



Mixed reaction to Hunt's budget in Surrey

6 March 2024



In a significant development outlined in today's Spring Budget, Surrey MP and Chancellor **Jeremy Hunt** confirmed the **Surrey County** Deal agreement, heralding a new era of devolution for Surrey County Council. This agreement, initially hinted at during last year's Autumn Statement, has been the focus of collaborative efforts between Surrey County Council officials and the Department of Levelling Up, Housing and Communities.

Outlined within this agreement are several key provisions aimed at empowering local governance within Surrey:

- Devolution of the Adult Education Budget and funding for Free Courses for Jobs.
- Integration of Local Enterprise Partnership functions.
- Transfer of new land assembly and compulsory purchase power to the Council.
- Strategic oversight for the delivery of future rounds of UKSPF.

Furthermore, the agreement signifies an intent for further devolution from central government to Surrey, allowing for the deepening of devolution arrangements over time, subject to Government agreement. Notably, this agreement does not mandate any structural reform of local government or unitarisation, preserving the sovereignty of the 12 Councils, including 11 District and Borough Councils alongside the County Council.

"Local government and our local communities are best placed to deliver what Surrey needs. I'm pleased that the government is recognising that, with hopefully further devolved powers to local government in due course," said **Tim Oliver**, (Conservative) Leader of Surrey County Council, expressing optimism regarding the devolution deal.

"This is a positive step to enable ambitious plans for Surrey's residents by devolving control to Local government and our local communities, that are best placed to deliver what Surrey needs. Working with our Partners we can maximise opportunities across a wide spectrum of residents' priorities," said Surrey County and Epsom and Ewell Borough Councillor **Bernie Muir** (Conservative - Horton)).

Dr. **Jonathan Carr-West**, Chief Executive of the Local Government Information Unit (LGIU), offered insights into the broader context of today's Budget announcements. "Our latest research found half of councils believe they could face bankruptcy within the next parliament. Council taxpayers are paying ever higher rates for fewer services...The Chancellor recognised market failures in children's residential care and SEND support but councils will not feel that this is enough to counteract the cost increases they have faced in those areas," Dr. Carr-West remarked, urging for a productive debate on potential solutions to the funding crisis.

Paul Lavercombe, tax partner at BDO in the South East, provided a business perspective on the Budget, noting the limited measures for businesses but highlighting certain provisions that may benefit taxpayers and stimulate investment, particularly in regional growth businesses. He said ""The Chancellor was under pressure to deliver tax cuts and while this wasn't forthcoming for businesses with some hoping there would be a reduction to corporation tax signposted, taxpayers will welcome the national insurance cuts announced. Despite being pitched as a Budget for long-term growth, there was very little for business. The only obvious winner being the creative industries."

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