standards, and environmental services – is about keeping people safe and preventing or responding to serious incidents.

If you want to know more about what we do and would like regular updates, as well as learning about news, features and events in Surrey, you can sign up for the [Surrey Matters e-newsletter](#).

## Financial pressures

Our finances are well managed, and we are seen as a sector-leader in responsible financial management after five years of dedicated transformation work across the Council.

But Surrey County Council is not immune to the huge challenges facing the local government sector and society more widely. High inflation, increased demand for services, and shortages of certain expertise mean there are considerable pressures on the Councils' budget.

While year on year spending across the Council is nominally increasing, the costs of delivery are increasing much faster, alongside increasing demand, which is what is driving the need for efficiencies.

## Our draft budget – We want to hear from you

This booklet provides an overview of our draft budget position ahead of final budget setting at a meeting of the Council in February 2024 and the proposed efficiencies identified to help us set a balanced budget.

We would like to hear your views on our proposals to help balance the Council's budget. In February 2024, a full Council meeting will take place to set the budget for the 2024/25 financial year and plan for the next five years. We have a statutory duty to make sure that our budget is balanced, meaning what we spend cannot go above our income from council tax and other sources.

Your views will be used to help us understand your thoughts on our budget plans to ensure it is responsive to your priorities and how we implement our proposals to balance the budget in a sensitive, considered way.

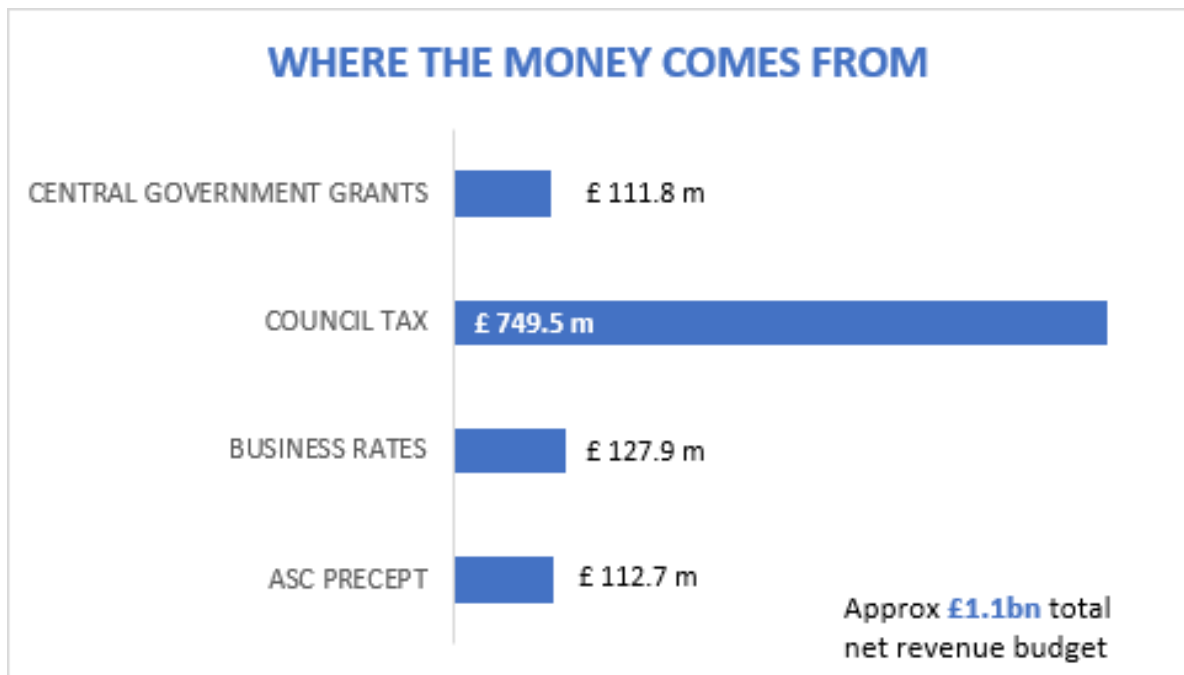
If you would like more detail on our draft budget proposals, you can read more using the following link: [24-25 Draft Budget Report and MTFs - Final.pdf \(surreycc.gov.uk\)](#)

