EPSOM & EWELL TIMES
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29th October 2026

ISSN 2753-2771

EPSOM & EWELL TIMES

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How far will £500m go for Surrey Councils?

30 January 2024



Additional government funding for local councils will “go some way” towards easing the pain felt by local authorities struggling to balance their books – although calls remain for greater reform.

Communities Secretary Michael Gove announced that English councils would get a share of £500m for their social care grant, and a share of £100m increase in core spending power.

It comes amid a backdrop of councils facing difficult financial times, with Woking declaring itself effectively bankrupt, Runnymede being served a Best Value Notice, and Surrey County Council admitting it would need to make serious cuts and increase tax by the maximum allowable in order to have a legal budget.

Further pressure has come after a letter from MPs pushed for the extra cash ahead of this year’s general election. In a written statement on Wednesday, January 24, Mr Gove said the extra money would enable councils to provide “crucial social care services for their local communities, particularly children”.

Councils have also been told their funding guarantee, the minimum annual increase available to all authorities would increase by a percentage point, from 3 per cent to 4 per cent, something Mr Gove described as a “key ask” from district councils. He said: “We have listened to councils across England about the pressures they’re facing and have always stood ready to help those in need. This additional £600 million support package illustrates our commitment to local government. We are in their corner, and we support the incredible and often unsung work they do day-to-day to support people across the country.”

Surrey County Council leader, Councillor **Tim Oliver** (Conservative), is also the chair of the network of county councils. He said the announcement would “go some way to easing the pressures and in particular address the escalating demand and costs of delivering social care and home to school transport. Whilst this extra funding will undoubtedly help us protect valued frontline services, councils, of course, still face difficult decisions when setting their budgets for 2024/25.”

He called for the reformation of local government finance and to how services were provided adding: “Councils require a long-term financial settlement to enable us to plan for, and meet, the demand from our growing elderly populations and the more complex needs of residents requiring social care. This must be coupled with a comprehensive reform programme to bring in line the funding envelope available to enable us to deliver effectively our statutory responsibilities.”

The majority of the funding is ringfenced for social care – this is a service usually provided by top-tier local authorities – in this area it is provided by Surrey County Council.

The £500 million pounds announced by Government is to cover all top tier local authorities in England.
According to Surrey County Council’s most recent set of accounts, it alone spent £727m on Children, Families, Lifelong Learning and Culture, and a further £680 million for adult social care.

For smaller local authorities such as Woking Borough Council, which has debts of about £2 billion, the extra funding from central government works out to be about £152,000 a year, the Local Democracy Reporting Service understands.

Additionally, the four percent announced increase is below the current rate of inflation which at the time of writing was 4.2 per cent – meaning the offer, while better than before, is still a net loss for local authorities.

Deputy Leader of Woking Borough Council, Will Forster said: “We welcome this additional financial support announced by the Government yesterday. This goes some way to filling the funding gap in local government. The majority of this funding will go towards meeting the increasing cost of delivering adult social care by county and unitary councils, whilst we expect the remaining funding to go towards district and borough councils, like ourselves, to alleviate the impact of rising inflation and increased demand on our core services.”

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Image: Tim Oliver credit Surrey Live

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