



**SURREY**  
COUNTY COUNCIL

# Balancing Surrey County Council's Budget 2026/27

## Consultation Pack



# 1. Balancing the budget for 2026/27

## Our mission

Surrey County Council wants Surrey to be a great place for everyone. We want everyone to have a great start to life, live healthy and fulfilling lives, be able to do their best, contribute to their community, and make sure **No One is Left Behind**. This is our guiding mission.

[Our Organisation Strategy 2023 to 2028](#) sets out how we will reach our goals. We have four main objectives that we are focusing on. These help us to decide how to spend residents' money and make sure we give people good and long-lasting services.



**Our 4 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 has to make a plan for how to spend its money. This is called a budget. We use this money to run important services across Surrey and to focus on our main goals. These include helping people live independently and well in their communities, supporting children and families, protecting Surrey's residents and businesses, and taking care of Surrey's environment and highways.

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

## We're here for you

Most of the council's budget is spent on looking after people who need the most support. This includes adult social care and services for children.

We also spend a lot of money keeping people safe and preventing or responding to serious incidents, particularly across the Surrey Fire and Rescue Service, Trading Standards, and Environmental Services.

If you want to know more about what we do, you can sign up for the monthly [Surrey Matters e-newsletter](#). It shares news, updates and events happening in Surrey.

## Our draft budget: We welcome your feedback

Below you will find a short summary of our 2026/27 draft budget plans, including some of the ways we're working to save money while continuing to provide important services. While the overall budget will be set by the council at their meeting in February 2026, we'd like to hear your thoughts on how these changes might affect you. Your feedback can help us improve how we deliver services in the future.

We encourage you to read the information below before submitting your response.

As we prepare for Local Government Reorganisation (LGR) in Surrey, the draft budget for 2026/27 is the last one for Surrey County Council. Its main focus is to support services and communities during this final year. While the budget will also help set the stage for the new unitary councils in East Surrey and West Surrey, its priority is making sure the current council continues to deliver effectively, with these upcoming changes in mind.

The local government financial climate is extremely challenging. The national financial climate, high public sector borrowing and slow national economic growth are all impacting our financial position. Central government are committed to implementing reforms to local government funding, known as [The Fair Funding Review](#). These reforms, as they are currently proposed, are anticipated to result in significant decreases in government funding for Surrey County Council. As a result, we will become increasingly reliant on Council Tax as the primary source of funding for delivering vital services. This, combined with substantial increases in the cost of maintaining current services and higher demand for key services, results in pressures increasing at a significant rate.

The government has said it wants to give councils more long-term funding plans through multi-year settlements. Due to the timing of the Autumn Budget and the provisional Local Government Finance Settlement (LGFS) for 2026/27, we won't know exactly how much money Surrey County Council will get for 2026/27 until late December 2025. The final decision will come in January 2026. While we have a rough idea of what to expect, there is still some uncertainty until we get the full details.

The council continues to focus on financial accountability in its final year. We will need to reduce costs and take difficult decisions to help us remain financially resilient, protect vital services, and ensure **No One is Left Behind**.

Although good progress has been made over the last few months, at the point of publication, there remains a **provisional budget gap for 2026/27 of £21.3 million**.

We would like your thoughts on our proposals and ideas to help us to set a balanced budget for 2026/27. The draft budget contains a considerable number of efficiencies as well as areas of investment. We would like to hear your views on these proposals to make sure we are implementing them in the best way possible.