## 2. Our Budget: How it works

### What we spend our money on and how we're funded

Surrey County Council spends over £1.1bn in revenue a year – supporting the Council's day-to-day spending - on delivering vital services to Surrey's 1.2m residents such as adult social care, children's services, maintaining roads and pavements, Surrey Fire and Rescue Service, libraries, countryside management and public health.

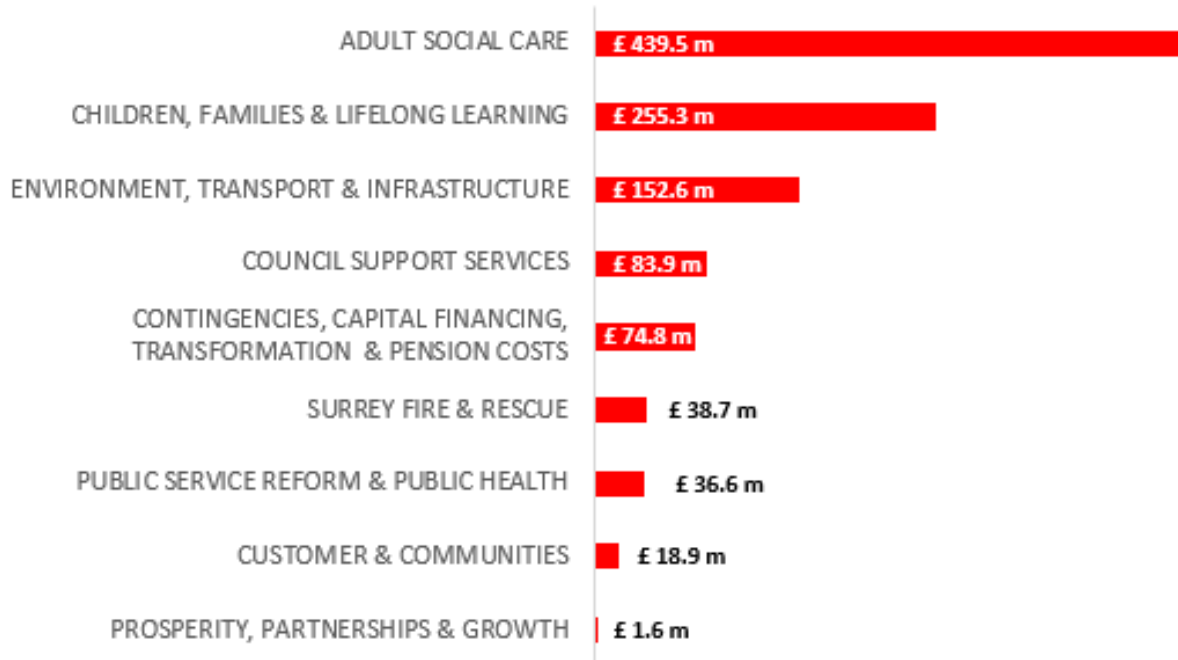
This money comes from a range of different sources. Government grants, Council Tax, charges for different services, business rates, and an Adult Social Care Precept. The image below presents the breakdown of funding across these services.



Where the money comes from: Surrey County Council's income sources in 2023/24.

There are many statutory services that we provide, meaning we are required by law to deliver them, so we don't have as much discretion in those areas compared to others. A significant proportion of this spending covers Adult Social Care and Children's services which supports some of the most vulnerable residents in Surrey. The image on the next page illustrates where our spending goes.

## WHERE THE MONEY IS SPENT



Where the money is spent: Surrey County Council's spending by directorate as outlined in the Budget 2023/24. This totals approximately £1.1bn net spending.

