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Surrey council budget published

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Surrey residents can expect to pay 4.99 per cent more council tax next year under plans in the new budget. Surrey County Council has revealed it is losing a huge chunk of government funding and has 'no choice' but to fill the gap locally.

Councillors are being asked to approve a 2.99 per cent council tax rise plus a 2 per cent adult social care levy from April 2026, the maximum allowed. For a typical Band D household, that means paying £7.67 more per month.

The increase comes after the Government announced a new three-year funding deal covering 2026-2029. While ministers say councils will get more money overall, most of the so-called "increase" relies on councils raising tax locally, not extra cash from Westminster.

Tim Oliver, Leader of Surrey County Council, said: "This is one of the most challenging financial periods we've faced.

"The removal of funding from the government means that within three years, 92 per cent of the local government budget in Surrey will have to come from Council Tax. Even putting Council Tax up by the maximum amount each year - as expected by government - will see no real increase in spending power for Surrey Councils. As costs rise with inflation and demand for services increases, there will be a local government funding black hole in Surrey without driving out further efficiencies.

"Our focus is to protect the services residents rely on: adult social care, children's services, support for communities, and the roads that keep Surrey moving, while continuing the strong financial discipline Surrey has shown in recent years and building a stable financial foundation for the new councils in April 2027."

For Surrey, the picture is stark. The council argues that even after maxing out council tax, the council's core spending power will rise by just 0.6 per cent next year and 1 per cent by 2028/29, effectively a cut once inflation is factored in.

The council's finance boss warned Surrey will lose more than £180m in government funding over the next three years. "There is nothing fair about this funding review for Surrey residents," they said. "Even with maximum council tax rises, we're still facing a funding gap of over £100m by 2028/29."

"The broken funding system we inherited has left local authorities across the country in crisis," the ministerial forward from the Funding Review 2.0 reads. "To turn this around, we need to reset local government so that it is fit, legal and decent and can, once again, reliably deliver for our communities. We are going to work with local authorities to rebuild throughout this parliament."

Why is funding being cut?

The changes stem from Fair Funding Reform, which reshuffles how government money is shared out. Areas with higher deprivation get more support, while wealthier areas lose out.

Since Surrey can raise more through council tax, the Government assumes it needs less help. This is despite soaring demand for services, especially children's services and adult social care.

What's in the budget?

The council's final-ever budget before it is abolished in 2027 totals £1.27bn - up just 1 per cent on last year. Officers warn finances are now more stretched than ever and tough decisions will continue.

To balance the books, the council plans:

- £50m in service cuts and efficiencies
- £42m in corporate savings
- Continued investment in:
 - SEND support (nearly £15m extra)
 - Adult social care (over 5 per cent increase)
 - Road repairs
 - New school places
 - Children's homes

What happens next?

The Cabinet will decide what to recommend to the full council, including tax levels and spending plans. Despite the pressure, leaders insist the council remains financially stable, with £114m in reserves. But they admit the next few years will be tough and the new councils taking over in 2027 will inherit some hard choices.

Emily Dalton LDRS

Surrey County Council headquarters. Credit: Emily Coady-Stemp

Surrey consults on next year's budget

Surrey to sell off property in Epsom and elsewhere to fill budget gaps