**This consultation is open from 17:00 on Tuesday 25 November and will close at 23:59 on Sunday 4 January.**

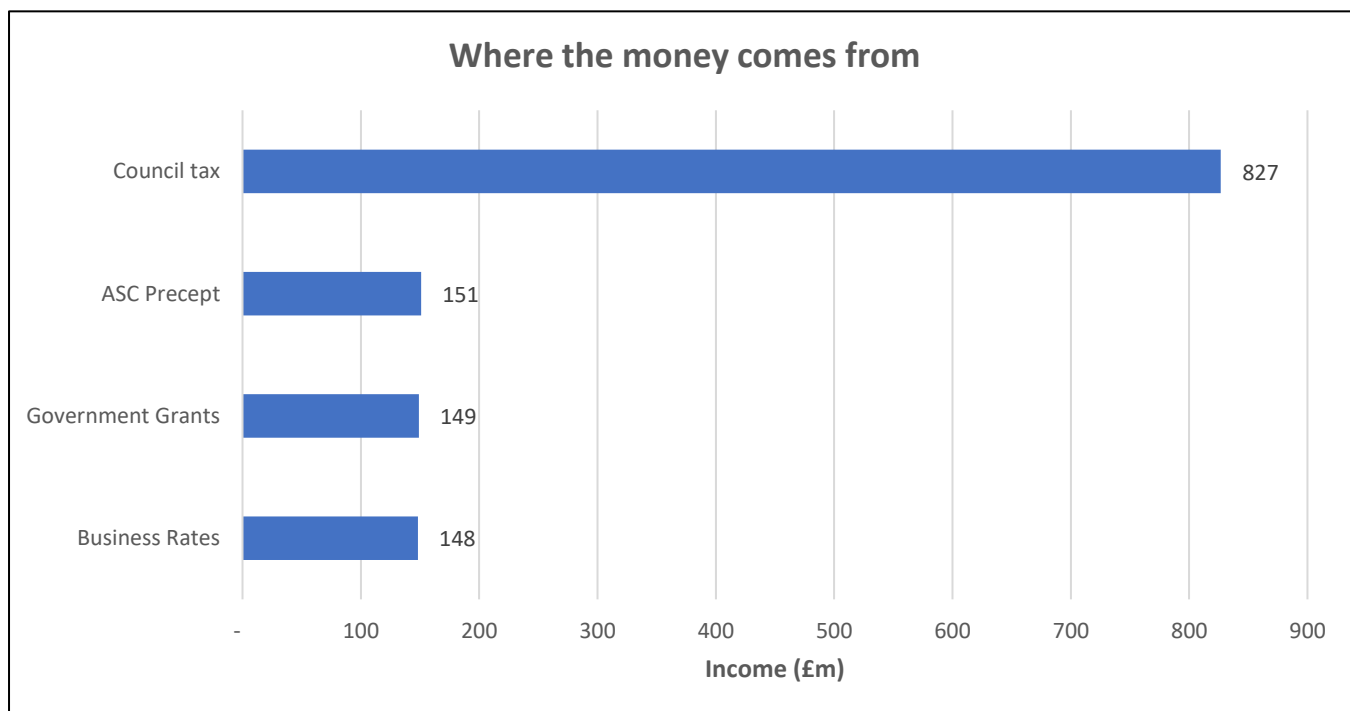
If you would like more details on our draft budget proposals and the specific efficiencies we are proposing, you can read these by using the following link: [surreycc.gov.uk/draftbudgetreport](https://surreycc.gov.uk/draftbudgetreport)

## 2. Our budget: How it works

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

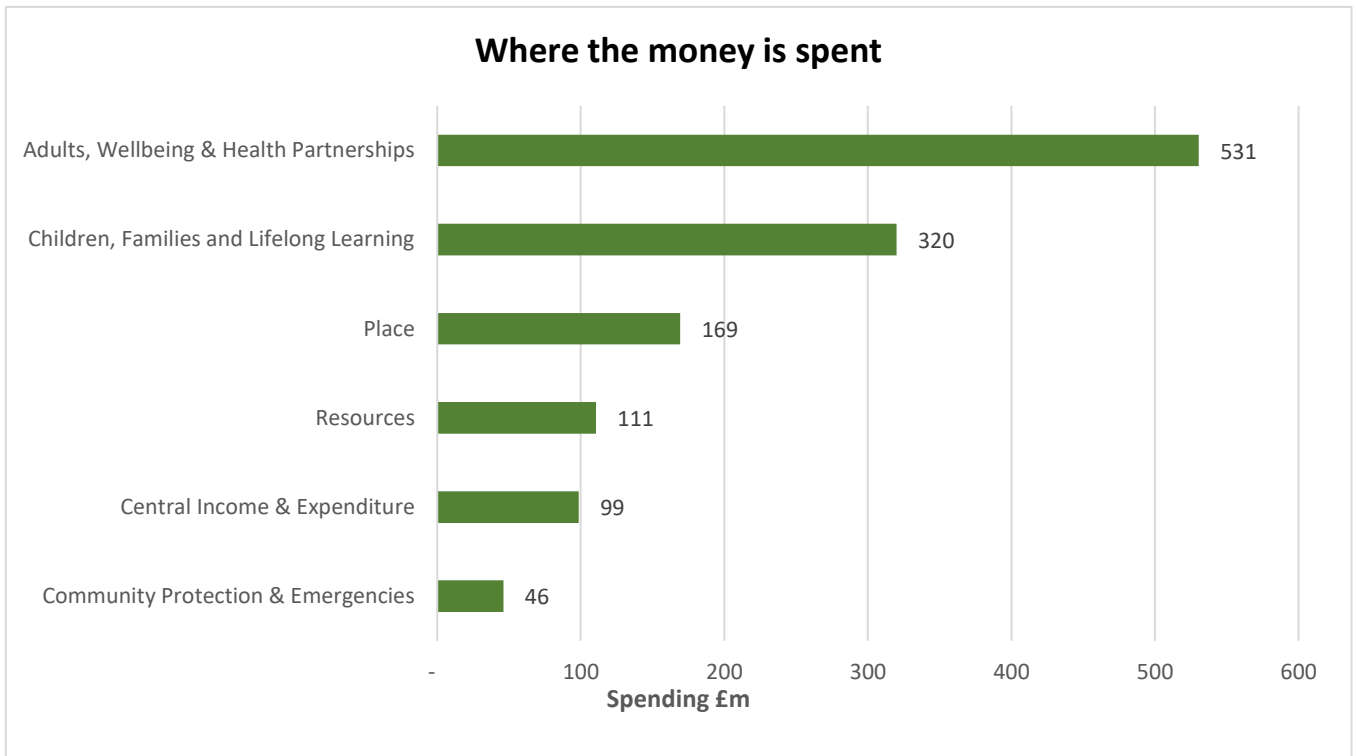
The council spends over £1.2 billion in revenue a year – supporting day-to-day spending – on delivering vital services to Surrey's 1.2 million residents such as Adult Social Care, Children's Services, maintaining roads and pavements, Surrey Fire and Rescue Service, Libraries, Countryside Management and 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 budget in 2025/26.  
This totals approximately £1.28 billion.**