# 3. Our proposals for balancing the Budget

## Revenue Budget

Despite coming from a strengthened financial position, the 2024/25 budget and MTF5 presents a significant challenge. We are facing a number of specific issues now and into the future. As we prepare the budget for the next 5 years, we will need to consider the following:

- Significant impact of inflation due to the current global economy
- Continued and significant price pressures in key services (Home to School Travel Assistance, Childrens Social Care Places, Adult Social Care)
- Significant uncertainty over medium term Government funding.

Progress has been made to close the budget gap for 2024/25 – the gap between our income and what we spend - but as of November 2023, **a budget gap of £13.5m remains.**

We might need to draw on all options available to close the gap, i.e. seeking additional funding from central government, potential use of reserves, further increases to Council Tax, reducing pressures/managing demand and identifying further efficiencies.

## Directorate contributions

### Adults, Wellbeing and Health Partnerships

Our biggest area of spend is adult social care, which aims to help people stay independent, safe and well so they can live the lives they want to. This includes people who are frail or have physical or learning disabilities or mental health needs, as well as any family members who care for them.

The Directorate is also responsible for the council's public health service which commissions preventative services to improve the health of Surrey residents and works with partners to protect residents from communicable diseases and environmental hazards.

Growing demand for services and the increased cost of providing them means that budget pressures are set to rise by £47.1million in 2024/25, but the service has identified £24million of efficiencies.

Efficiencies include:

- Embedding an approach to social care which focuses on people's strengths, not their limitations, to promote independence and wellbeing
- Increased use of technology to support people to live more independently
- Working closely with care providers to explore how inflation pressures in the cost of care can be managed within available resources, to help inform the final budget
- Supporting people to lead more active and independent lives in the community, through expanding supported independent living housing and developing affordable extra care housing for older people

## **Childrens Families and Lifelong Learning**

The Directorate continues to see significant spend increases year on year in supporting our most vulnerable children and families in Surrey.

More complex demand, greater support required and increasing placement costs for children in care and children with additional needs and disabilities are contributing to the increases in spend. We require an additional £39.9m to meet requirements for 2024/25, which will be partially offset by £9.0m of efficiencies.

Efficiencies include:

- Managing demand and needs through early intervention and targeted early help to avoid escalation into costly statutory services.
- Developing more local, in-house managed placements for children in care and care leavers, to help reduce costs around commissioned and out-of-county placements.
- Developing our workforce strategy to attract, retain and develop permanent staff to deliver good and outstanding services, ultimately improving outcomes for children and families in a more sustainable manner.

## **Customer and Communities**

Customer & Communities delivers a diverse range of high-profile services and operations for our residents including our main Contact Centre, 52 Libraries, Registrations Service, wide Arts & Heritage offer and our extensive Community funds. The service focuses on the Council's priority ambition for 'empowered and thriving communities', ensuring that no one is left behind.

At the forefront of providing high quality, inclusive services, we seek to provide the best customer experience for every resident. Working in partnership with community groups, partner and charitable organisations and individuals, Customer & Communities seeks to build on community capacity and participation.

Budget pressures continue in 24/25 as both the impact of rising inflationary pressures coupled with the reduction of footfall on high streets impact our service. Savings of £1.3 million have already been identified.

Efficiencies include:

- Focus on increasing both revenue opportunities and volume in revenue-generating areas.
- Reviewing and potentially rationalising some staffing organisation.
- Identifying process efficiencies across all budgets.

## **Environment, Transport and Infrastructure**

ETI is focussed on keeping our 3,000 miles of roads moving, providing essential waste services, improving the environment, and providing infrastructure that supports our communities and economy.

Bringing in more on-demand buses, highways improvements, removal of charges at community recycling centres and staffing pressures are amongst factors which will require a budget increase of £26.2m in 2024/25, but the service has identified £15.6m of savings.

