



# Surrey consults on next year's budget

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Surrey County Council has opened a public consultation on its draft budget for 2026/27, asking residents across the county to comment on proposals ahead of final decisions next year. Each year the council sets out how it will fund essential local services including adult social care, children's services, special educational needs provision, highways, libraries, public health programmes, fire and rescue, and environmental maintenance. The authority says the coming year presents one of its most difficult financial challenges for over a decade due to the government's Fair Funding Review, which will reduce Surrey's central government grant and increase reliance on council tax and other locally-raised income. At present, the council reports a provisional £21.3 million funding gap for 2026/27.

The Fair Funding Review is a long-anticipated national reform intended to change how Whitehall allocates money to local authorities. Early modelling indicates that areas with strong tax bases such as Surrey will see reduced relative need-based funding, while more deprived areas gain. Surrey has already seen its core government grant fall dramatically over the past decade. According to publicly available Local Government Finance Settlement figures, Surrey's Revenue Support Grant dropped from over £130 million in 2010 to effectively £0 in recent years, leaving the council heavily dependent on council tax, which already accounts for around 74% of its income. Rising inflation, growth in demand for adult social care and special educational needs services, and ongoing cost pressures linked to contract inflation and staffing shortages have compounded these challenges.

Councillor Tim Oliver, Leader of Surrey County Council, said Surrey was "facing one of the most challenging financial periods in its history". He added that the government's new funding approach "has a direct impact on the services we provide", stressing that protecting the most critical functions remains the priority, including support for vulnerable adults, children, and families and the infrastructure that keeps the county moving. He noted that this is the final budget to be set before Surrey's existing county structure is dissolved and replaced with two new unitary authorities, East Surrey Council and West Surrey Council, from April 2027 following the government's recent decision on local government reorganisation.



Surrey County Council has pointed to its past record of setting balanced budgets in contrast to several authorities nationally that have issued Section 114 “bankruptcy” notices in recent years, including Northamptonshire, Croydon, Slough, Woking and Birmingham. However, the council’s financial resilience has been tested. The county faces one of the largest high-needs deficits for special educational needs in the South East.

Councillor David Lewis, Cabinet Member for Finance and Resources, said that reduced government support combined with rising costs means the authority must “plan even more carefully to ensure support reaches those who need it most”. Adult social care, children’s services, and SEND support together account for close to two-thirds of the council’s entire net budget. He acknowledged that residents also value “visible services” such as road maintenance, libraries, and community spaces, emphasising the importance of public feedback in prioritising investment.

The draft budget consultation will shape the final budget papers to be published in January 2026 and submitted to Full Council in February. Residents can view the proposals online and submit comments until 11.59pm on Sunday 4 January 2026.

Sam Jones - Reporter



Image: Surrey Budget graphic from Surrey County Council Youtube video

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