As a local authority, lots of the services we provide are statutory. This means we are required by law to deliver them. We do not have as much discretion in the delivery of statutory services, compared to non-statutory services. 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: Surrey County Council's spending by directorate as outlined in the Budget 2025/26. This totals approximately £1.28bn net spending.**

# 3. Our proposals for balancing the budget

## Revenue budget

We have put this draft budget together during a time of significant change and uncertainty. Government funding changes, Local Government Reorganisation, and rising demand for services make it harder to plan for the future.

We have made good progress in reducing the gap in our budget for 2026/27, but we still need to find £21.3 million to balance it.

It is going to be challenging for the council to close the budget gap, continue to deliver key services, and implement Local Government Reorganisation. We will continue to review all areas of spending and look to mitigate pressures wherever possible, to deliver a balanced final budget for 2026/27 in February 2026.

We might need to draw on all options available to us to close the gap to achieve this, which includes increasing Council Tax further (above the 2.99% currently assumed in the draft budget), drawing on financial reserves for one-off activities, reducing pressures and identifying further efficiencies.

## Directorate contributions

### Adults, Wellbeing and Health Partnerships

Surrey County Council's Adults, Wellbeing & Health Partnerships (AWHP) team helps people live independently, stay connected to their communities, and access care and support when they need it. The directorate is made up of three main services:

- Adult Social Care (ASC) – Supports adults aged 18 and over with physical or sensory disabilities, learning disabilities and autism, mental health needs, and older people. Over 23,000 residents receive support, and nearly 13,000 have funded care packages.
- Public Health (PH) – Focuses on preventing illness and reducing health inequalities. Services include support for children and young people, sexual health, substance misuse, NHS health checks, and healthy lifestyle programmes.
- Communities & Prevention (C&P) – Works with local organisations to strengthen communities, reduce demand on public services, and manage community funding programmes such as Your Fund Surrey and the Crisis Fund.

AWHP is facing growing demand for services, rising costs, and uncertainty around future government funding. To respond, the council is delivering a transformation programme to improve how people access support, expand the use of technology in care, and help more people stay at home safely. This work is supported by £8 million of funding from council reserves, which will be used by the end of 2026/27.

### Budget Pressures and Efficiencies

- Total budget: £530.5 million
- Forecast pressures for 2026/27 totalling £46.4 million. This includes:
  - £20.3 million for increased demand for care packages
  - £16 million for inflation in care and contract costs

- £6 million for supported living cost increases
- £2.4 million for staffing pressures
- Planned mitigations: £4.3 million
  - Includes increased income from fees and charges, Better Care Fund contributions, and Public Health grant funding.
- Forecast efficiencies: £17.8 million
  - £12.7 million linked to transformation work, including reviewing care packages, improving commissioning, and expanding technology-enabled care
  - £5.1 million from other changes, such as realigning budgets, updating charging policies, and restructuring community services

### **Capital Investment**

- £8.3 million for new housing and care facilities for older people and adults with disabilities or mental health needs
- £1.5 million for essential community equipment to support independent living

### **Children, Families and Lifelong Learning**

The Children, Families and Lifelong Learning (CFLL) directorate covers all Children's Social Care (CSC), Corporate Parenting (CP), and education budgets including for all state funded schools across Surrey. Much of the budget in this directorate relates to providing statutory services, including care packages, corporate parent responsibilities, supporting families, and the provision of services for children with additional needs and disabilities both in the home and in school.