Efficiencies include:

- A new, better value for money contract for dealing with Surrey's residual waste.
- Maximising the use of bus improvement grants to boost bus travel.
- Changes to how civil parking enforcement is operated across Surrey.

#### **£26.2m budget increase will deliver:**

- Investment to improve drainage across the county through repair of non-functioning gullies
- Starting our verge grass cutting earlier in the season and providing more cuts in urban areas
- Promoting and increasing the scale of our blue heart and conservation verges to enhance biodiversity
- Improving our online reporting capabilities for customers and improving information and communication for residents on local works
- Removing and replanting over 2,000 urban tree stumps.

## **Resources**

The Resources Directorate provides essential enabling functions and core services including People & Change (HR), IT & Digital, Finance, Procurement, Law & Governance and Land & Property. These support Surrey County Council's frontline colleagues to deliver services to residents, businesses, and stakeholders.

Rising inflation is a key contributor to budget pressures for 2024/25, however, the directorate has identified £4m of ongoing efficiencies.

Efficiencies include:

- New and better value contracts for the organisation's Network and Wi-Fi and Facilities Management.
- Rationalisation of Surrey County Council's office buildings and assets.
- A review of all contracts across the Council to identify opportunities for efficiency.

## **Surrey Fire and Rescue Service**

Surrey Fire and Rescue plays a crucial role in making communities safer, whether it be preventing and protecting people from fire and other risks or responding swiftly to the emergencies that occur.

While budget pressures include inflationary increases for staffing, supplies and services. We have identified efficiencies of £0.7m that we can make in 2024/25. These efficiencies will not have any negative impact on how we protect communities nor how we respond to the report from His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS).

Efficiencies include:

- Income generation through fees to partners for support at planned, non-emergency incidents.
- Improved resourcing of staff and reducing unnecessary overtime.
- Charging partners for use of facilities.
- Halting schemes that no longer align with our strategic areas of work.



You can read more detail about each Directorate's current proposed efficiencies for 2024/25 as they are presented in the November Cabinet report using the following link: [Annex A - Pressures Efficiencies.pdf \(surreycc.gov.uk\)](#)

## Council tax

We have developed the proposed draft budget on the assumption of a 3.99% council tax increase for 2024/25 - 1.99% for core funding to spend across statutory and discretionary services and 2% for adult social care services. For a Band D property, this would represent an annual rise of £66.96.

Decisions to increase Council Tax are not made lightly and balance the need to provide sustainable services for the most vulnerable with a recognition of the pressures on household finances, particularly during the current inflationary period and cost of living crisis. It is possible that the Council will need to raise Council Tax further than the 3.99% assumed in the draft budget.

## Investment proposals

This budget has residents at its heart and is in line with resident's priorities. It has been produced based on specific service knowledge, engagement with residents and stakeholders, and is in line with our recent resident survey and consultation responses.

Between September and October 2023, we asked residents to tell us which outcomes they valued the most and wanted us to focus most on delivering. They told us that the following areas were the most important to them:

1. Better roads and pavements
2. Making communities safer
3. Providing care for adults and children
4. Better public transport
5. Tackling climate change

Surrey County Council continuously engages with residents across a wide range of services and projects and resident feedback informs the development of policy. As we look to transform and improve further, that resident engagement will become more and more important to help us shape the services that Surrey communities really need.

Despite the challenges we face, we will invest in specific initiatives and areas of required improvement:

- Significant investment in supporting and enhancing bus transport services with the introduction of a half price travel scheme and expansion of the digital demand responsive transport schemes.
- Supporting and enhancing highways and environment services, following a task and finish review undertaken by Cabinet earlier in the year, investment in a range of service improvements are proposed including refreshing road lines, additional investment in gulley cleaning, area stewards and grass-cutting.
- Investment in preventative services including targeted early help and reunification of children back to their parental homes where safe to do so.
- Major improvement programmes to improve how we deliver prevention and protection activities, such as the Surrey Fire and Rescue Service's work helping to prevent

emergencies from happening in the first place as part of the Making Surrey Safer Plan. This involves considerable partnership working with other emergency services, District and Borough Councils and closer working with businesses to support the Surrey economy.