Supporting children with additional needs continues to be a challenging task for the council, with increased costs of specialist external placements for looked after children whose needs cannot currently be met in-house or contracted provision.

### **Budget Pressures and Efficiencies**

- Total budget: £319.9 million
- Forecast pressures for 2026/27: £20.4 million
  - Primarily due to additional resources related to special education needs services
  - Increased number of Education, Health and Care Plans (EHCPs)
  - Other inflationary costs within the residential care market and salary pressures
- Forecast efficiencies for 2026/27: £14.7 million
  - Includes early intervention strategies to reduce young people coming into care
  - Use and development of in-house placement provision
  - Staff cost savings

The directorates capital budget will primarily be focused on the development of in-house provision for both special educational needs and care placements.

### **Community Protection and Emergencies**

The Community Protection and Emergencies (CPE) directorate is a statutory service which aims to make Surrey a safer place to live, work, travel and do business. The directorate comprises Surrey Fire & Rescue Service (SFRS), Trading Standards, Safer Communities and Emergency Management.

### **Budget Pressures and Efficiencies**

- Total budget: £46 million
- Forecast pressures for 2026/27: £2.4 million

- Inflation, primarily pay inflation including firefighter's pay awards, totalling £1.2 million
- Current year staffing pressures totalling £0.5 million
- A new contingency crewing contract of £0.25 million
- Shortfall in pension grant funding of £0.2 million
- Pressures around logistics and supplies budgets of £0.1 million
- Forecast efficiencies for 2026/27: £1.4 million.
  - Reductions to discretionary activities across the directorate totalling £0.5 million including project management, digital services and support roles, and community resilience services
  - Use of the Fire pensions provision where a balance is expected after funding relevant costs, £0.7 million, and to offset the removal of the pensions administration grant £0.1 million
  - Removal of the contingency assumed in the Joint Fire Control budget of £0.1 million

### **Capital Investment:**

- The purchase of new fire appliances, vehicles and equipment for £3.6 million
- Joint Fire Control Computer Aided Dispatch (CAD) system replacement for £2.1 million
- Community resilience equipment for £0.3 million

### **Place**

The Place directorate aims to shape places, improve the environment and achieve sustainability and climate change targets. Place provides many “universal services” which many or all residents use. Key service areas include:

- Planning & development
- Transport infrastructure and place development
- Maintenance of highways, footways, street lighting and other highway assets
- Public transport
- Waste management
- Supporting the counties and council's response to climate change and carbon reduction
- Supporting economic growth

### **Budget Pressures and Efficiencies**

- Total budget: £169 million
- Forecast pressures for 2026/27: £6.9 million
  - Primarily due to inflation, particularly on annual uplift for medium-term and long-term contracts, with non-staffing inflation at £3.2 million and pay inflation at £0.8 million
  - Investment in bus services and demand responsive transport
  - Highways and transport pressures including £0.7 million for parking enforcement and income and staffing pressures met from one off sources in 2025/26 totalling £1 million
- Forecast efficiencies for 2026/27: £6.2 million
  - Removal of recycling support for district and boroughs who are now in receipt of central government funding, saving £1.2 million
  - One-off use of prior year planning fees and an anticipated highway contractor volume discount, saving £2 million
  - Place redesign efficiencies for £0.6 million
  - Conclusion of climate change projects for £0.5 million

The directorates capital budget and expenditure are to be on highways and transport maintenance and improvement schemes, Surrey's flood alleviation programme, waste maintenance, and a carbon reduction plan.

## Resources

The Resources directorate is responsible for enabling services across the council and for some front-line services, including Customer and Cultural Services. The aim of the Resources directorate is to support and enable the delivery of front-line services and the council's priorities, working in close partnership with other council directorates and external partners to ensure successful service delivery of its work plans and programmes.

### Budget Pressures and Efficiencies

- Total budget: £110 million
- Forecast pressures for 2026/27: £6.7 million
  - Inflation pressures across staffing and non-staffing budgets totalling £2.5 million
  - Further pressures relating to Land and Property, facilities management, increased business rates, reduced income and smaller pressures across services
- Forecast efficiencies for 2026/27: £8.9 million
  - The majority of these are related to staff rearrangements
  - Further efficiencies include uplifts in charges for services, efficiencies from the rationalisation of buildings, increasing income opportunities and reduced IT&D licencing costs

The directorates capital budget will primarily focus on the council's Land and Property and IT&D services, £110 million and £3 million respectively, in 2026/27. Much of the capital programme is driving investment in services across AWHP, CFLL, and SFRS. The Capital Programme 2026/27 also includes £22 million to improve the quality and condition of the corporate and schools' estate.

You can read more detail about each Directorate's current proposed efficiencies for 2025/26 as they are presented in the November Cabinet report using the following link:

[surreycc.gov.uk/draftbudgetpressures](https://surreycc.gov.uk/draftbudgetpressures)

## Council Tax

The draft budget assumes a Band D rate **increase of 2.99% on the core Council Tax**. This would result in an **annual Council Tax increase of £55.17 for Band D properties**. There is no assumed increase to the adult social care precept at this stage. The proposed increase is currently below the maximum allowable by Government without the requirement to hold a referendum (5%).

Council Tax represents around 77% of the council's total income in 2025/26 and therefore decisions about Council Tax levels make a significant difference to future funding levels. It is important that Council Tax rises are considered in terms of the impact on residents, alongside balancing this with the next financial year and future years. In addition, when calculating Core Spending Power and in some grant allocation calculations, the government assumes increases in Council Tax to the maximum amount allowable. This means that where councils do not increase Council Tax to the maximum allowable, their funding can be disproportionately impacted.

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. Council Tax may increase beyond the current modelled rate to help close the budget gap.

## Capital budget

Over recent years the council's capital ambition and delivery has grown significantly. In light of Local Government Reorganisation, this draft budget proposes a Capital Programme for the 2026/27 financial year only. It includes investment in priority areas such as highways infrastructure, improving the condition of our property estate, creating additional school places including for children with special educational needs and disabilities, carbon reduction, transforming our libraries and investing in Adult Social Care accommodation.

The draft Capital Programme for 2026/27 of £301.8 million consists of £284.6 million in the capital programme and a further £17.2 million in the capital pipeline. All schemes will be monitored throughout the year to ensure they remain deliverable and to ensure the budget remains realistic. The Capital Programme comprises £69 million for highway maintenance, £29 million to increase provision of special education needs and disability in schools across Surrey, and £21 million to increase school places and build schools across the county. More detail on our capital programme proposals can be read using the following link:

[surreycc.gov.uk/draftbudgetcapital](https://surreycc.gov.uk/draftbudgetcapital)

The challenge of developing an affordable capital programme that effectively delivers the council priorities has grown. Despite our continued ambitions, uncertainty around future government funding settlements and the economic environment remain. The high inflation environment and increases to interest rates have made the delivery of capital schemes more expensive and have increased the cost of borrowing. To remain financially resilient, we have re-set our capital expenditure approach, significantly reducing the proposed capital borrowing requirement, to ensure the affordability and sustainability of our capital programme.

## 4. Supporting residents

As a council we are committed to supporting our residents, ensure that No One is Left Behind, and support the most vulnerable in Surrey.

We know people are struggling with their household budgets 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 appreciate that any rise in Council Tax creates additional challenges for some of our residents. Support is available to people who really need it. Our [online welfare hub](#) signposts to financial, health and wellbeing support services and guidance.

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](#)

### Alternative formats

Alternative versions of the survey can be found in the related documents section on Surrey Says. If you require the survey in a different format, language or in hard copy (including a stamped addressed envelope to return the survey), please contact Surrey County Council:

- **Telephone:** 03456 009 009 (9am to 5pm, Monday to Friday, excluding bank holidays)
- **Textphone (via Relay UK):** 18001 03456 009 009
- **Text (SMS):** 07860 053 465
- **British Sign Language:** [www.surreycc.gov.uk/bsl](http://www.surreycc.gov.uk/bsl)
- **Email:** [contactcentre@surreycc.gov.uk](mailto:contactcentre@surreycc.gov.uk)

If you are completing this survey electronically, it can be returned to:

- [contactcentre@surreycc.gov.uk](mailto:contactcentre@surreycc.gov.uk)

Alternatively, it can be returned by post to the following address:

Surrey County Council  
Budget Consultation  
11 Woodhatch Road  
Cockshot Hill  
Reigate  
RH2 8EF

Please ensure you have returned any copies of the survey by **Sunday 4 January 2026**.