- Delivering the Council and county's carbon emission reduction targets in line with our Climate Change Delivery Plan supported by the Surrey Transport Plan.

## Capital Budget

The capital budget covers the money we spend on investing in buildings, infrastructure and equipment. Our aspirations remain high and our draft £1.3bn Capital Programme for 2024/25 – 2028/29, as well as our £0.6bn pipeline, remains ambitious and proposes ongoing investment in priority areas, such as additional school places, including those for children with special educational needs and disabilities (SEND), adults social care accommodation with care and support, highways and roads improvement, flooding and drainage schemes, the transformation of our libraries and investment in our greener futures programme to tackle climate change.

The proposed capital programme includes £32m of additional expenditure on roads, highways and flooding & drainage directly related to the conclusions and recommendations of a task and finish group.

In 2024/25, most of the capital budget will directly respond to the priorities residents care most about:

- We will support the most vulnerable residents by investing £61m for sufficient SEND provision in Surrey schools, £21m on the first phase of our programme to provide supported independent living for adults with learning disabilities and £15m on schemes for Looked After Children, such as care homes and care leavers accommodation.
- We will take forward road and pavement improvements, investing £70m in general road and footway improvements and £35m to support road and junction improvements for the A320 north of Woking and M25 junction 11.

Longer term, we will support key schemes including:

- The structural maintenance of roads, bridges, and other highway assets.
- Investing in schemes to support some of the county's most vulnerable adults. For example, £39m for the second phase of our supported independent living scheme for adults with learning disabilities and £35m to deliver 725 units of affordable Extra Care housing for older people with care needs.
- Highways and transport improvement schemes and programmes, such as £139m for the Farnham Infrastructure A31 Hickleys Corner programme and the Surrey Infrastructure Plan.
- Measures to tackle climate change, such as £14m for ultra-low emission buses, and £64m to reduce the Council's carbon emissions by 2030.
- Deliver the capital programme including the River Thames flood alleviation scheme in partnership with the Environment Agency, the Surrey Infrastructure Programme, and develop the pipeline for future schemes.

In addition, the Leader made a commitment in March 2023 to continue the enhanced programme of investment in highways maintenance put in place in 2022 until 2025/26. This enhanced programme will result in an additional £79m invested in our highways through the maintenance programme and local highways schemes, accelerating the benefits and improvement to the condition of the network.

More detail on our capital programme proposals can be read using the following link: [Annex B - Draft Capital Programme 2024-25 to 2028-29.pdf \(surreycc.gov.uk\)](https://surreycc.gov.uk/annex-b-draft-capital-programme-2024-25-to-2028-29.pdf)

## 4. Supporting residents through challenging times

We're here for our residents, to ensure no one is left behind and to support the most vulnerable.

We know people are struggling with their household budgets too, and we are committed to supporting people with the cost of living.

We have to carefully balance the demands on residents' budgets with our duties to deliver services to those who need us most.

We know any rise in Council Tax is tough, but support is available to people who really need it.

We have launched a new campaign to support residents with the increasing Cost of Living by directing them to a variety of support and services to help them.

Our [online welfare hub](#) signposts to support, and a mailer to every household was issued in November with a comprehensive guide to services and support.

Council Tax support is also available through District and Borough councils:

- [Elmbridge Borough Council](#)
- [Epsom and Ewell Borough Council](#)
- [Guildford Borough Council](#)
- [Mole Valley District Council](#)
- [Reigate and Banstead Borough Council](#)
- [Runnymede Borough Council](#)
- [Spelthorne Borough Council](#)
- [Surrey Heath Borough Council](#)
- [Tandridge District Council](#)
- [Waverley Borough Council](#)
- [Woking Borough Council](#)